

HORN OF AFRICA INITIATIVE

Multi Donor Trust Fund

ANNUAL REPORT 2024



Table of Contents

HIGHLIGHTS OF HORN OF AFRICA MULTI-DONOR TRUST FUND: 2023-2024	3
EXECUTIVE SUMMARY	3
CONTEXT: THE HORN OF AFRICA INITIATIVE.....	5
HORN OF AFRICA MDTF - OBJECTIVE AND SCOPE.....	6
THEORY OF CHANGE AND INDICATIVE RESULTS FRAMEWORK.....	6
ACTIVITIES	8
Window 1: Technical Assistance to prepare and design investment-ready Projects and capacity building.	11
Window 2: Advisory Services and Analytics	13
Window 3: Convening and Program management.	14
FORWARD LOOK	16
Activities for 2024	17
Annex 1.....	18
Window 1: Preparing Projects	18
Annex 2.....	25
Window 2: Analytics and Technical Assistance.....	25
Annex 3.....	36
Window 3: Convening and Program Management.....	36
Annex 4	38
Annex 5	47
Annex 6	50
Annex 7	51

HIGHLIGHTS OF HORN OF AFRICA MULTI-DONOR TRUST FUND: 2023-2024¹

- All activities funded by the Horn of Africa Multi-Donor Trust Fund (HoA MDTF) are under satisfactory implementation or have been completed.
- Available funds have been committed to 22² grants that are funding activities implemented by HoAI member countries, regional institutions, and World Bank staff.
- The majority of HoA MDTF grants are directly leveraging \$3.1 billion in additional IDA funding and contributing to preparation and implementation of 14 regional IDA projects.
- Demand for regional initiatives from HoAI countries for MDTF support and additional funding from IDA or other Development Partners is increasing significantly.
- The HoA MDTF has helped the HoAI to emerge as an exemplar of regional integration for other sub-regions in Africa.

EXECUTIVE SUMMARY

Implementation of the HoA MDTF is making good progress. Twenty-two grants with a total value of \$20.5 million had been approved from the MDTF and are delivering results. Three of the grants had been completed at the end of the reporting period. After disruptions in the first year of implementation due to the Covid-19 pandemic, the activities are being implemented as planned. Total disbursements and commitments for the grants stand at \$20.5 million. This includes six grants that have disbursed or committed the entire allocation. Three other smaller grants are near completion. These grants fund analytical activities to deepen understanding of opportunities for regional integration in the Horn of Africa and contribute to preparatory activities and studies which directly inform and enhance Bank lending operations sourced from the regional window of IDA 19 and IDA 20 in the Horn of Africa. The current unaudited financial report is at Annex 6.

There are 6 grants with a total allocation of \$8.5m that are waiting for the activation of the IDA funded projects to which they are linked. Three of these grants support Recipient Executed (RE) activities to be implemented by the governments of Somalia and Djibouti in conjunction with IDA funded projects, which are expected to become effective shortly.

The role of the HoAI MDTF in co-financing World Bank lending operations is prominent. 20 of the 22 grants are *directly* contributing to the design and scope of 14 Regional IDA operations with a cumulative value of \$2.95 billion of the total HoAI portfolio. The details here:

Table 1: IDA Operations that leveraged HoA MDTF Grants

Project Name	Financing (USD)
Eastern Africa Regional Digital Integration Project (P176181)	202,000,000
Kenya Jobs and Economic Transformation (KJET) Project (P179381)	177,000,000
SOMALIA - HORN OF AFRICA INFRASTRUCTURE INTEGRATION PROJECT (P173119)	63,000,000

¹ May 2023 – April 2024.

² There are three more grants with zero amount.

Horn of Africa Regional Integration for Sustainable Energy Supply (P174175)	100,000,000
De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa (P176517)	432,500,000
Second Djibouti-Ethiopia Power System Interconnection Project (P173763)	66,940,000
Development Response to Displacement Impacts Project in the Horn of Africa Phase II (P178047)	180,000,000
Building Opportunities for Optimized Trade and Investment for Growth in East Africa (BOOST) Project (P505210)	800,000,000
Geo-Enabling initiative for Monitoring & Supervision (GEMS): Building Client Capacity For The Systematic Use Of ICT In FCV Contexts (P167344)	9,500,000
AFE TRade (P179324)	315,000,000
Africa CDC Regional Investment Financing Project (P167916)	250,000,000
Trade Logistics Project (P156590)	150,000,000
Eastern Africa Regional Digital Integration Project (P176181)	202,000,000
Total	2,947,940,000

One Recipient Executed grant is supporting the HoA Initiative Secretariat. Another grant is supporting standard program management and administration activities, including M&E, lessons learned and reporting.

In total of attributive and contributive role of the grants, they are enabling the delivery of a regional IDA portfolio of \$5,680 million, which is 57.2% of the overall HoA portfolio (all partners), as of April 2024. In addition, the grants are also *indirectly* contributing to the portfolios of African Development Bank (\$1101 million) and EU portfolios (\$909 million) in the Horn, as of April 2024. These grants have facilitated and contributed to 77 projects of the World Bank, African Development Bank and European Union, with \$7.6 billion in total commitment under the HoA Initiative, as of April 2024³. In addition to bolstering the portfolio, the grants from EU-funded MDTF have also been instrumental in enabling the development and delivery of a robust pipeline of \$1607 million in project investments in the Horn of Africa by the World Bank in FYs 2024, 2025 and 2026⁴. The grants will similarly contribute to the pipeline development and delivery of other development partners. Going forward, mechanisms need to be put in place to facilitate that the HoA MDTF grants can be deployed in support of portfolio and pipeline development of all development partners in a synergetic manner.

These figures are indicative of the catalytic role of the Horn of Africa MDTF in leveraging additional financing for the accelerated development and fostering sustainable prosperity in the Horn of Africa. The HoA MDTF is vital in supporting the priority package of projects that the HoAI member states have identified as priority investments, and which directly constitute the relevance of the Horn of Africa Initiative. The support of \$20.5 million from the Horn of Africa MDTF has enabled and informed a cumulative total of \$9.3 billion in active portfolio and pipeline from African Development Bank, the European Union, and the World Bank. In other words, each dollar from the MDTF has leveraged \$454 of investments for the accelerated growth and

³ More details of the HoAI portfolio at Annex 4.

⁴ Details at Annex 5.

development of the Horn of Africa. The support of the HoA MDTF is highly valued by the member states and is often crucial in addressing the additional complexities of designing, preparing, implementing, and providing implementation support to the countries and regional organizations on the regional operations, and facilitate the coordination among countries and other stakeholders in the fluid context of the Horn of Africa.

In addition to the critical support to the design and delivery of transformational and regional investment operations by various partners, the MDTF has also provided extraordinary results in building a culture of regionalism at the decision-making and technical levels, based on policy dialogue, shared understanding of regional priorities, and enhanced political support and country ownership of regional cooperation as a way of accelerating development, peace, and prosperity in the Horn. The small grants that have enabled convening of countries at the level of finance ministers, senior officials, and technical personnel, have been exponentially effective in fostering regionalism and unlocking regional synergies among the countries and IGAD.

In its third year of implementation, the HoA MDTF has undertaken an internal review of its achievements and lessons learned from implementation. Its main findings are that the program meets its purpose and objectives; the HoA MDTF is successful in leveraging additional financing for RI activities in the Horn of Africa; and that implementation of the TF program provides valuable experience and knowledge that can be replicated in other crucial sub-regions of Africa (including the Red Sea Initiative) to foster regionalism and co-financing of regional initiatives by a broader range of partners. Another major takeaway from the lessons learned is that small grants from the Horn of Africa MDTF have been instrumental in building a policy paradigm of regional cooperation and dialogue among the different stakeholders in the Horn of Africa, directly resulting in enhanced policy harmonization and regional integration among the countries and communities.

CONTEXT: THE HORN OF AFRICA INITIATIVE

The HoA MDTF has continued to provide vital support to strengthen the Horn of Africa Initiative. This partnership of seven⁵ member countries has progressed despite several challenges. The HoA MDTF has been an important force that has enabled the key members of the HoA Initiative to continue to build country and regional ownership among the Finance Ministers, who now fully own and lead the Initiative.

The Horn of Africa MDTF contributes ***directly*** by supporting the ministerial and technical meetings of the Initiative, currently chaired by the Ministry of Finance of Ethiopia, and the HoAI Secretariat, and ***indirectly*** through the projects supported by HoA MDTF grants. All the projects under preparation and implementation are aligned with agreed priorities and the grants facilitate meetings, workshops and exchange visits that bring together subject matter experts and officials from HoAI countries, fostering regional integration and cooperation. These exchanges deliver direct results as HoAI seeks to collaborate on trade, digitalization, infrastructure connectivity and other priorities. Examples of these exchanges are provided in Annex 4, with summaries of selected grant activities financed by the HoA MDTF.

⁵ Sudan and Eritrea are currently inactive.

SCOPE OF THE HOAI PROGRAM

The HoA MDTF is supporting implementation of the priorities of the HoAI, which are reflected in the following pillars:

Pillar 1: An Interconnected Horn will implement cross-border regional infrastructure projects across a spectrum of thematic areas such as economic transport corridors, energy and digital etc.

Pillar 2: More Trade, More Growth, More Jobs will focus on trade and economic integration covering trade facilitation, regional value chains, and improvements in the investment climate. Activities supported under this pillar could include such topics such as logistics, behind-the-border regulatory convergence, trade strategy and negotiations, and planning and facilitation of cross-border infrastructure, particularly in the areas of urban infrastructure, transport, trade facilitation and private sector development.

Pillar 3: A Resilient Horn will focus on building resilience to climatic shocks, e.g., the current locust crisis and to conflict and displacement. Activities supported could include implementing effective mitigation and adaptation mechanisms such as innovative financing instruments ranging from insurance schemes to concessional financing for climate- or refugee-related interventions.

Pillar 4: A Skilled Horn will focus on human capital development to find regional solutions to improve human capital and service delivery in view of the current global health pandemic and its potential long-term impacts. Activities support under this pillar could include modernizing education (teaching practices, measuring learning, curricula reform, leverage technology); health (piloting health delivery systems, universal coverage, support for vulnerable populations, technology-enabled diagnostics, and delivery); and social protection systems (piloting tech-enabled transfers, employment through digital economy interventions and social insurance).

HORN OF AFRICA MDTF - OBJECTIVE AND SCOPE

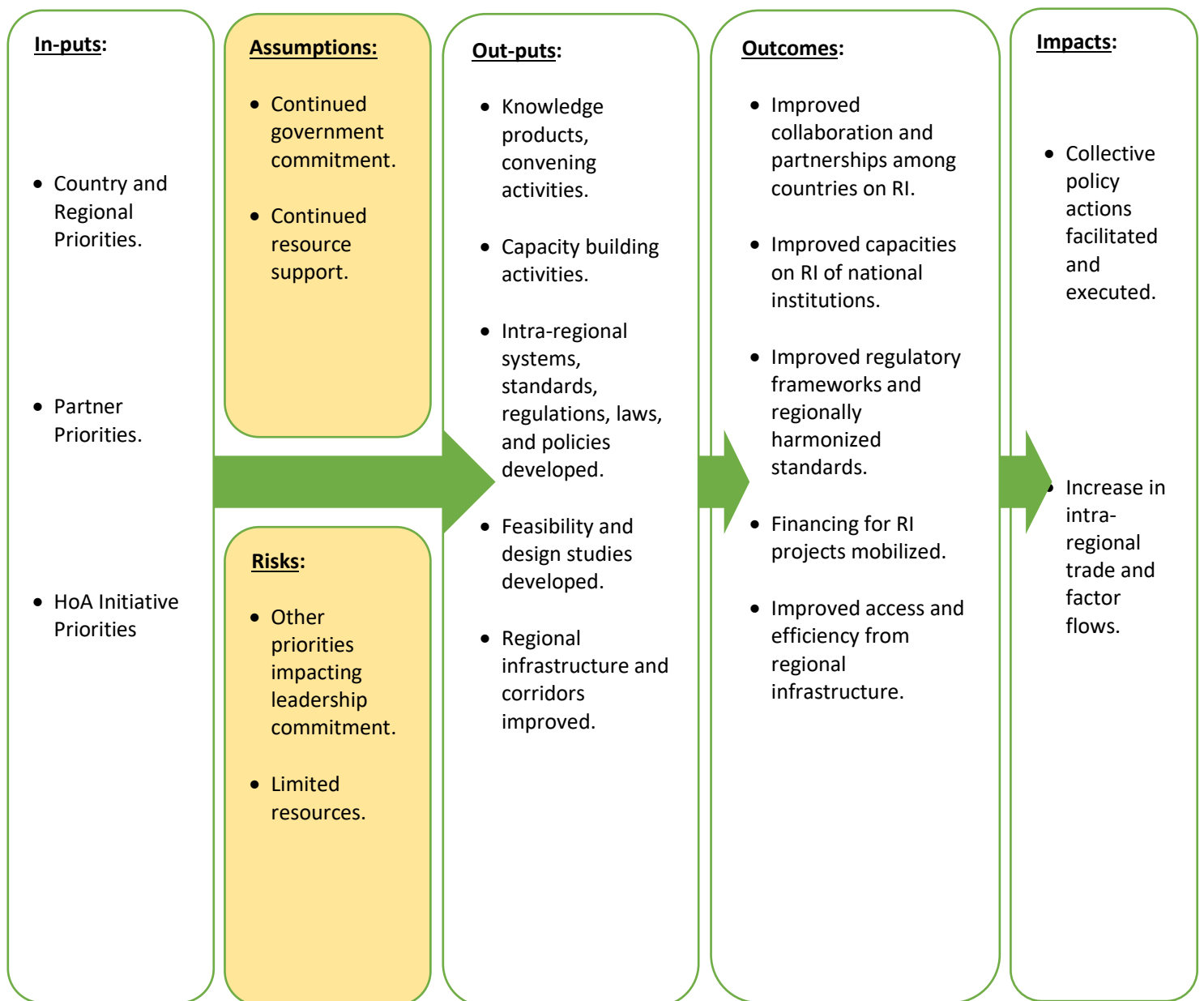
The overall objective of the HoAI Umbrella Trust Fund has remained the same, i.e., *to support Horn of Africa countries to implement the HoA Initiative and to deepen regional economic integration in the Horn.*

This is being achieved through the development of preparatory and design studies for the identified priority investments, provision of technical and advisory assistance to support evidence-based knowledge and learning, delivery of institutional capacity building, convening countries and all stakeholders around regional priorities, and the provision of grant co-financing for investment projects.

THEORY OF CHANGE AND INDICATIVE RESULTS FRAMEWORK

The Theory of Change of the HoA MDTF considers how outputs produced by the MDTF lead to outcomes and impacts that facilitate regional integration in the Horn of Africa (see Figure 1). The indicative results framework for the MDTF comprises results at four levels: operational efficiency and effectiveness, outputs, outcomes, and impacts. The results framework of the HoA MDTF is at Annex 7.

Figure 1: Theory of Change



ACTIVITIES

Introduction

This report covers a one-year period, from May 2023 to April 2024⁶. The HoA MDTF provides financing for activities that are consistent with the objectives of the Theory of Change and that are aligned with the four pillars of the Horn of Africa Initiative. Five broad types of activities are being financed from the MDTF:

i. ***Advisory Services and Analytics on RI Priorities*** such as upstream research, analysis, surveys, studies, policy notes, etc. including expert advisory services, training, and human resource or organizational development to inform project development; support reform diagnostics and implementation; and institutional strengthening. This window specifically addresses cutting-edge research and analytics in support of evidence-based policy making on regional integration.

ii. ***Technical Assistance to Design Bankable Projects*** such as upstream project identification or preparation, e.g., feasibility and design; social and environmental and social safeguards studies, assessments, and action plans, etc. This assistance also aims at providing project preparation support to the HoAI countries in order to enable them access concessional finance for regional operations from the development partners.

iii. ***Convening of countries and stakeholders*** through policy dialogues, conferences, and workshops on thematic areas related to regional integration; outreach activities that provide a platform for dialogue among key stakeholders (e.g. CSOs, youth groups, media, non-governmental organizations) and that capture and disseminate good practices using a variety of communication/media tools; leading to twinning arrangements (e.g. between institutions in Africa and OECD countries); and South-South knowledge exchange, in particular with countries that have had successful experiences in promoting regional integration, trade and cooperation.

iv. ***Investment Financing (Goods and Works)*** including implementation of pilots to test innovative intervention and co-financing for the investment projects financed by the World Bank and/or other development partners.

v. ***Program Management and Administration*** for supporting program governance issues, financial management of the MDTF, M&E and reporting and all Partnership Council related communications; planning and executing work plans and budgets; managing communications and outreach; and disseminating lessons learned. Investment Financing remains a category of activities that is subject to availability of external funding, to be provided as parallel of co-funding for IDA concessional lending.

The selection of activities and allocation of funds has been based on criteria that were agreed with the donor. As agreed, the largest allocation is to Pillar 2 for Infrastructure, but there is also a significant allocation to Resilience, with a focus on pastoral economies that are often directly affected by conflict and its spill-over effects.

⁶ It may be considered that, from next year, the Annual Report covers the Bank financial year of July to June, plus the residual period from May 2024 to June 2024, and the Partnership Council is convened in the Fall.

Grant Details

Table 2: Cumulative Funding allocations by HoAI Pillars (as of April 30, 2024)

Pillar	Sector	Grant Amount (in US\$)	Percentage
Pillar 1	Regional Infrastructure Connectivity	7,254,681	35.4%
	Economic Corridor	5,180,000	25.3%
	Energy Trade	1,300,000	6.3%
	Digital Market	774,681	3.8%
Pillar 2	Trade and Economic Integration	825,301	4.0%
Pillar 3	Building Resilience	9,734,038	47.5%
Pillar 4	Strengthen Human Capital	199,991	1.0%
	Convening (HoAI Sectt.) + PM&A	2,500,000	
Total Grants		20,514,011	

The focus of selecting activities to be funded by the HoA MDTF has been twofold:

- Activities that contribute to prepare and develop investment operations along the HoAI priority pillars, with a focus on projects explicitly proposed by the HoAI member countries.
- Analytical and diagnostic activities to identify additional regional integration activities and to develop deeper understanding of opportunities and evidence of the potential for regional integration activities.

In general, regional integration projects, funded by IDA or other sources, require additional attention and efforts, especially when technical coordination between countries is required, policy harmonization must accompany investments, and/or when security concerns are a constant constraint. In this respect, the HoA MDTF provides vital resources to support the analytics and preparatory activities, and to augment World Bank's own resources deployed for regional development operations.

Against this background, implementation of the HoA MDTF has made progress in the reporting period. Eighteen grants have been established with a total grant allocation of \$20.5 million and are delivering results. Total disbursements and commitments made from these grants is \$18.5 m.

Recipient-Executed Grants

Four grants for a total amount of \$14.9 million, or 73% of the HoA MDTF funds are allocated to Recipient Executed activities, leaving \$5.6 million for Bank Executed activities. As IDA borrowers, the HoAI member countries are facilitated to use HoA MDTF funds to proxy national IDA for unlocking and leveraging regional IDA for investment operations. One Recipient Executed grant is supporting the HoA Initiative Secretariat and administrative activities like convening of countries and development partners on the regional agenda.

Bank-Executed Grants

Other than the Recipient-Executed grants, the HoA MDTF funds 18 Bank Executed activities. These smaller grants, with an average grant size of just over \$300,000, support analytical and TA activities that deepen understanding of the potential and opportunities for regional integration in the Horn of Africa and inform the design of investment operations by the World Bank and other partners. Several have contributed to preparatory studies which directly inform and enhance World Bank lending operations sourced from the regional window of IDA in the Horn of Africa. One grant provides funding for program management and administration. Of the initial BE grants, four have been completed and another three will be finalized before mid-2024.

As of April 2024, these grants are enabling and supporting the delivery of a regional IDA portfolio of \$5,680 million, which is 57% of the HoA portfolio. In addition, these activities are indirectly contributing to the project financing operations of African Development Bank (\$1,101 million) and EU portfolios (\$909 million) in the Horn. These grants have cumulatively facilitated and contributed to the outcomes and outputs of the 77⁷ projects with USD\$7690 million in total commitments for the Horn of Africa from the development partners under the Initiative.

These figures show that the overall impact of the HoA MDTF is growing substantially. The table below summarizes this by comparing the parameters over the previous reporting period and current one, which covers the period from May 2023 to April 2024.

Table 3: Progress since previous annual report

Indicator / activity	2022-2023 reporting period	2023-2024 reporting period
Number of established grants	18	22
Number of closed grants	0	6
Total amount disbursed / committed	\$8.3 million	\$18.5 million
Number of IDA operations informed	11	14
Value of informed IDA operations	\$8 billion	\$9.2 billion
Leveraged amount of IDA per \$1 of HOA MDTF funding	\$516	\$454
Amount of funding leveraged from EU and AfDB	\$1903 million	\$2010 million

In addition to bolstering the project financing of development partners, the HoA MDTF have been instrumental in enabling the timely development and delivery of a robust, combined⁸ pipeline of

⁷ African Development Bank, European Union, and World Bank only

⁸ African Development Bank, European Union and World Bank only.

\$1801 million in project investments in the Horn of Africa, that is going to be delivered by the development partners in FYs 24 and 25.

Going forward, the MDTF intends to broaden and deepen its scope and engagements with the specific objective of supporting the portfolio and pipeline development of all development partners working with the member states of the HoA Initiative.

To appreciate the tremendous value proposition of the grants to the Horn of Africa Initiative and the implementation of its priority package, it is sufficient to aggregate that a total in grant support of \$20.5 million from the HoA MDTF has enabled and informed a total of \$9.9 billion in active portfolio and 1.8 billion in pipeline from the World Bank, African Development Bank, the European Union, BMZ and FCDO in the last two years. In other words, each dollar from the MDTF has leveraged 448 dollars of investments for the accelerated growth and development of the Horn of Africa, apart from fostering the spirit of collaboration and regional cooperation. This support is highly valued and often crucial in addressing the complexities of designing, preparing, implementing, and supervising Regional Integration operations, and facilitate the coordination among countries while maneuvering the volatile context of the Horn of Africa.

For the World Bank, these investment projects are funded through Regional IDA credits and grants from the regional window of IDA. In total, the regional window of IDA 20 is \$7.9 billion out of which 75% is intended for Africa. A substantial part of the regional IDA set aside for Africa is absorbed by the Horn of Africa. The project preparation and analytical activities of the HoA MDTF also provide opportunities to other development partners to fund investment operations in the Horn of Africa, building on the World Bank analytics, through stand-alone operations, parallel financing and/or co-financing, making use of the analytics produced by the HoA MDTF grants. The HoAI countries also leveraged the value of the analytics by financing activities and policy actions on core priorities, making use of the outputs of the HoA MDTF grant activities.

Window 1: Technical Assistance to prepare and design investment-ready Projects and capacity building.

Under the preparing projects window, the HoA MDTF has provided grants totaling \$12,155,000 to seven activities for the preparation for regional integration projects. One of the activities has been completed and six are currently active. “Somalia HoA Integrated Infrastructure Project (SHIIP)” and “Djibouti: De-Risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa (DRIVE) Project” are the two large projects that received \$5 million each from the MDTF to enable the countries participate in regional IDA operation for optimized benefits. Both are Recipient Executed activities which are managed by the governments of Somalia and Djibouti respectively. Both activities are complemented by associated Bank Executed (BETF) grants to assist the governments by providing implementation support and supervision for the project activities.

The remaining three grants under Window 1 finance Bank Executed activities that explore new opportunities for regional energy and digitalization projects and to implement innovative approaches to create employment opportunities for refugees, which is an important spill-over effect of fragility in the HoA region.

Table 4: Grants under Window 1

#	Preparing Projects	Grant Amount (US\$)	Closing date
RETF			
1.	Djibouti: De-Risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa Project	5,000,000	Sep 30, 2027
2.	Somalia HoA Integrated Infrastructure Project (SHIP)	5,000,000	Sep 30, 2026
BETF			
3.	Somalia HoA Integrated Infrastructure Project (SHIP)	180,000	Jun 30, 2027
4.	Djibouti: De-Risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa Project	200,000	Nov 30, 2023
5.	Horn of Africa Regional Integration of Sustainable Energy Supply Project	1,000,000	Aug 31, 2028
6.	Refugee Employment Advancement Program (REAP)	350,000	Jun 30, 2024
7.	Green digital infrastructure and PCM for broadband connectivity in Ethiopia, Somalia and South Sudan	425,000	Jun 30, 2024
TOTAL		12,155,000	

The implementation of activities under this window shows the following salient trends:

- The HoA MDTF provides vital resources to the HoAI member countries to shape a regional integration paradigm for building consensus and policy harmonization needed to foster and prepare new regional integration projects and transboundary cooperation.
- The HoA MDTF enables deeper analysis of opportunities for regional integration, in cross cutting areas such as energy, infrastructure, economic integration, resilience and digitalization. These activities have the potential to support the scale up the outcomes and impact of climate resilience and human capital operations. The analytic activities enhance the knowledge and understanding of the advantages of these regional integration activities among HoAI member countries and improve the possibility of scaled up concessional financing by Development Partners, including through Regional IDA and ADF credits or grants.
- The Recipient Executed grants from the HoA MDTF create stronger ownership of HoAI member countries for the regional integration projects and are essential to enable the countries to participate in larger investment projects to integrate their economy and infrastructure into the regional economy. If the HoA MDTF had not provided the recipient-executed grants to Somalia and Djibouti, they would not have been able to participate in the IDA operations and avail of scaled up grant assistance and have missed the opportunity to reap the spill-over benefits of regional investments.

A description of progress of Window 1 Grants is included in Annex 1.

Window 2: Advisory Services and Analytics

Grants from this window of the HoA MDTF finance diagnostic and analytical activities, primarily aimed at developing shared knowledge and learning for the benefit of HoA countries, regional organizations, and other development partners. In the HoA MDTF, these capabilities are being deployed effectively in scaling up support through concessional credits and grants. This window supports **eight** Bank Executed and **one** Recipient Executed grants, with a total grant amount value of **\$4,925,291.50**. These cover a broad range of thematic priorities, including trade facilitation, human development, digitalization, resilient medical supply chains etc. Three grants have already completed and six are currently active.

Table 5: Grants under Window 2

#	Analytical and Advisory Activities	Grant Amount (US\$)	Closing date
BETF			
1.	Strengthening Medical Supplies Supply Chain Management Systems and Capacity for Vaccine Manufacturing in Kenya and Ethiopia	200,000	Apr 30, 2024
2.	HoA Study on broadband missing links and regional market enabling environment (Closed)	200,000	Nov 30, 2030
3.	Horn of Africa Umbrella Program -- Promoting Higher Skills Development for Women and Girls in the HoA (Closed)	200,000	Feb 28, 2023
4.	Supporting Trade Integration Reforms in HOAI countries (Closed)	200,000	Oct 25, 2023
5.	Digital Social Cohesion Tools	300,000	Jun 30, 2024
6.	HORN of Africa Umbrella Program – Grant Supporting DRIVE Project Objectives (Closed)	250,000	Nov 30, 2023
7.	Adopting regional approach for reducing NTBs for border communities in Horn of Africa	430,000	Mar 15, 2024
8.	Enhancing the Monitoring, Implementation and Impact of Horn of Africa Projects Using Digital Tools at the Portfolio and Project Levels	250,000	May 31, 2025
RETF			
9.	Regional Policy Dialogue and Knowledge Exchange on Development Responses to Forced Displacement in the Horn of Africa	2,900,000	Dec 31, 2026
TOTAL		5,030,000	

Activities under Window 2 are relatively small. However, these grants have a significant leveraging effect, as catalysts for further expansion of regional integration in the HoA. They lead to better understanding and informed appreciation of regional integration and cooperation opportunities, and they fuel demand for investments in regional integration through deployment of domestic and external development partner resources. Currently, all grants under Window 2 contribute to World Bank concessional or grant operations by providing diagnostics and analytics

to inform the design and implementation of these programs. Other development partners supporting the Horn of Africa Initiative are equally placed to avail of the analytics and diagnostics to inform their regional integration strategy and operations. These strategic HoA MDTF grants are instrumental in leveraging substantial concessional and/or grant development finance in critical sectors such as infrastructure connectivity, trade facilitation, pandemic preparedness, digital development, human capital, climate resilience, especially in fragile areas.

The general conclusion to be drawn from implementation of the HoA MDTF in the reporting period is that to meet the objectives of the HoA Initiative and benefit the member countries, there is a requirement for three sets of interrelated activities:

1. Undertake diagnostics that lead to improved knowledge and understanding of RI opportunities,
2. Incentivizing countries to undertake policy harmonization and other coordinated actions.
3. Expanding opportunities for financing investment projects for broadening and deepening Regional Integration.

This value chain of activities is vital to ensure the overall success of the Horn of Africa Initiative. The HoA MDTF contributes to these efforts by supporting countries to engage in addressing selected areas of knowledge gaps with a view to identifying solution-driven recommendations and evidence-based decision-making. One of the approaches the MDTF deploys to incentivize countries to adopt policy actions is developing HoA networks at the technical level and fostering provide peer-to-peer learning and knowledge exchange.

The analytical products supported by the MDTF are selected on the following criteria: (i) potential to identify policy recommendations to advance the HoA Initiative agenda; (ii) complementarity with the HoA priority investment package; (iii) evidence of sufficient prior engagement on the thematic area with HoA countries; and (iv) ensure a reasonable balance between the four priority pillars under the HoA while keeping the MDTF demand-driven and country-led. Furthermore, targeted TA is provided for countries for implementing the key recommendations from the analytics. The targeted TA may be sourced from the HoA MDTF or from other funds at the disposal of task teams of the development partners and mainstreamed into project activities and components.

Details of the Window 2 Grants are at Annex 2.

Window 3: Convening and Program management.

Table 6: Grants under Window 3

#	Convening of Countries and Program Management	Amount (US\$)	Closing date
BETF			
1.	Program Management and Administration (inception fund)	500,000	31 Oct 2030
RETF			
2.	Fiduciary Arrangements for HoA Secretariat and Convening	2 million	31 Dec 2025
TOTAL		2,500,000	

Under Window 3 all activities related to the convening role for the HoAI and for managing the program have been brought together. This includes one grant that supports the HoA Initiative through a small team that provides strategic, logistical and communications support to the rotating Secretariat of the HoAI, currently held by the Ministry of Finance of Ethiopia. These activities are funded through a RETF, and due to the rotating nature of the Secretariat, the Grant Agreement is established through the Inter-University Council for East Asia (IUCEA) as a fiduciary agent.

At the inception of the HoA MDTF, a BETF grant of \$500,000 was set up to bear the costs of the HoA Secretariat, Ministerial Meetings and associated costs in 2021. The grant covers the Program Management & Administration functions, including harvesting lessons from the implementation of the MDTF, and outreach to development partners. The Horn of Africa Initiative website (www.hoainitiative.org) was built on an ancient software platform and needed urgent makeover. A small activity financed by the PM&A grant is currently updating and refurbishing the HoA Initiative website and is expected to be completed before the upcoming 22nd ministerial of the Initiative in October 2024.

After the pro tem BETF grant, a RETF grant of \$1 million in December 2021 with the IUCEA was set up to manage the activities related to the convening of the Horn of Africa Initiative Principals and technical associate staff on a regular basis from January 2022 to December 2023. In December 2023, upon satisfactory performance of the grant recipient, and in view of the continued business need, the said RETF with IUCEA was extended for a further period of two years with an additional financing of \$1 million. This reset the closing date of the RETF to December 2025 and brought the total aggregate grant value to \$2 million. In other words, IUCEA has been administering and executing activities related to the convening of the HoA countries at the ministerial and technical levels from a recipient-executed grant, which, after restructuring and additional financing in December 2023, has a grant value of \$2 million over a period of four years (Jan 2022 to Dec 2025).

One anomaly that the trust fund manager intends to rectify in the coming year is to segregate the convening expenses from the trust fund from the program management and administration expenses. As the grant recipient – IUCEA – is currently managing to incur expenses both for convening of countries and for program management and administration (running of the HoA Secretariat) from the same grant, the two categories of expenses are currently pooled. This may lead to complexity of accounting and reporting, including showing an incorrectly inflated expense on program management and administration due to the pooling of its expenses with convening functions. Trust Fund management intends to segregate the Convening of Countries (Window 3) expenses from the Program Management and Administration functions from the reporting period 2024-25.

Details of the Window 3 grants are in Annex 3.

FORWARD LOOK

Strategic priorities for 2024 will include expanding the donor base of the MDTF through joint outreach. The MDTF has been a pioneer in catalyzing regional integration in the Horn. It is imperative that the MDTF is scaled up through broadening and deepening its donor base.

Regional Cooperation with the Red Sea region

Based on the success and impact of the Horn of Africa Initiative and MDTF, it is proposed that this successful regional model is scaled up and replicated through similar mechanisms for building support for regional cooperation in other sub-regions of Africa and increase their regional synergies with the Horn. This will bring in economies of scale and build regional integration in different sub-regions with the Horn. The strategic importance of investing in the development of the Red Sea region has been under discussion between the Bank and the EU.

It would be strategic to explore the horizontal linkages between the Horn and the Red Sea region, particularly on trade and economic integration, economic infrastructure building, labor movement, climate adaptation, managing fragility and migration. The Red Sea is a strategic region of enormous economic potential connecting Europe, Asia and Africa and spans 2,250 kms at its widest point. At its narrowest point, the Bab al-Mandab Strait, at only 26 kms, separates the continents of Africa and Asia, with the Red Sea bordering six littoral countries in Africa and the Middle East. A key node for global trade, 12% of all shipping traffic passes through the Red Sea. The Red Sea region population is projected to rise to nearly 1.3 billion by the 2050s with a middle class of 343 million, creating large consumer markets.

The potential dividends of the Red Sea region's integration and development are projected to generate enormous prosperity. Moreover, the construction of new ports and security infrastructure to protect trade and investment interests will lead to higher levels of trade throughout the Red Sea. A regional Horn of Africa - Red Sea approach also involves strengthening organic linkages between the Horn and the Red Sea region and the Gulf. These linkages yield crucial opportunities and challenges for leveraging trans-regional cooperation. Progressively, the Horn of Africa Initiative could be mirrored into a complementary Red Sea Initiative which can build a virtuous spiral of development and peace dividends for both regions.

Inclusive Approach

The MDTF may broaden its outlook to become more inclusive in supporting operational activities in support of the pipeline of all development partners. In this regard, the MDTF may gather inputs and proposals from all development partners for analytical activities that the Bank can coordinate in close collaboration and consultation with other development partners. Such activities and their outputs are aimed at benefiting regional collaboration as well as donor coordination with the overall objective of resource maximization through operational partnerships through parallel financing, co-financing and/or coordinated stand-alone investment operations of the development partners. Innovative efforts will be made to seek proposals of interest from all HoA Initiative development partners that can be proposed for analytical work by the Bank in support of the development partners' operational work plans.

Innovative Pilots

The next level is to aim at expanding the culture of regionalism to the private sector, civil society, and other stakeholders in the Horn through the Horn of Africa Initiative platform. Instruments like regional integration platforms for the private sector, women and youth, development actors, etc

can be progressively supported to triangulate the regionalism paradigm to augment national and regional development efforts. It is proposed that the private sector forum, the civil society forum and the women and youth forum are institutionalized in the Horn of Africa Initiative and organized in the margins of the ministerial meetings in the region at feasible opportunities.

Scaling Up Activities

From an operational perspective, the strategic priorities for the MDTF are to complete active grants, and to capture and communicate results and lessons learned from the completed and ongoing activities. The MDTF will continue support to the HoAI Secretariat. New call for proposals will be invited in 2024. Increased attention will be given to communications, visibility and outreach with the private sector, civil society, and regional organizations.

Results Framework and Reporting

The HoA MDTF was a newly established trust fund (21 May 2021), now completed three years of operation. In the initial period, a simplified results framework was adopted for the MDTF to test the model and learn from its working. It was also decided in consultation with donor that the results reporting in the initial years would be output-based and not result-based. The MDTF has attained maturity and depth to begin results reporting from the Annual Report of 2025, based on a Results Framework that may be reviewed and revised in CY2024.

Expanding the Donor Base

Coordinated efforts by the EU and the Bank at exploring new donors to the MDTF will be essential, going forward. Germany has confirmed its intent to support the MDTF with a substantial contribution. Ongoing discussions with the UK and the Netherlands show significant interest in supporting the HoA MDTF, albeit in some cases with a targeted approach, prioritizing activities in specific HoA countries or specific themes. In addition, outreach to Japan, France, Norway, Spain, and Italy to join the MDTF has shown initial positive responses. These efforts will be scaled up in the coming years. Efforts to raise interest from non-European donors will be intensified.

Activities for 2024

Implementation of the HoA MDTF activities will continue as planned. Five of the existing grants will be completed by the end of June 2024. All RETFs will all be activated, implemented and funds will be fully committed in grant agreements with recipients. Additional funds are expected to be allocated to activities that are performing well and that meet demands of HoAI member countries, upon justification. A new call for proposals will be made transparently to seek the best proposals for due utilization of the MDTF resources according to the agreed principles of strategic relevance to the objectives of the MDTF and operational targeting of MDTF resources to activities that directly engender investment operations and crowd-in new and additional resources for the integrated development of the Horn through a regional approach.

The HoA MDTF is poised for a quantum growth in the coming years, and to inspire other sub-regions as an exemplar. In the current context, it will be essential to maintain optimum and predictable resources to ‘feed the momentum’ and ensure that essential RI Activities continue to be supported in a programmatic manner, and innovative work can continue to be undertaken for building a prosperous, peaceful, and integrated Horn.

The Partnership Council is requested to deliberate and issue guidance to the program management team for advancing the strategic priorities for the coming year.

Window 1: Preparing Projects

1. TF0B8407 -- De-Risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa

Name of Grant / Project	HORN of Africa Umbrella Program
TF number	TF0B8407
Country / countries	Djibouti
BETF / RETF	RE
Grant Amount	\$5,000,000
Start date of activities	21 June 2022
End date of activities	30 September 2027

Objectives

The objectives of this project are to enhance pastoralists' access to financial services for drought risk mitigation, include them in the value chains, and facilitate the livestock trade in the Horn of Africa. This project is supported by three HoA MDTF Grants: two Bank Executed grants, of which one is closing and is almost fully disbursed, and another just started, and one Recipient Executed grant, implemented by Djibouti. HoA MDTF support is directly connected with DRIVE, which is a regional World Bank project focusing on i) pastoralists' access to financial services for drought risk mitigation and ii) trade facilitation and private investment in the regional livestock value chains, to enhance pastoralists' access to markets. One of its biggest achievements is to support collective action between Horn of Africa countries to address climate change and facilitate the livestock trade, which functions as a big driver of peace in this FCV environment.

Progress

This grant is a Recipient Executed TF implemented by Djibouti, to finance the component 2 of the DRIVE Project in Djibouti. The project became effective in January 2023. Initial activities have started and are now fully under implementation. This includes the establishment of a livestock value chain fund, the facilitation of livestock trade between Ethiopia and Djibouti, the export/transit processes optimization and digitization system the strengthening of the Djibouti standards agency.

Outputs that have been achieved so far include:

- *Trade facilitation:* the project has advanced the agenda finalizing the Standard Operating Procedures (SOPs) for direct transit of livestock from the Mille Quarantine Center for export through Doraleh Livestock Terminal, resulting in the first successful shipment to Saudi Arabia (7,000 livestock headcount).
- *Livestock value chain fund:* The value chain technical study has been finalized. It identified a pipeline of investment-ready operations (almost 60 MSMEs investments) and proposed a variety of financial mechanisms depending on the target beneficiaries (through financial institutions, financial intermediations, supplier/leasing financing, etc.).

While potentially highly rewarding, especially for the pastoralists in the region, there are also significant challenges and risks. This includes stakeholder engagement and ownership: a notable challenge during the reporting period has been fluctuating stakeholder engagement, which poses a risk to the ownership of project activities from implementing partners and specifically, variations in commitment levels and changes of focal points among key stakeholders have hindered consistent progress delaying project milestones if not addressed promptly; (ii.) bilateral political dialogue: evolving bilateral relation specifically with Ethiopia create uncertainties affecting project on the project's development indicators on trade facilitation measures and reforms, necessitating close monitoring and adaptive strategies to mitigate potential negative outcomes.

The project is rated as moderately satisfactory. Disbursements are now accelerating as the initial phase of technical, diagnostic and feasibility studies are currently being completed. There will now be a shift to the implementation of the bigger disbursements-linked activities.

The grant is directly contributing to the World Bank's Horn of Africa De-Risking, Inclusion and Value Enhancement of Pastoral Economies Project (DRIVE) as well as to the AFDB's BREFONS regional project and the WB's Djibouti Agri-Food Value Chain Development Project.

Planned activities for 2024 include:

- *Livestock value chain fund*: The operational structure of the livestock value chain investment de-risking fund is currently being reviewed, with official validation of the structure due in May 2024. Official launch of the fund is expected this year.
- *Quality infrastructure*: A diagnostic of the quality infrastructure will be launched. It has been agreed to accelerate finalization of this preparatory study to launch the activities of the capacity building, equipment acquisition and systems upgrade.
- *Export/transit processes digitization system*: Diagnostic work on export/transit processes digitization system specifications is still underway. The PIU is finalizing the recruitment of the consultant that will define the technical specifications the Mile quarantine certificate digitization and overall system integration with Ethiopia. It was agreed to prioritize rapid finalization of the preparatory study on specifications of the digitization system, to launch the development of the solution this year.

2. TF0B9367 Somalia HoA Integrated Infrastructure Project (SHIIP)

Name of Grant / Project	Co-Financing of HoA Integrated Infrastructure Project (SHIIP)
TF number	TF0B9367
Country / countries	Somalia
BETF / RETF	RE
Grant Amount	\$5,000,000
Start date of activities	September 30, 2022 (Board Approval date), May 31st, 2023 (Effectiveness Date)
End date of activities	September 30, 2026 (Closing date)

Objectives

The Development Objective of this project is to prepare a spatially coordinated investment pipeline of economic corridor projects, and to strengthen the government's management of the transport and trade sectors. The Grant will co-finance component 1: : Development of 400 km plus of Somalia's Regional Corridors in the amount of \$4.8 million; it also co-finances one activity (Trade Facilitation Capacity Building) of component 3 (Institutional and Capacity Development).

The grant provides co-financing for an IDA grant project of \$63 m. It is approved and effective. Funding by the HoA MDTF is based on the PC's decision that this project can be included as co-financing to avoid parallel processing of a MDTF grant. The HoA MDTF financing includes a RETF and BETF, with the latter providing supervision of the RETF, as per standard practice.

Progress

The year 2023 focused on reaching effectiveness, setting up the project implementing arrangement, and hiring PCU staffs. Therefore, no disbursements were made from this grant during 2023. In the year 2024, the project activities will be accelerated into implementation.

The first Project Steering Committee was held on November 15, 2023, following the project workshop held in Kenya in late September 2023 to discuss the pilot corridors and capacity building activities. The draft ToRs of feasibility studies of pilot corridors and the capacity building activities have been submitted to the World Bank and in the process of finalization. These will be used to procure feasibility and design consultants, which will utilize HoA MDTF grant funds.

Disbursement of the grant will largely be reliant on the prioritization of corridors by the government along the lines of the methodology developed during project preparation. This will require close consultation with FMS. The World Bank team is working closely with government stakeholders to launch this process, but the ongoing political challenges in Somalia, especially surrounding the constitutional changes, have delayed this effort.

Based on the current status of implementation and challenges faced this project has been rated as MS Moderately Satisfactory.

The WB lending operation that directly benefits from this co-financing by the HoA MDTF is the Somalia HoA Infrastructure Implementation Project. Plans for 2024 for this project include procurement of the first corridors to be designed under the project. This is expected to be launched in June 2024, so it is likely that the first payments under these activities will be made within 2024. In addition, the RE grant is to finance a trade study, for with the TOR is being finalized by the FGS with support from the WB. Procurement for this study will be launched in May 2024, although the work will not be completed until early 2025.

3. TF0B9496 – Supervision Somalia – Horn of Africa Infrastructure Integration Project

Name of Grant	Supervision of the Somalia - Horn of Africa Infrastructure Integration Project
TF number	TF0B9496
Country / countries	Somalia
BETF / RETF	BE
Grant Amount	\$180,000
Start date	1-Sep-2022
End date	30-June-2027

This grant is for the supervision support for a RE grant co-financing the Somalia-HoA Infrastructure Implementation Project. As such it is used to cover staff time and other implementation costs for the oversight of the RE grant. There are no specific outputs for this supervision support. To disburse under the RE grant, a prioritization process must take place to select key corridors for implementation and the aim of this BE grant is to ensure that this process proceeds. This grant has been used to cover staff time for engaging with key government stakeholders on this planning and activation process.

The grant was intended to cover 4 years of implementation and the team is using it on a proportional basis. In 2024 The grant will continue to be used to cover supervision costs of the RE grant, including staff time and the costs of a consultant to support E&S framework instruments related to the implementation of the RE grant.

4. TF0B8235 -- Horn of Africa Regional Power System Transformation Project

Name of Grant	HoA Regional Power System Transformation Project
TF number	TF0B8235
Country / countries	Ethiopia/Somalia
BETF / RETF	BE
Grant amount	\$1,000,000
Start date of activities	March 1, 2022
End date of activities	December 31, 2028

This grant was initially processed under the proposed Horn of Africa Regional Integration for Sustainable Energy Supply (HoA RISES), to support activities in selected Horn of Africa countries (Djibouti, Ethiopia, Kenya, Sudan, and Somalia) for regional interconnectivity, electrification, and access to clean cooking solutions. However, due to the freeze on the Sudan engagement, the TF activities have been transferred to the new Horn of Africa Regional Power System Transformation Project

Objectives

The TF is supporting preparation and Implementation of the HoA Regional Power System Transformation Project. The objectives of this projects are to support the establishment of an electricity interconnection between Ethiopia and Somalia- the “Northern Corridor” to Hargeisa/Berbera in Somaliland. Firstly, the grant will fund activities to ensure the feasibility and implement ability of the project design, including transmission line expansion and rehabilitation,

as well as studies seeking to inform project design and implementation. Secondly, the grant will fund activities directed to supervise project implementation, as well as to perform capacity building and training of the implementing agencies. Mentioned tasks will facilitate the implementation stage of the project and will ensure a more effective project delivery. Both sets of activities will contribute to the project development objectives of enhancing regional integration and improving energy access in the borderlands of the Horn of Africa by enhancing the quality of project design and implementation, and by strengthening the capacity of the implementing agencies, thereby promoting a more effective and successful project delivery.

Progress

Progress to date under the new project is summarized below:

- (i) Preparation of Technical Feasibility Study-The contract for the feasibility was initiated in March 2023. As of end December 2023, the Consultant had submitted draft interim report and the draft final reports scheduled to be delivered during the first Quarter of 2024 (refer to attached progress reports and MoM).
- (ii) Preparation of Safeguards Instruments- The contract was signed December 2023 and the draft reports are scheduled to be delivered by end May 2024.

Whereas the project was initially planned for a Board delivery date of FY24-Q4, this has been rescheduled to FY25-Q3 in anticipation that smooth relations would have been restored following the tension between Ethiopia and the Federal Government of Somalia because of the MoU signed between Ethiopia and Somaliland. There have been slow disbursements of the HoA MDTF grant but despite the delays the project is rated as *Satisfactory*. Project Preparation activities (feasibility studies and E&S assessments are progressing as per the expected project preparation key milestones.

Planned activities for 2024 include:

- (i) Completion of the Technical Feasibility Study and E&S Assessment
- (ii) Environmental and Social Safeguards Instruments that will support to ensure that the project is in compliance with the Bank Environment and Social Framework (ESF) and the associated relevant Environmental and Social Standards (ESS).
- (iii) Project Procurement Strategy for Development (PPSD)- the PPSD will address how the proposed project procurement activities will support the Project Development Objective and deliver the best Value for Money.
- (iv) Project Implementation Institutional Arrangements: This will include assessment of the project implementation and post construction institutional arrangements noting the need to have institutional arrangements that (i) builds on the capacity and experience of the beneficiary agencies; (ii) minimizes the risk of project activities mismatch and (iii) optimizes the implementation costs.
- (v) Climate change and hazard resilience-This will include: (i) Climate Risk Assessment; (ii) Site Assessment and Project Vulnerability Analysis to identify the project's vulnerability to climate changes and trends; and (iii) Identification of Climate Resilience Measures to be reflected in the project design, technical specifications, and maintenance and operation guidelines of the project infrastructure.

5. TF0B9690 -- Refugee Employment Advancement Program (REAP)

TF number	TF0B9690
Country / countries	Ethiopia, Kenya
BETF / RETF	BE
Grant amount	\$350,000
Start date of activities	30 Sep 2022
End date of activities	30 Jun 2024

Objectives

The grant aims to identify a suitable outcome-based funding model towards mobilizing job-creating private investments and integration programs for quality employment and self-sufficiency of refugees and vulnerable populations in the HoA. With a focus on women and youth, this activity aims to address some of the spill-over impact of fragility situations in the HoA and is aligned with the HoAI priority to address resilience through local employment for sustainable transition from development assistance towards more market-financed programs.

REAP is a Bank Executed activity to design an outcome-fund based model/approach to create quality private sector-led employment and entrepreneurship opportunities for refugee and host communities in the HoA. This region comprises some of the buoyant economies and an entrepreneurial business community, but also houses significant numbers of refugees. With a focus on women and youth, the REAP initiative tries to unlock financing from the private sector and aid agencies. It also strengthens the accountability by service providers via linking financing with measurable, pre-agreed results in employment and entrepreneurship outcomes.

Progress

During 2023, REAP contracted a consulting consortium with expertise on refugee PSD and outcome-based funding, to develop a feasibility report that: (i) identifies a minimum of two countries within the HoA in which an outcome fund for employment/livelihood of refugees is suitable; (ii) assesses the technical and financial soundness of establishing a refugee-focused outcome fund in the selected countries; (iii) identifies an initial design concept of the outcome fund prior to structuring; (iv) undertake a preliminary due diligence of service delivery organizations; and (v) engage potential outcome funders to assess the demand and build buy-in.

Kenya and Ethiopia were selected as the two HoA countries in which a refugee PSD outcome fund is suitable. Significant progress has also been made in all other components of the feasibility report (which will be completed by June 2024). Based on progress made, the project has been rated as *Highly Satisfactory*. US\$200,000 has been disbursed out of a total Grant amount of \$350,000, with an additional US\$62,000 contracted. It plans to disburse all committed funds by June 2024. Follow-up activities with additional financing are required to support the structuring of a refugee PSD outcome fund in Kenya and/or Ethiopia. Additionally, REAP will inform ongoing and pipeline lending operations by the World Bank of relevant components in the region, like the *National Youth Opportunities Towards Advancement Project (P179414)*.

Plans for 2024 include a feasibility report for these follow-up activities which will be finalized before the end of FY24. Additionally, a PPT presentation will be developed to disseminate the primary insights of the report to stakeholders in Kenya and Ethiopia and that will present the reasons for which a Refugee PSD Outcome Funds is advantageous for both countries.

6. TF0C0033 – Green digital infrastructure and PCM for Broadband connectivity

Name of Grant / Project	Green digital infrastructure and PCM for broadband connectivity in Ethiopia, Somalia and South Sudan
TF number	TF0C0033
Country / countries	Ethiopia, Somalia and South Sudan
BETF / RETF	BE
Grant amount	\$425,000
Start date of	January 2024
End date of activities	June 2024

Objective

The objective of this study is three-fold: (i) identify infrastructure investment gaps (both submarine and terrestrial) to increase access to and transmission of international capacity to HoA countries; (ii) identify options to fill the missing gaps focusing on crowding-in and maximizing private investments; (iii) recommendations on a regional open access strategy and other regulatory levers to advance regional broadband market development. The Bank is conducting a series of studies in the HoA to identify demand for international capacity and supply needs of countries to either get new access to a submarine cable and/or requirements for bulk purchase, as well as terrestrial infrastructure needs. The focus is on leveraging private financing and identifying public financing needs for crowding-in private investments. In this respect, the assignment will include an assessment of existing entry and market structure bottlenecks and recommend solutions.

Progress

Most of the activities were completed during the last reporting period (up to March 2023), which supported the preparation of the Eastern Africa Regional Digital Integration Project (EA-RDIP) Series of Projects (SOP) I (P176181) which went to Board May 18, 2023. Since then, the grant has supported several activities to raise awareness amongst the recipients of EARDIP SOP-I and II of how to ensure deployment of green digital infrastructure. Recipients who benefitted include: Somalia, South Sudan, EAC and IGAD (SOP-I); and Djibouti and Ethiopia (SOP-II).

A Greening Digital Infrastructure Workshop / Workshop sur l'écologisation de l'infrastructure numérique was hosted by the WB Team virtually on February 28 2024. Participants included all recipients and feedback was positive, indicating the need to start the feasibility studies for broadband infrastructure deployment which will need to take into account green and climate resilient standards in the HoA countries where impact of climate change is being felt. Recipients asked for country-specific workshops so that they can focus on needs within their country contexts.

The grant is rated Highly Satisfactory. Somalia, South Sudan, EAC and IGAD have met effectiveness requirements and are advancing activities related to deployment of broadband infrastructure taking the green and PCM approaches. All planned activities have been completed and allocated HoA MDTF funds utilized. Ongoing activities are part of the Bank's Eastern Africa Regional Digital Integration Project (EA-RDIP) Series of Projects (SOP) I. Proposed activities for 2024 include follow up to two regional workshops for the EARDIP recipients to discuss regional and common themes such as cross-border connectivity, data flows, digital payments, and cybersecurity among other topics. The first one was held in Nairobi, and second in Addis Ababa. We hope to organize one in 2024 as it has been a good opportunity for the HoA countries and relevant agencies to meet and learn from each other.

Window 2: Analytics and Technical Assistance

1. TF0B6730 - Strengthening Medical Supplies Supply Chain Management Systems and Capacity for Vaccine Manufacturing in Kenya and Ethiopia.

Name of Grant / Project	Strengthening Medical Supply Chain Management Systems and Capacity for Vaccine Manufacturing in Kenya and Ethiopia
TF number	TF0B6730
Country / countries	Ethiopia
BETF / RETF	BE
Start date of activities	January 01, 2022
End date of activities	June 30, 2024.

Objective

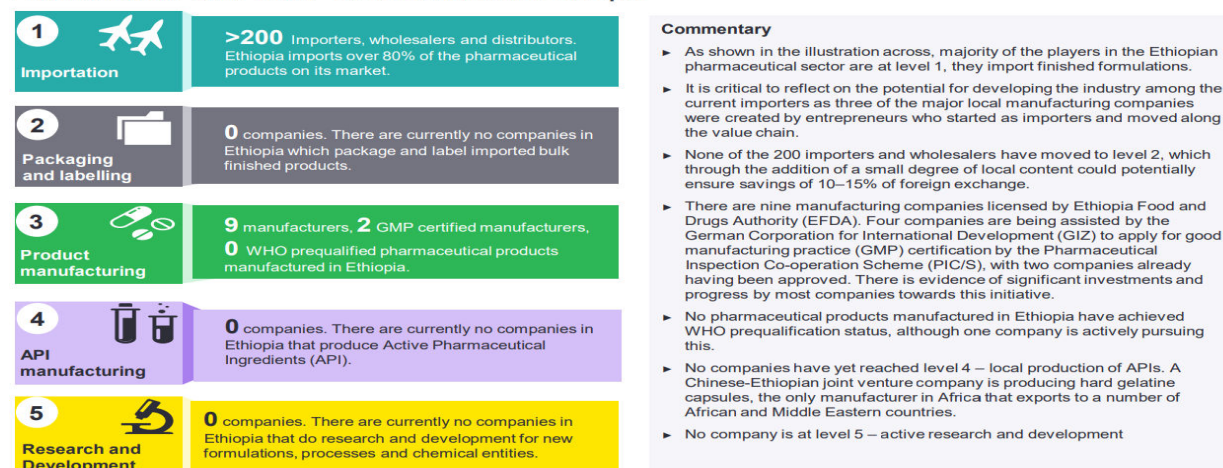
The Project Development Objective is to support Africa CDC to strengthen continental and regional infectious disease detection and response systems.

Background

Ethiopia has a population of 109 million yet relies on importing 80% of its pharmaceutical needs. Its pharmaceutical market is forecast to grow from ETB24.2 billion in 2020 to ETB56.0 billion by 2030, representing a 9.8% annual growth.⁹ With favorable demographics, Ethiopia's pharmaceutical market growth prospects are positive. However, the primary beneficiaries of the favorable demographic trend will be generic pharmaceutical manufacturers and importers. Local companies supply around 20% of the market by volume. These small to medium-sized companies focus on tablets, capsules, powder, and liquid preparations. Ethiopia's pharmaceutical market currently consists of 22 local companies. Only two are GMP certified, and most manufacturers operate well below their capacities. The following illustration depicts the current situation in Ethiopia based on the complexity level of the pharmaceutical value chain.

⁹ Ethiopia Pharmaceuticals & Healthcare Report, Fitch Solutions, 2021.

Pharmaceutical value chain – current situation in Ethiopia



Progress

Within the context of this supply chain, the project identified potential investment opportunities for generic drugmakers who will benefit significantly from the expected medicine sales growth in Ethiopia and in the region in the coming years. Existing manufacturers will need to focus on developing local industry capacity to reduce reliance on imports for generic medicines. In major segments of the supply chain, there will be benefits from population growth and import substitution trends. Potential areas for investment include, packaging material, formulation of medication, veterinary medicines and medical supplies such as PPE. Potential bottlenecks that have been identified are access to forex and volatility, financing, regulation, and infrastructure constraints such as power supply.

As continuation of the activities undertaken by this HoA MDTF grant, the Health Emergency Preparedness, Response and Resilience project (a regional project approved on in September 2023), includes an investment to support government’s capacity in local vaccine and pharmaceutical manufacturing. The HOA Grant now informs the dialogue with government for the implementation of the project which was made effective in March 2024.

The Grant has played a critical role in supporting the Government of Kenya towards advancing the manufacturing agenda of vaccines and pharmaceuticals.

The Grant supported the Ministry of Health, Kenya in the following ways:

- Recruited and ‘seconded’ an international consultant with extensive experience in manufacturing of vaccines, having worked for AstraZeneca for close to 3 decades. The consultant provided advisory services to the government, and they were going through the process of conducting feasibility assessment and putting mechanisms in place to establish a manufacturing facility.
- Provided TA to the government to conduct the second phase of a “Feasibility assessment for the manufacture of human vaccines and other biopharmaceuticals in Kenya”
- Provided TA to the government towards review of human vaccine manufacturing in Africa and the legal and regulatory environment for vaccine manufacturing.

2. TF0C0076 -- Digital Social Cohesion Tools

Name of Grant	Digital Social Cohesion Tools
TF number	TF0C0076
Country / countries	Ethiopia
BETF / RETF	BE
Grant amount	\$300,000
Start date of activities	December 1, 2022
End date of activities	June 30, 2024

Objectives

This grant supports implementing agencies to design, pilot and scale-out digital innovative tools for improving social cohesion and resilience in project locations as well as uptake by partner projects. Activities have so far developed digital tools for eDRDIP, with focus on participatory processes for social legitimacy and social cohesion.

This grant was approved on December 1, 2022, and was used to support two main engagements in 2023: technical support for design and development of a digital tool to enhance participation and social cohesion in the delivery of the DRDIP program and technical support to the Horn of Africa Initiative (HOAI) to develop the HOAI roadmap for accelerating development in the borderlands of the Horn of Africa, which included a focus on social cohesion.

Progress

Five main activities have been completed in 2023:

- a) Development of high-fidelity prototypes for three of the DRDIP's priority components—its core participatory CDD process at the community and woreda level, its project staff and community capacity building mechanisms as well as its grievance redress mechanism (GRM)—was developed and tested with key government stakeholders.
- b) Initial testing of the prototypes with federal, regional, woreda and kebele-level users. As of the end of March 2023, testing was complete with federal and regional levels but ongoing with woreda and kebele level users.
- c) Following testing and feedback on the prototype, technical support delivered through the trust fund support develop of the three priority modules.
- d) Training was delivered to the federal PIU and the regional PIUs on the tool.
- e) Federal and regional government officials had the opportunity to share the design of the tool as part of knowledge exchange in Benin in West Africa, with government officials sharing it and comparing CDD digital tool designs and experiences with 40 governments officials from four countries.

Launch of the pilot was repeatedly delayed because of the security situation in Jigjiga (Somali Region). Attempts were made to deliver the training virtually, but this was not feasible. As of the time of preparing this report (March 2024), the security situation has improved and the team is now scheduled to launch the pilot and deliver the training to regional, district and kebele level users in April 2024. The PIU will scale out the tool to the other regions based on the pilot in FY25.

An additional allocation of \$100,000 was allocated to the trust fund to provide technical support to the HOAI and member countries to prepare the HOAI borderlands roadmap. This included:

- a) Formation of national working groups and consultation workshops in five HoAI member countries: Djibouti, Ethiopia, Kenya, Somalia and South Sudan.
- b) Consolidation workshop in Addis Ababa with four government representatives from each country as well as development partners from the EU, FCDO, UNDP, and others.
- c) Finalization of the borderlands roadmap and presentation for its endorsement the 18th HOAI Ministerial in October 2023.

Overall, progress on the PDO as originally conceived (before the addition of the borderlands work) is rated as moderately unsatisfactory because of the delays. For example, the launch of the digital pilot in Jigjiga has been delayed for security reasons and will now take place in the first week of April 2024. Therefore, taking into consideration also the inclusion of support for the HOAI borderlands roadmap, the rating is moderately satisfactory.

It should be noted also that the social cohesion tool will support the World Bank-financed regional operation Development Response to Displacement Impact (DRDIP), particularly the Ethiopia project. Lessons from the pilot are expected to be shared and the tool made available to the other DRDIP project locations, particularly Uganda. The HOAI borderlands roadmap includes a detailed mapping on how the HOAI will leverage its portfolio of World Bank / AfDB / EU lending and investments to address the development priorities of the borderlands in the Horn of Africa.

Looking ahead, the HOAI roadmap also includes agreement to request a multi-sectoral borderlands program from IDA21 for the region. The team will launch the social cohesion pilot in Jigjiga and document the lesson for national scale up in FY25. In addition, additional HoA MDTF resources to support early implementation of the HOAI roadmap in 2024 have been secured. This includes technical support to leverage the existing portfolio, two policy papers on borderlands trade and social cohesion, an analysis expenditure of government spending in the borderlands, as well as launch of the roadmap in the borderlands themselves.

3. TF0C0653 -- HORN of Africa Umbrella Grant supporting DRIVE Project

Name of Grant / Project	HORN of Africa Umbrella Grant supporting DRIVE Project Objectives
TF number	TF0C0653
Country / countries	Djibouti
BETF / RETF	BETF
Grant amount	\$250,000
Start date of activities	October 2022
End date of activities	Nov 2024

Objectives

The objective of this small grant is to supervise the RETF grant to enhance pastoralists' access to financial services for drought risk mitigation, include them in the value chains, and facilitate the livestock trade in the Horn of Africa

4. TF0B9854 -- Supporting Trade Integration Reforms in HOAI

Name of Grant / Project	Adopting Regional Approach for reducing NTBs for Border Communities in the HoA (Regional Trade Facilitation)
TF number	TF0B9854
Country / countries	Djibouti, Ethiopia, Kenya, Somalia, and South Sudan
BETF / RETF	BETF
Grant amount	\$430,000
Start date of activities	October 2022
End date of activities	March 2024

Objective

HoA MDTF funding supports closer trade integration among HoA countries. The objectives are: a) the formulation of a reform roadmap that identifies priority trade policy, NTB, and trade facilitation reforms to achieve closer trade integration based on engagement and policy dialogue with members countries and development partners; and b) explore ways in which the WBG can support the countries to implement this roadmap including through a potential trade facilitation operation and through different instruments (concessional credits/grants, DPL-PBCs, TA, etc).

Progress

The grant helped to expand knowledge on identified constraints and propose actionable series of reforms for governments and institutions to unlock greater participation from the private sector. The work under this grant will also help continue the dialogue and identify policy priorities of stakeholders to ensure that HoA countries are aligned in key areas for the multi-sectoral development of trade corridors supported by the WBG and other development partners.

The Grant strengthens the analytical underpinnings of the AFE Regional Trade and Investment Facilitation Project. The TF funded several studies to achieve this goal, including developing a Horn of Africa (HoA) Private Sector Engagement (PSE) Roadmap, an analysis of the institutional structure and coordination mechanisms for trade, an analysis of non-tariff barriers and identification of workable solutions in the HoAI region, a competition and political economy analysis for transport and logistics, and an analysis to support small-scale traders.

In September 2023, the team presented the Horn of Africa Private Sector Engagement (PSE) Roadmap during the HoAI Ministerial meeting, where it was endorsed by the ministers. At the Ministerial meeting, the team also invited over 20 representatives from the private sector in the HoA to share their expectations and concerns regarding private sector engagement with the ministers. Additionally, the team held a preparatory workshop in August 2023 in Addis Ababa with the private sector and key technical counterparts to prepare the HoA PSE Roadmap. This session was co-chaired by the IFC's Manager in Ethiopia.

The following outputs have been produced by this grant:

- a. Non-Tariff Barriers (NTBs) monitoring systems in Africa: possible approaches for HoAI countries;
- b. Coordination mechanism for trade and investment policies;
- c. Competition policy note on the logistics sector in the Addis-Djibouti corridor;
- d. Small-Scale Cross-Border Trade: Ethiopia – South Sudan Border; and
- e. Business Pulse Survey in Ethiopia.

Two workshops have been held in Addis Ababa and Nairobi to present some of the main results of the analytical work to key government officials and donors. Finally, the team attended the HoAI Ministerial in Brussels in December 2023 to present the links between the HoA PSE roadmap and the digital initiatives under the HoAI.

All activities have been completed and HoA MDTF funds have been fully utilized. Additional funding is required to build on progress achieved to date.

5. TF0C0641 -- Enhancing the Monitoring, Implementation and Impact of Horn of Africa Projects Using Digital Tools at the Portfolio and Project Levels

Name of Grant / Project	Enhancing the Monitoring, Implementation and Impact of Horn of Africa Projects Using Digital Tools at the Portfolio and Project Levels
TF number	TF0C0641
Country / countries	Kenya, Somalia, Ethiopia, and Djibouti,
BETF / RETF	BE
Start date of activities	January 31, 2023
End date of activities	May 31, 2025

Given the vast demand for this program and its impact across HoA, it is a key example of HoA MDTF support to further scale up the interventions to other projects within the broader Horn of Africa portfolio, and for developing Geo-Enabling methods for Monitoring and Supervision (GEMS) as an instrument available to all development partners working in FCV situations.

Objective

This Grant finances activities to systematize the use of the Geo-Enabling methods for Monitoring and Supervision (GEMS) across the Horn of Africa regional portfolio.

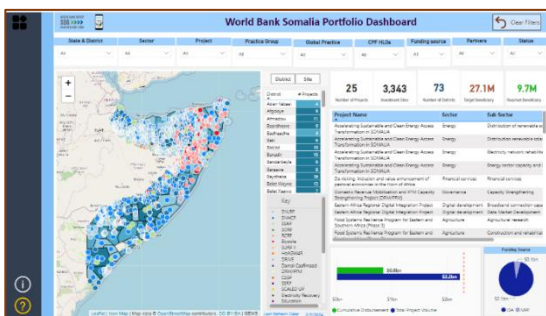
The grant provides support to both individual regional projects, and to portfolio monitoring and coordination among projects within a single dashboard. GEMS has been used extensively in FCV contexts, including across the Horn of Africa, to leverage field-appropriate, low-cost, and open-source technology for digital real-time data collection and analysis, as well as to enhance remote supervision, implement real-time risk monitoring, and strengthen coordination among projects and partners. It creates customized digital M&E systems to enhance the transparency and accountability of implementation across the project cycle. If used systematically across the regional portfolio, the data provided by GEMS would enable a more strategic oversight of the portfolio. Such a mapping platform – building on the Horn of Africa RRA dashboard – can strengthen portfolio-wide supervision (of regional and national projects) and real-time risk monitoring. This would provide a platform for cooperation with HoAI partners, including the EU and others. Joint portfolio mapping and supervision that show who is doing what, where and when, across donors can help strategic planning, maximize impact and avoid overlap.

The main achievements during the reporting period include the following:

- **Supporting regional projects in HoA to enhance the transparency and accountability of implementation, through access to real-time field data across operations**, such as the Horn of Africa Gateway Development Project, the Horn of Africa Groundwater for Resilience Project; the EA Regional Transport, Trade and Development Facilitation Project, and the De-risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa Project.

- **Contributed to mainstreaming the Geo-Enabling initiative for Monitoring and Supervision (GEMS) in Third-Party Monitoring, M&E by PIU staff.** This includes for instance the Horn of Africa Infrastructure Integration Project and Somalia Education for Human Capital Development Project.
- **Developed an interactive operational dashboard to strengthen strategic oversight of the Bank’s Somalia portfolio, in collaboration with Somalia CMU and FCV Risk Platform.** The dashboard portrays the geographic footprint of Bank investments in Somalia (including both, national and regional operations), and allows spatially overlay of data layers (including FCV data on conflict incidents, food insecurity, and displacement). To date, 25 projects, including 3,343 investment sites, have been mapped and integrated into the dashboard.
- **Financial Management and security teams have been supported to effectively monitor their operations through GEMS.** This includes conducting audit performance reviews of WB-financed projects by the FM team, and the provision of security and risk insights related to Bank operations by the Corporate Security team. For dedicated security assessments, the team created the Security Operations Location and Incident Data (SOLID) dashboards, which are operational across three countries in the Horn of Africa (Ethiopia, Kenya, South Sudan).
- **Integrating GEMS for the Ethiopian Government’s monitoring of development programs.** The GEMS team, in cooperation with the Ethiopia World Bank CMU, has engaged with the Ethiopian Government and agreed with the Minister of Planning to integrate GEMS into the government’s development monitoring systems, including for post-conflict development activities in the Tigray region.
- **Portfolio Mapping in Ethiopia.** An extensive portfolio mapping exercise in Ethiopia to collect granular data on individual project implementation sites for an interactive dashboard and automatic web maps. The data includes quantitative and qualitative indicators on project implementation and on environmental and social risks and safeguards; precise GPS coordinates geo-mapped automatically. To date, data on over 6,000 project sites has been collected and fed into the dashboard.
- **Strengthening hands-on support on digital project monitoring across the HoA.** To support Government clients, World Bank CMUs, and operations across the Horn of Africa, the GEMS team has onboarded dedicated ETC and STC resources to build the capacity of clients and Bank staff on the systematic use of GEMS.

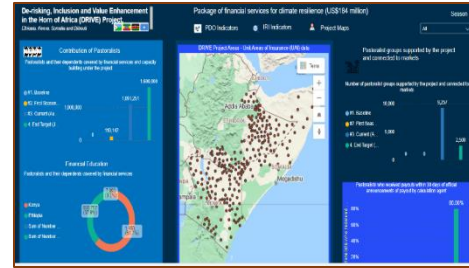
Examples of outputs include the following:



1. **Somalia Portfolio Dashboard.** The team developed a web-based and interactive CMU-wide World Bank portfolio and FCV risk monitoring dashboard that provides strategic oversight of the portfolio and enhances remote supervision and monitoring of project-specific indicators for Somalia. The dashboard can be accessed [here](#). See screenshots from the dashboard below.

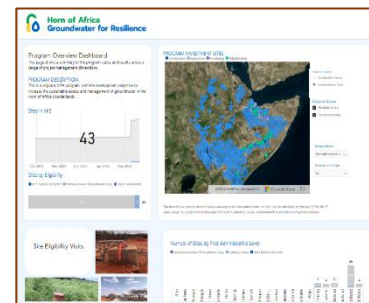
2. **Strengthened capacity of 16 projects across the Horn of Africa, providing hands-on support to PIUs in establishing digital M&E platforms for operational use.** This includes

integrating GEMS across regional projects such as the Horn of Africa Groundwater for Resilience and the DRIVE projects. In addition, several national projects across the Horn of Africa countries have been supported through GEMS, including through the development of project-specific dashboards to enhance project monitoring (see examples below).



3. **Strengthening operational risk management, including oversight of safeguards.** GEMS has been leveraged as an M&E platform for monitoring project components relating to Environmental and Social Safeguards (ESS) compliance, Grievance Redress Mechanism (GRM), Security Risk Management (SRM), Stakeholder Engagement (SE), and Site Screening among others.

4. **This HoA MDTF grant has supported several regional operations, including:** the Horn of Africa Gateway Development Project (HoA GDP, P161305), the Horn of Africa Groundwater for Resilience Project (HoA GW4R, P174867); the EA Regional Transport, Trade and Development Facilitation Project (EARTTDFP, P148853), and the De-risking, Inclusion and Value Enhancement of Pastoral Economies in the Horn of Africa Project (DRIVE, P176517). In addition, it has supported numerous national projects within the Horn of Africa countries, including in Somalia and Ethiopia.



5. **There is a close collaboration with AfDB and other partners.** Based on the impact of GEMS, the AfDB adopted the tools for their projects, supported by the WBG GEMS team. The GEMS team has continued to deepen its cooperation with the French Agence Française de Développement (AFD) as well as the German Kreditanstalt für Wiederaufbau (KfW) in terms of digital monitoring systems. An expansion of the activities with further funding could be leveraged to enhance donor coordination through joint digital monitoring tools.

Due to its impact, client satisfaction and extensive outputs, this project is rated as Highly Satisfactory. There is a high level of demand and uptake by Government clients (including PIUs), CMUs, Task Teams, E&S specialists, Corporate Security, etc. As of the end of March 2024 70% of the \$250,000 grant amount had been disbursed. Additional funding would be required to scale up activities and build on the momentum based on the impact. The proof of concept was successful and there is an opportunity for scaling the work program.

Planned activities for 2024:

1. Deepen implementation of the broad range of workstreams for digital monitoring.
2. Scale up GEMS to other projects across HoA.
3. Deliver “train-the trainer” digital data collection and analysis training for clients and partners in the region, and feed into portfolio and project monitoring platforms.
4. Explore the expanded use of GEMS for Country Strategies, Financial Monitoring, and Corporate Security.

6. TF0C3712 – Regional Policy Dialogue on Development Response to Forced Displacement

Name of Grant	Regional Policy Dialogue and Knowledge Exchange on Development Responses to Forced Displacement in the Horn of Africa (Supervision)
TF number	TF0C3712
Country / countries	Djibouti, Ethiopia, Kenya, South Sudan
BETF / RETF	RE
Grant amount	\$2,900,000
Start of activities	Jan 31, 2024
End of activities	Dec 31, 2026

Objectives

The project development objective of this grant is to strengthen harmonized policy and operational responses to forced displacement in the Horn of Africa. The grant was approved on December 21, 2023, and declared effective on January 31, 2024, so no activities were undertaken during 2023. The current status is “initial activities started”, but the status as of December 31, 2023, was not yet activated / started¹⁰. While no funds have been disbursed yet, the grant will directly support the Development Response to the World Bank’s Displacement Impacts Project. It will also support a range of World Bank-financed projects that support refugee livelihood and employment.

Progress

The grant was approved on December 21, 2023, and declared effective on January 31, 2024, so no activities were undertaken during 2023. The current status is “initial activities started”. While no funds have been disbursed yet, the grant will directly support the World Bank’s Development Response to the Displacement Impacts Project. It will also support a range of Bank-financed projects in the region that support refugee livelihood and employment. Key activities in the draft Annual Work Plan & Budget for 2024 are as follows:

Component One: Regional Policy Dialogue and Harmonization

- Revise and update the IGAD Regional Secretariat Forced Displacement Strategy in line with global and regional frameworks to set the durable solutions outlook in the region.

Component Two: Operational knowledge generation, learning and coordination

- Hold one Regional Project Steering Committee (RPSC) meetings for countries implementing the DRDIP for policy and operational knowledge sharing, focusing on Local Economic Development and livelihood programming.
- Conduct research and analytical work to identify and document barriers, challenges and success stories on private sector engagement in forced displacement settings in HoA
- Continued training to enhance the technical capacities of DRDIP country teams in the use of digital technologies for geodata collection, M&E, supervision, and portfolio mapping.

Component Three: Technical Assistance on Forced Displacement for South Sudan

¹⁰ ” . A technical mission was held in Djibouti in March 2024 to follow up on preliminary activities, to finalize the Annual Work Plan and Budget.

- Conduct capacity assessment for Government institutions working on durable solutions to forced displacement.
- Establish a Durable Solutions Secretariat at the national and sub-national levels (covering refugees, internally displaced persons and returnees)
- Support a review of the legal and policy framework for forced displacement and provide advice on how to ensure harmonization with relevant global and regional instruments.

Component Four: Third-party monitoring for high risk of conflict (HROC) areas in Ethiopia

- Prepare TOR and commence procurement of a third-party monitoring agency (TPMA) to monitor and oversee implementation of Ethiopia DRDIP Phase II in Tigray to ensure quality control and compliance with fiduciary and environmental and social standards of the World Bank.

Closed grants under Window 2

7. TF0B6943 – Broadband links study

Name of Grant	Horn of Africa Missing Broadband Links Study
TF number	TF0B6943
Country / countries	Djibouti, Ethiopia, Somalia and South Sudan
BETF / RETF	BE
Grant amount	\$200,000
Start date of activities	August 2021
End date of activities	February 2022

Objective

The World Bank is conducting a series of studies for selected countries in the Horn of Africa region, to identify demand for international capacity and supply needs countries to either get new access to a submarine cable and/or requirements for bulk purchase as well as terrestrial infrastructure needs. In particular, the focus is to assess to what extent private financing could be leveraged and to identify public financing needs, if any, that would facilitate crowding-in of private investments. In this respect, the assignment will include an assessment of existing entry and market structure bottlenecks and recommend solutions. The objective of this study is three-fold: (i) identify infrastructure investment gaps (both submarine and terrestrial) to increase access to and transmission of international capacity to the HoA countries; (ii) identify options to fill the missing gaps focusing on crowding-in and maximizing private investments; (iii) recommendations on a regional open access strategy and other regulatory levers to advance regional broadband market development.

Progress

The HoA MDTF grant financed a pre-feasibility study to identify key cross-border missing links in the Horn of Africa region. The study helped inform the design of the proposed Eastern Africa Regional Digital Integration Program (P176181) which went to Board May 18, 2023. The project which aims to increase access to broadband and digital services through the development and integration of digital markets in the Eastern Africa region, including both the Horn of Africa and East Africa. This Program comes under Pillar 1 on Regional Infrastructure Connectivity of the Horn of Africa Initiative (HoAI) and applies a two-track approach to countries (investment

financing to Ethiopia, Somalia, and South Sudan are envisioned for Phase I), and technical assistance to regional economic communities (Intergovernmental Authority on Development (IGAD) is a potential beneficiary for Phase I).

The HoA Missing Broadband Links Study was undertaken from August 2021- February 2022 and can be found on the HoAI website: <https://www.hoainitiative.org/missing-broadband-links-in-the-horn-of-africa-region/>. The report was validated by the country clients covered by the study.

The result of the grant was assessed as Highly Satisfactory as the study informed the design of the EARDIP operation which is focused on broadband infrastructure deployment of which the Horn of Africa region has a notable deficit of.

8. TF0B8328 – Supporting Trade

Name of Grant	Supporting Trade Integrated Reforms in HoAI Countries
TF number	TF0B8328
Country / countries	Djibouti, Ethiopia, Somalia and South Sudan
BETF / RETF	BE
Grant amount	\$200,000
Start date of activities	March 2022
End date of activities	December 2022

This grant funded diagnostic activities in support of a World Bank financed project to support closer trade Integration between countries in the Horn of Africa. The World Bank is a leading partner in working with the HoAI countries on this important topic. The objectives of this small grant, which closed in late 2022, are:

- a) the formulation of reform roadmap that identifies priority trade policy, NTB, and trade facilitation reforms to achieve closer trade integration based upon engagement and policy dialogue with members countries and development partners.
- b) explore ways in which the WBG can support the HoA countries to implement this reform roadmap including through a potential new trade facilitation operation and through leveraging different instruments (lending, DPL-PBCs, TA, etc).

9. TF0B6942 -- Promoting Higher Skills Development for Women and Girls

This grant aimed to assess and provide recommendations related to the challenges and opportunities for women and girls to develop higher skills via post-secondary and lifelong learning opportunities.

Window 3: Convening and Program Management

1. TF0B6672 – HoA MDTF Program Management and Administration

Name of Grant	Horn of Africa MDTF PM&A
TF number	TF0B6672
Country / countries	HoA
BETF / RETF	BE
Grant amount	\$500,000
Start date of activities	May 28, 2021
End date of activities	Nov 30, 2030

Program Management and Administration (PM&A) is important function in all TFs, and the role of PM&A is even more outspoken in Trust Fund programs that are innovative and with a broad scope. In addition to the fundamental tasks of managing the trust fund, there is important role for harvesting and bringing together experience across all the activities that are funded. One of the activities has been to prepare a “Lessons Learned” report, based on a review of the progress and issues that have arisen during implementation of the HoA MDTF. Disbursements from the BETF stand at \$473,226. The entire disbursement was incurred in FY22 prior to the setting up of the RETF grant with IUCEA for managing the Secretariat, Program Management and Convening activities.

Especially for the HoA MDTF, there is also an important role in convening, i.e., organizing events to support the HoA Initiative, by bringing together relevant government representatives. Also outreach activities to raise the profile of the HoAI with development partners are being expanded.

The PM&A tasks of the HoA MDTF are undertaken by a small team with experience in managing larger programs and trust funds.

2. TF0B7882 -- Horn of Africa Coordination Support Team

Name of Grant	Horn of Africa Coordination Support Team Fiduciary Institution Project
TF number	TF0B7882
Country / countries	HoA
BETF / RETF	RE
Grant amount	\$2,000,000
Start date of activities	Feb 2, 2022
End date of activities	Dec 31, 2025

The Inter-University Council for East Africa (IUCEA) is the Fiduciary Institution for the Multi Donor Funded project through the World Bank to the Horn of Africa Initiative (HoAI). The recipient, IUCEA is the Fiduciary Institution of the Initiative and deploys these resources to contract the agreed HoAI personnel of the Coordination Support Team (CST) for the HoAI Secretariat. To this respect, IUCEA ensures that the personnel have the required funds to

implement their tasks as agreed by HoAI Secretariat. The CST support to the Finance Ministers for envisioning, approving and supervising the policy outcomes and investment elements supported by the initiative. CST comprises Team Leader, Communication Officer, Executive Assistant and Administrative Assistant. The Development Objective of this institutional arrangement is to successfully manage the resources at the disposal of IUCEA as the Fiduciary Institution to the Coordination Support Team to provide support to the Horn of Africa Initiative Secretariat to achieve the objectives of the Initiative.

The project became effective on 5th February 2022. To date, the World Bank has disbursed a total of US\$930,458 representing 93 % of the grant. The table below provides a summary of the status of World Bank disbursements to the project Designated Account (at CitiBank Uganda (in USD). The project Burn Rate is at 83%. The World Bank Financial Management Specialist based at the Bank's Country Office in Kampala and Nairobi has continued to provide FM technical support to the project finance team and the project team.

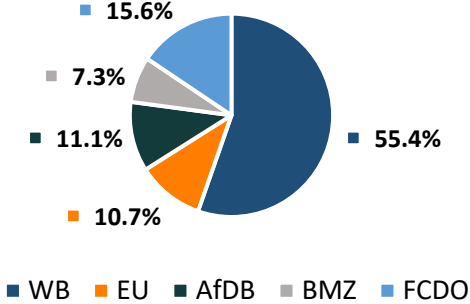
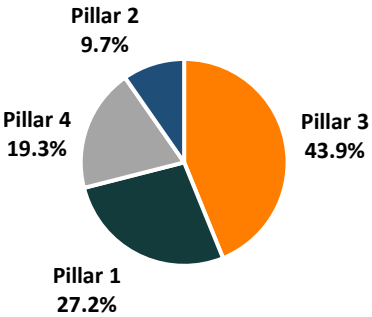
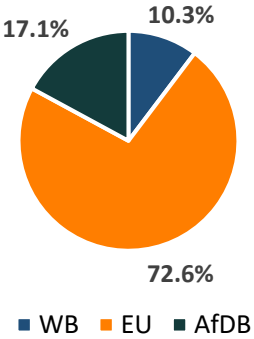
Through IUCEA as fiduciary intermediary, the HOA MDTF provides a Core Support Team and a Web designer to the rotating HoAI Secretariat. The Core Support Team includes:

- Team Leader
- Executive Assistant (seconded by the relevant Ministry of Finance)
- Communication Specialist (Vacant)
- Administrative Assistant
- Specialist to maintain and update the HoAI website (on contract)

The following are some of the key events and meetings that the HoAI has been able to convene in 2023 with support of the Core Team and the HoA MDTF.

- Operations Quarterly Ministerial meetings
- World Bank meeting Ministerial meeting (at the IMF-WB Spring meetings in Washington DC)
- 16th Ministerial meeting held in Nairobi, March 2023.
- World Bank Ministerial meeting held in Marrakech Morocco-Bilen, October 2023.
- 17th Ministerial meeting in Sharm-El-Sheikh, Egypt, 24th May 2023.
- 18th Ministerial meeting held in Addis Ababa, November 2023.
- 19th Ministerial meeting held in Brussels, December 2023.

I. The Horn of Africa Initiative Portfolio Overview (May 21, 2024)¹¹

<p>As of May 21st, 2024, five development partners (DPs) have approved 132 projects with USD\$10.079 billion in total commitment under the HoA Initiative:</p> <ul style="list-style-type: none"> - The WB has committed US\$5,580 million (55.4%) - European Union has approved US\$1077 million (10.7%) in total commitment. - African Development Bank has committed US\$1116 million (11.1%) - BMZ has committed US\$734 million (7.3%) - FCDO has committed US\$1,570 million (15.6%) 	<p>Table 1: HoAI DPs Actual Commitment</p>  <table border="1"> <thead> <tr> <th>DP</th> <th>Commitment (US\$ million)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>WB</td> <td>5,580</td> <td>55.4%</td> </tr> <tr> <td>EU</td> <td>1,077</td> <td>10.7%</td> </tr> <tr> <td>AfDB</td> <td>1,116</td> <td>11.1%</td> </tr> <tr> <td>BMZ</td> <td>734</td> <td>7.3%</td> </tr> <tr> <td>FCDO</td> <td>1,570</td> <td>15.6%</td> </tr> </tbody> </table>	DP	Commitment (US\$ million)	Percentage	WB	5,580	55.4%	EU	1,077	10.7%	AfDB	1,116	11.1%	BMZ	734	7.3%	FCDO	1,570	15.6%
DP	Commitment (US\$ million)	Percentage																	
WB	5,580	55.4%																	
EU	1,077	10.7%																	
AfDB	1,116	11.1%																	
BMZ	734	7.3%																	
FCDO	1,570	15.6%																	
<p>There are four thematic pillars in supporting the Initiative to bring the countries together to address shared regional challenges. The commitments in four pillars are:</p> <ul style="list-style-type: none"> - 27.2% in Pillar 1: Regional Infrastructure Networks includes three areas: Economic Corridors, Regional Energy Trade, and Single Digital Market. - 9.7% in Pillar 2: Trade and Economic Integration - 43.9% in Pillar 3: Building Resilience - 19.3% in Pillar 4: Strengthening Human Capital 	<p>Table 2: HoAI Portfolio By Pillars</p>  <table border="1"> <thead> <tr> <th>Pillar</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Pillar 1</td> <td>27.2%</td> </tr> <tr> <td>Pillar 2</td> <td>9.7%</td> </tr> <tr> <td>Pillar 3</td> <td>43.9%</td> </tr> <tr> <td>Pillar 4</td> <td>19.3%</td> </tr> </tbody> </table>	Pillar	Percentage	Pillar 1	27.2%	Pillar 2	9.7%	Pillar 3	43.9%	Pillar 4	19.3%								
Pillar	Percentage																		
Pillar 1	27.2%																		
Pillar 2	9.7%																		
Pillar 3	43.9%																		
Pillar 4	19.3%																		
<p>The European Union (EU) made a €30 million contribution to the Horn of Africa Umbrella Program Multi-Donor Trust Fund to support activities that deepen the regional integration of the countries of the Horn of Africa, in line with the purposes of the Horn of Africa Initiative.</p> <p>The trust-funded Technical Assistance and Advisory Services and Analytics (ASA) provides research, analysis, surveys, studies, and policy notes to support project development, reform diagnostics and implementation, and policy harmonization and institutional strengthening. The total amount of ASAs activities has reached USD\$44.77 million.</p>	<p>Table 3: HoAI ASAs by DPs (US\$m)</p>  <table border="1"> <thead> <tr> <th>DP</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>WB</td> <td>10.3%</td> </tr> <tr> <td>EU</td> <td>72.6%</td> </tr> <tr> <td>AfDB</td> <td>17.1%</td> </tr> </tbody> </table>	DP	Percentage	WB	10.3%	EU	72.6%	AfDB	17.1%										
DP	Percentage																		
WB	10.3%																		
EU	72.6%																		
AfDB	17.1%																		

¹¹ World Bank portfolio figures include regional operations only, which are complemented by an equally strong portfolio of national operations in all sectors.

II. Status of HoA Initiative Priority Project List (Development Partners)

As of May 21st, 2024

Projects	Development Partner	Status	Total (\$m in USD)	Partner countries
Pillar 1: Regional Infrastructure Networks				
1 Economic Corridors				
HoA Gateway Development Project (Kenya: Isiolo – Wajir – El Wak - Mandera)	World Bank	Active	750	Regional
HoA Initiative Regional Economic Corridor Project (Addis-Djibouti Corridor)	World Bank	Active	730	Regional
Somalia HoA Infrastructure Integration Project	World Bank	Active	58	Regional
Horn of Africa Initiative: Djibouti Regional Economic Corridor Project	World Bank	Active	70	Regional
Horn of Africa Kismayo, Lamu and Mogadishu Corridor: (Kenya) Elwak-Rhamu-Mandera Road Upgrading Project	AfDB	Active	206.55	Kenya, Ethiopia, Somalia
Multinational: Kenya – South-Sudan Road Section (Lesseru-Kitale & Morpus Lokichar)	AfDB	Active	170.1	Kenya, South Sudan
Horn of Africa Djibouti - Somalia Regional Transport Project (Nagad–Loyada/Lowyaddo-Saylac-Borama Road Upgrade Project - Phase I)	AfDB	Active	64	Somalia, Djibouti
Trade and transport facilitation measures for Strategic Corridors in Africa	EU	Active	45	Regional
Unlocking Prosperity in the Horn of Africa	FCDO	Active	32.85	Somalia
Sub-Total (Pillar 1.1 Economic Corridors)			2126.5	
2 Regional Energy Trade				
2nd Ethiopia-Djibouti Power System Interconnection Project	World Bank	Active	55	Regional
2nd Ethiopia- Djibouti Power System Interconnection Project	AfDB	Active	81	Ethiopia, Djibouti
Multinational – Desert-To-Power Initiative East-Africa Regional Energy Project (EAREP)	AfDB	Active	5.32	Regional (IGAD)
Multinational – Desert-To-Power Regional Technical Assistance for the Sahel	AfDB	Approved	3.19	Djibouti, Eritrea, Ethiopia (IGAD)
Eastern Africa Power Pool (EAPP) Institutional Capacity Building Program	AfDB	Approved	6.68	Regional (EAPP)
Eastern Ethiopia Electricity Grid Reinforcement Project	AfDB	Approved	122.6	Ethiopia
Sub-Total (Pillar 1.2 Regional Energy Trade)			273.79	
3 Single Digital Market				
Eastern Africa Regional Digital Integration Project (IGAD, Somalia, South Sudan)	World Bank	Active	157	Regional

Eastern Africa Regional Digital Integration Project SOP-II (Djibouti, Ethiopia)	World Bank	Active	130	Regional
D4D Collaboration for the Horn of Africa Initiative on Digital Government - Now IDGC - Initiative on Digital Government and Cybersecurity	EU	Active	10.6	Regional
Digital component "Gouvernance pour le développement"	EU	Active	1.38	Djibouti
Human-Centred Digitalisation #TeamEuropeKenya	EU	Active	29.68	Kenya
HoA Digital market integration phase I project	AfDB	Active	8.3	Regional
Sub-Total (Pillar 1.3 Digital Market)			336.96	
Total			2737.25	
Pillar 2: Trade and Economic Integration				
De-Risking, Inclusion and Value Enhancement of Rural Economies Project (Djibouti, Ethiopia, Kenya, Somalia)	World Bank	Active	332.5	Regional
EA Regional Transport, Trade and Development Facilitation Project (Second Phase of Program)(Kenya)	World Bank	Active	500	Regional
Development of the Djibouti Corridor	EU	Active	33.92	Djibouti-Ethiopia
COMESA Trade Facilitation Program	EU	Active	5.94	Regional
Towards free movement and labour mobility in the IGAD region, phase II	EU	Approved	15.9	Regional
Promote and Invest in Circular Economy in Eastern and Southern Africa	EU	Approved	10	Kenya, Ethiopia
EU Alliance in support of the Horn of Africa Initiative – pillar 2[1]	EU	Approved	25	Regional
Africa Trade Competitiveness and Market Access	EU	Approved	30	Continental / regional
Trade in Services in SSA	EU	Approved	5	Regional
Competition and Consumer Product Safety in SSA	EU	Approved	5	Regional
Technical Assistance Facility to the AfCFTA	EU	Active	8	Continental / regional
Strengthening food safety Standards and nutrition in Africa (SFNA) - At least 2 countries from each region.	AfDB	Approved	8.55	Regional
Total			979.81	
Pillar 3: Building Resilience				
HOA – Groundwater for Resilience Project (Ethiopia, Kenya, Somalia, IGAD)	World Bank	Active	385	Regional
Development Response to Displacement Impacts Project in the HOA Phase II (Ethiopia)	World Bank	Active	180	Regional
Food Systems Resilience Program for Eastern and Southern Africa (IGAD, Ethiopia)	World Bank	Active	625	Regional

Emergency Locust Response Program (Kenya, Ethiopia)	World Bank	Active	201	Regional
Emergency Locust Response Project (South Sudan, IGAD)	World Bank	Active	54	Regional
Development Response to Displacement Impacts Project in the HoA (Djibouti)	World Bank	Active	5	Regional
Africa Environmental Health and Pollution Management Program (Kenya)	World Bank	Active	8	Regional
Food Systems Resilience Program for Eastern and Southern Africa (Phase 3) FSRP (Kenya, Somalia)	World Bank	Active	300	Regional
Regional Climate Resilience Program for Eastern and Southern Africa Project (South Sudan)	World Bank	Active	215	Regional
Health Emergency Preparedness, Response and Resilience Program Using the Multiphase Programmatic Approach (Ethiopia, Kenya, IGAD)	World Bank	Active	330	Regional
Regional support to the Great Green Wall	EU	Active	5.3	Regional
Regreening Africa – phase II	EU	Active	4	Ethiopia, Somalia
Horn of Africa – Livestock and pastoralism	EU	Approved	42.4	Regional
Locust Response	EU	Active	81.62	Regional
EU Alliance in support of the Horn of Africa Initiative – pillar 3[1]	EU	Approved	58	Regional
Promoting stability and strengthening basic service delivery for host communities, refugees and other displaced people in Gambella Regional State of Ethiopia	EU	Active	5.3	Ethiopia
Collaboration in Cross-Border Areas of the Horn of Africa Region –top up	EU	Active	5.3	Regional
Building Resilience to Impacts of El Nino through Integrated Complementary Actions to the EU Resilience Building Programme in Ethiopia (RESET PLUS)	EU	Active	5.3	Ethiopia
RESTORE Building Resilience in Northern Somalia	EU	Active	3.18	Somalia
RESTORE II Building Resilience in Northern Somalia	EU	Active	8.48	Somalia
Enhancing self-reliance for refugees and host communities in Kenya	EU	Active	8.34	Kenya
Digital Land Governance	EU	Active	21.2	Kenya
Peaceful and resilient borderlands in the Horn of Africa	EU	Approved	42.4	Regional
Individual measures - food security actions	EU	Approved	79.5	Ethiopia
BREACH - Boosting Resilience and Adaptation to Climate Change	EU	Approved	37.1	Somalia
Green Deal #TeamEuropeKenya	EU	Approved	13.78	Kenya

Building Opportunities for Refugee and Host Community Self-Reliance	EU	Approved	13.78	Kenya
Strengthening local governance and resilience in South Sudan	EU	Approved	18.02	South Sudan
Green and resilient economy in South Sudan	EU	Approved	84	South Sudan
Enhancing Food Security and Resilience of Rural Communities in Sudan	EU	Approved	95.4	Sudan
Primary Health Care provision for vulnerable populations affected by food insecurity and malnutrition - Sudan	EU	Approved	42.4	Sudan
Social Protection for Adaptation and Resilience to Climate Change (SPARCC)	EU	Approved	20.5	Somalia
Support to sustainable and integrated responses to forced displacement (refugees, IDPs and returnees) in Ethiopia and labour migration	EU	Approved	38.2	Ethiopia
Multinational - Entrepreneurship and Innovation Development for Resilience EIRB)	AfDB	Active	3.26	Sudan, South Sudan and Djibouti
MULTINATIONAL - East and Horn of Africa Desert Locust Crisis: Emergency assistance to fight the desert locust invasion in 9 regional member countries - Special Relief Fund (SRF)	AfDB	Active	1.49	Regional
Program to build resilience for food and nutrition security in in the Horn of Africa	AfDB	Active	176.85	Regional
African Emergency Food Production Facility (K-AEFPP)	AfDB	Active	66.56	Kenya
African Emergency Food Production Project-1 (SSEFPP-1) - (AEFPP)	AfDB	Active	8.1	South Sudan
African Emergency Food Production Facility Project (AEFPP)	AfDB	Active	5.4	Somalia
African Emergency Food Production Facility Project (AEFPP)	AfDB	Active	76.68	Sudan
African Emergency Food Production Facility Project (AEFPP)	AfDB	Active	10.8	Somalia, Sudan
Multinational Emergency Response (South Sudan and Sudan) – Proposal for an Emergency Humanitarian Assistance to Populations Affected by Floods - Special Relief Fund (SRF)	AfDB	Active	0.41	South Sudan, Sudan
Skills for Employability, Inclusion and Productivity Project	AfDB	Approved	7.29	Somalia
Enabling Environments for Sustainable Regional Agriculture Extension (ENSURE EAC)	AfDB	Approved	9.4	South Sudan, Kenya, EAC Regional
Borana Resilient Water Development for Improved Livelihoods Program (Phase II)	AfDB	Approved	46.55	Ethiopia
Multinational Horn of Africa Climate Disaster Risk Financing Program	AfDB	Approved	18.62	Djibouti, Somalia, South Sudan

MULTINATIONAL - Climate Disaster Risk Financing Project	AfDB	Approved	8.65	Djibouti, Somalia, South Sudan
Strengthening IGAD's capacity to increase resilience in the Horn of Africa	BMZ	Active	17.27	IGAD
Regional Fund to Strengthen Drought Resilience in the Horn of Africa	BMZ	Active	41.8	Ethiopia, Kenya, Djibouti, Somalia
Strengthening drought resilience	BMZ	Active	18.7	Kenya
Capacity Development for Strengthened Drought Resilience in the Ethiopian Lowlands	BMZ	Active	13.2	Ethiopia
Soil Protection and Rehabilitation for Food Security (Afar)	BMZ	Active	22.66	Ethiopia
Climate Smart Innovations for Sustainable Land Management	BMZ	Active	19.8	Ethiopia
Integrated Soil Fertility Management (ISFM+)	BMZ	Active	29.92	Ethiopia
Strengthening Drought Resilience in Ethiopia's Lowlands	BMZ	Active	16.5	Ethiopia
Support for the Ethiopia Food Systems Resilience Project (FSRP)	BMZ	Active	22	Ethiopia
Strengthening Drought Resilience of the Pastoral and Agro-Pastoral Livelihoods in the Lowlands (Afar) of Ethiopia	BMZ	Active	6.6	Ethiopia
Preservation of soil and water resources to improve drought resilience and food security in the arid and semi-arid regions	BMZ	Active	11	Ethiopia
Community-driven Rural Development (CDRD)	BMZ	Active	11	South Sudan
Food Security and Management of Natural Resources (FONA)	BMZ	Active	14.63	South Sudan
Ethiopia Crises 2 Resilience (EC2R)	FCDO	Active	246.79	Ethiopia
Strengthening pastoralist livelihoods in the greater Horn of Africa through effective anticipatory action (PASSAGE) (part of Climate Adaptation and Resilience initiative (CLARE))	FCDO	Active	8.26	Regional
CSSF East Africa: Building Resilience in the Kenya	FCDO	Active	18.86	Kenya, Somalia, Ethiopia
Humanitarian Assistance and Resilience Building in Somalia	FCDO	Active	377.2	Somalia
Supporting Inclusive Growth in Somalia	FCDO	Active	47.78	Somalia
Total			4420.53	
Pillar 4: Strengthening Human Capital				
Africa CDC Regional Investment Financing Project (Ethiopia)	World Bank	Active	150	Regional

East Africa Skills for Transformation and Regional Integration Project (EASTRIP) (Ethiopia, Kenya)	World Bank	Active	210	Regional
First Africa Higher Education Centers of Excellence for Development Impact Project (Djibouti)	World Bank	Active	15	Regional
Eastern Africa Regional Statistics Program-for-Results (Kenya)	World Bank	Active	120	Regional
Disease surveillance for the HoA	EU	Active	7.42	Regional
Inclusive quality education for the most vulnerable children in Sudan	EU	Active	31.8	Sudan
Strengthening the health system and service delivery support in South Sudan, particularly for women and children	EU	Approved	25.9	South Sudan
Education Access and Quality Improvement Programme	EU	Active	26.9	Somalia
Post-conflict restoration of basic health services, medical and psycho-social support to gender-based violence survivors in Ethiopia	EU	Approved	26.5	Ethiopia
Regional Migration Fund (economic and social infrastructure in selected border regions)	BMZ	Active	57.2	IGAD
Digitalization of vocational training	BMZ	Active	19.8	Kenya
Vocational training programme	BMZ	Active	49.5	Kenya
Promotion of youth employment and vocational training	BMZ	Active	17.6	Kenya
Youth-friendly services	BMZ	Active	7.15	Kenya
Scholarship programme “Wings to fly” (several phases)	BMZ	Active	20.9	Kenya
Strengthening Employability through Technical and Vocational Education and Training	BMZ	Active	14.3	Somalia
Improved living conditions in urban areas and improved integration of returnees (MPF)	BMZ	Active	43.95	Somalia
Strengthening Employability through Technical and Vocational Education and Training	BMZ	Active	7.7	Somalia
Higher Education and Vocational Training Financial Cooperation Program (TVET III)	BMZ	Active	33	Ethiopia
Vocational Training and Agricultural Education	BMZ	Active	41.8	Ethiopia
Support for refugee programs in Ethiopia	BMZ	Active	11	Ethiopia
Capacity development in the field of training for health care specialists and technicians	BMZ	Active	18.15	Ethiopia
Vocational Training Ethiopia	BMZ	Active	35.2	Ethiopia
Basket financing for education with Ethiopia (two phases)	BMZ	Active	62.15	Ethiopia
Regional Fund supporting migrants, refugees and host communities in the Horn of Africa	BMZ	Active	33	Regional

Strengthening the capacities of IGAD and its Member States in support of regional migration policies in the Horn of Africa	BMZ	Active	17.38	Regional
Better Lives for Somali Women and Children	FCDO	Active	142.86	Somalia
South Sudan Health Pooled Fund Phase III	FCDO	Active	182.87	South Sudan
Girls' Education in South Sudan Phase II	FCDO	Active	88	South Sudan
General Education Quality Improvement Programme for Equity (GEQIP-E)	FCDO	Active	138.31	Ethiopia
Building a Resilient Health System to End Preventable Maternal, New-born and Child Deaths in Ethiopia	FCDO	Active	125.73	Ethiopia
Climate Resilient-WASH in Ethiopia	FCDO	Active	113.16	Ethiopia
Kenya Devolution Programme	FCDO	Active	16.66	Kenya
Somaliland Development Fund	FCDO	Active	31.43	Somalia
Total			1942.32	
GRAND TOTAL FOR INVESTMENT PROJECTS (\$m in USD)				\$10,079.91

III. Technical Assistance and Advisory Services and Analytics (ASA)

ASAs	Development Partner	Status	Total (\$m)
HoA RI for Sustainable Energy Supply	World Bank	Active	1.5
Economic Growth and Resilience in the Borderlands of the Horn of Africa	World Bank	Completed	0.4
HoA Regional Economic Memorandum	World Bank	Completed	0.55
HoA Regional Risk and Resilience Assessments (RRA)	World Bank	Completed	0.15
Strengthening resilience in the Horn of Africa	World Bank	Completed	1.7
FS of a PPP Scheme for Djibouti-Ethiopian Border Road Corridor	World Bank	Completed	0.32
Technical Assistance to Support to HoAI	EU	Active	0.7
Contribution to the MDTF	EU	Active	31.8
TA to the Federal Ministry of Works, Reconstruction and Housing and Somaliland Road Development Agency for preparation and supervision of transport projects	AfDB	Contracted awarded	0.06
TA to develop the digital footprint of the Bank in the East Africa region in the framework of the Horn of Africa Initiative (HoAI).	AfDB	Contract awarded	0.048
TA to the Ministry of Roads and Bridges (South Sudan) to enhance capacity on environment and safeguards and capacity to implement planned investments	AfDB	Active	0.158

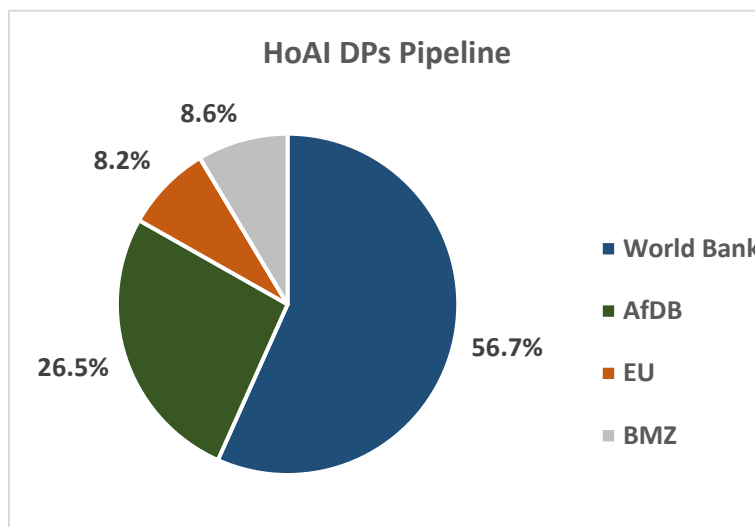
IGAD Trade Policy (approved Sept. 2022)	AfDB	Validated by IGAD member countries	1
pre-feasibility study for the Somalia Kub-Kab Road corridor (Somalia)	AfDB	Active	0.063
Sudan Transport Sector Review (TSR)	AfDB	Active	0.075
TA to the Secretariat/Chair on Trade and Economic Integration (regional)	AfDB	Completed	0.05
Renewal of contracts for 4 National Advisers	AfDB	Active	0.587
Deployment of a National Adviser for South Sudan	AfDB	Active	0.132
TA to the Ministry of Public Works Reconstruction and Housing (MoPWR&H)	AfDB	Under procurement	0.08
Multinational – Eastern Africa Power Pool (EAPP) Institutional Capacity Building Project	AfDB	Approved and Agreement Signed	5.4
Total (\$m in USD)			\$44.77

HOAI CUMULATIVE PORTFOLIO (US\$ million)	\$10,079.91
HOAI TOTAL INVESTMENT LENDING AND ASAs (US\$ million)	\$10,124.68

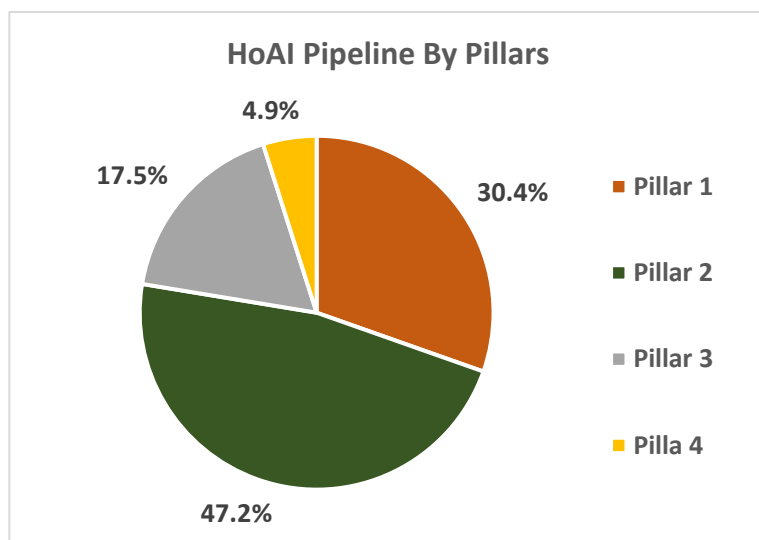
Horn of Africa Initiative Pipeline Overview

As of May 21st, 2024, four of the five development partners (DPs) have **29 projects** in the pipeline (total of **US\$1.818 billion**) under the HoA Initiative:

- The WB **US\$1,030 million (56.7%)**
- European Union **US\$149.8 million (8.2%)**
- African Development Bank **US\$481 million (26.5%)**
- BMZ **US\$156 million (8.6%)**



- **30.4% in Pillar 1:** Regional Infrastructure Networks includes three areas: Economic Corridors, Regional Energy Trade, and Single Digital Market.
- **47.2% in Pillar 2:** Trade and Economic Integration
- **17.5% in Pillar 3:** Building Resilience
- **4.9% in Pillar 4:** Strengthening Human Capital



HoA Initiative Pipeline List (Development Partners)

As of May 21st, 2024

Projects	DP	Status	Total (\$m in USD)	Partner countries
Pillar 1: Regional Infrastructure Networks				
1 Economic Corridors				
South Sudan-Ethiopia - Djibouti Transport corridor Phase 2	AfDB	Preparation	236	Ethiopia, South Sudan, Djibouti
Road Infrastructure Programme Phase II	AfDB	Pipeline	30	Somalia
Sub-total (pipeline)			266	
2 Regional Energy Trade				
HoA Regional Power System Transformation Project	World Bank	Pipeline	230	Regional
South Sudan - Uganda Power Interconnection Project- South Sudan Component	AfDB	Pipeline	33.25	South Sudan
Ethiopia (Gambella) – South Sudan (Malakal) Power TL (Phase 1) study, 230kV of 357 km	AfDB	Procurement of Feasibility Study Consultant	1.5	Ethiopia, South Sudan
Renewable Energy Enhancement Facility II - Gogo hydro power plan Redevelopment	BMZ	Pipeline	6.6	Kenya
Sub-total (pipeline)			271.35	
[1]3 Single Digital Market				
Safe Digital Boost for Africa (SDBA)	EU	Pipeline	15	Continental / regional
Sub-total (pipeline)			15	
Total			552.35	
Pillar 2: Trade and Economic Integration				
Building Opportunities for Optimized Trade and Investment for Growth in East Africa (BOOST)	World Bank	Pipeline	800	(Ethiopia, Kenya, South Sudan)
Technical Assistance Facility to the AfCFTA – phase II	EU	Pipeline	10	Continental / regional
Horn of Africa Trade Facilitation and Value Chains	AfDB	Pipeline	12	Regional
EAC and Horn of Africa Capital Markets and Payment Systems Integration (EAC-CAMPSI) Project	AfDB	Pipeline	8.5	Regional
Support to the Ethiopian reconstruction plan	BMZ	Pipeline	27.5	Ethiopia

Total			858	
Pillar 3: Building Resilience				
Green Business Development for Sustainable Agro-Food Systems in Ethiopia	EU	Pipeline	67.8	Ethiopia
Multinational -Strengthening Emergency Preparedness and Response to Food Crisis Project (SEPAREF)- (AEFPF)	AfDB	Pipeline	10.2	Somalia, South Sudan
Green Climate Fund (GCF) Supplementary Financing for the Programme to Build Resilience for Food And Nutrition Security In The Horn Of Africa (BREFONS) REGIONAL -Strengthening Emergency Preparedness and Response to Food Crisis Project (SEPAREF)- (AEFPF)	AfDB	Pipeline	150	Ethiopia, Djibouti, South Sudan, Somalia, Kenya
Green Hydrogen for Fertilizer	BMZ	Pipeline	13.2	Kenya
Support of Agricultural Production and Quality Assurance (SPQA)	BMZ	Pipeline	3.3	Somalia
Climate-resilient water resources management in Somalia	BMZ	Pipeline	4.4	Somalia
Climate-resilient drinking water management for Hargeisa	BMZ	Pipeline	19.8	Somalia
Climate sensitive innovations	BMZ	Pipeline	6.6	Ethiopia
Conservation and sustainable use of biodiversity for forestand biosphere reserve in Ethiopia Phase 2	BMZ	Pipeline	11	Ethiopia
Regional Disaster Resilience Fund	BMZ	Pipeline	24.75	IGAD
Human mobility in the context of climate change in the IGAD region	BMZ	Pipeline	7.15	IGAD
Total			318.2	
Pillar 4: Strengthening Human Capital				
“Protect gains and accelerate momentum towards the elimination of harmful practices affecting girls and young women”	EU	Pipeline	4	Regional
Support to digital transformation in Ethiopia through digital skills development in TVET	EU	Pipeline	37.1	Ethiopia
Renewable Integrated Sustainable Energy and Digitalization in Ethiopia	EU	Pipeline	15.9	Ethiopia
Rehabilitation of Technical and Vocational Education and Training in Somalia (TVET)	BMZ	Pipeline	5.5	Somalia
Capacity Development in TVET and HE for employment	BMZ	Pipeline	4.95	Ethiopia
Education basked 3	BMZ	Pipeline	22	Ethiopia
Total			89.45	
GRAND TOTAL FOR INVESTMENT PROJECTS IN PIPELINE (\$m in USD)				\$1,818.00

Trust Fund Financial Report

Horn of Africa Umbrella Program Multi-Donor Trust Fund- World Bank Reference TF073566- Multi-Donor Fund

(Unaudited - Expressed in United States Dollars)

Particulars	07/01/2023 to 04/30/2024	05/21/2021 (date of inception) to 04/30/2024
Receipts		
Cash Contributions	4,380,600	22,459,600
Investment Income (Note 4)	908,203	1,521,745
Total Receipts	5,288,803	23,981,345
Disbursements		
Project disbursements		
Disbursements to Grantee (A)	(584,040)	(1,556,381)
Direct costs Disbursed by WBG		
Staff Costs (Incl. Benefits)	(361,935)	(1,245,474)
ETC/ETT Costs	(91,250)	(104,679)
STC/STT Costs	(263,806)	(929,185)
Personnel Costs in Project related expenses (Note 2)(B)	(716,991)	(2,279,338)
Travel expenses	(62,033)	(356,604)
Media workshop	(25,459)	(68,748)
Contractual services	(228,777)	(686,636)
Other direct costs	(7,064)	(7,679)
Sub - Total (C)	(323,333)	(1,119,666)
Total Direct Costs Disbursed by WBG (B+C)	(1,040,325)	(3,399,004)
Total Project Disbursements (A+B+C)	(1,624,365)	(4,955,385)
Non-Project Disbursements		
Administrative fees (Note 3)	(195,000)	(495,000)
Total Non-Project Disbursements	(195,000)	(495,000)
Total Disbursements	(1,819,365)	(5,450,385)
Excess of receipts over disbursements / (disbursements over receipts)	3,469,438	18,530,960
Fund Balance (Share in pooled cash and investments)		
Beginning of period	15,061,522	-
End of period	18,530,960	18,530,960

Results Framework of the HOA Umbrella Program MDTF

