

The World Bank Group has updated its [Regional Integration and Cooperation Assistance Strategy \(RICAS 2021-2023\)](#) by prioritizing cross border issues in fragile zones in Africa, including the Horn. The WB support will be focused on increasing regional connectivity in the areas of transport, energy and digital infrastructure. It will also promote trade and market integration through trade facilitation in regional economic corridors, technical assistance for roll out of the AfCFTA, support to regional value chains and integration of financial markets.

Additional interventions will be aimed at promoting human capital development (through strengthened pandemic and disease surveillance, skills development, women's empowerment, statistics and Digital Identification for Development) and resilience (where efforts will be mainly aimed at addressing food insecurity and agro-pastoralism, cross-border risks such as climate change and pest invasions, displacement of populations in border areas, and transboundary waters).

The RICAS 2021-2023 gives an overview of the Horn of Africa (HoA), by highlighting the key fragility challenges in this region, identified as follows: a) intra- and inter-state conflicts; b) center-periphery issues within states; c) ethnic and geographic fault lines; d) competing global strategic interests; e) localized insecurity zones; and f) chronic poverty and forced displacement driven by periodic weather and other shocks. In this regional area, the WB will provide support together with other development partners for a set of policy and investment priorities to deepen integration.

Under the [Horn of Africa Initiative](#), over the past 18 months, the WB, AfDB and EU have been supporting a country-driven process that has allowed development of a platform for Djibouti, Ethiopia, Kenya and Somalia (Eritrea has participated in some sessions and Sudan has been included since May 2021) to discuss and agree priorities at the Ministerial and technical levels. IGAD has also participated in these discussions. The countries have come together to agree on a set of priority regional investments that are meant to address the underlying fragility drivers in the subregion by opening up trade and investment opportunities in lagging and border lands (for which a recent [report](#) was released), fostering integration as a key pillar of economic recovery and poverty reduction, and promoting incentives for countries to collaborate on shared challenges and common risks to resilience.

The HoA Initiative is built upon the premise that sustaining progress is dependent on four principles based on experiences from similar efforts in the past: countries remain committed to

continuing political momentum on cooperation; countries have agreed upon and are implementing a set of prioritized regional investments to tackle the fragility drivers; countries are willing to collectively tackle policy harmonization to deepen integration; and partners are committed to provide support over the medium-term based on demonstration of results and impacts.

On this basis, the WB has announced support of US\$2 billion to the HoA Initiative during [IDA19](#), the World Bank Group's concessional financing window that provides low or no interest loans and grants to the world's poorest countries. The lending program under IDA19 in the Horn is expected to focus on financing rehabilitation of sections of two economic corridors linking Ethiopia to the coastal countries, improving energy access through promoting power trade, supporting agro-pastoralism and food security due to shocks, and pandemic preparedness.

The joint WBG strategy and sector-wise implementation plan being implemented in the Sahel will be replicated in the Horn to create private finance opportunities in connectivity and regional infrastructure, productive real sectors through value chain linkages, replicable business models, inclusive approaches, and cross-cutting themes such as an enabling business environment. Investing in key value chains, will include unlocking the potential of the livestock value chain in the Horn of Africa region. Work is also under way on a Horn of Africa Regional Economic Memorandum as well as analysis of groundwater and a Risk and Resilience Assessment (RRA) to better understand the political and other factors influencing fragility drivers and integration efforts. The WBG, working with the other development partners, will continue to play a facilitative role in convening and advancing this important initiative.

