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THE AFRICAN DEVELOPMENT BANK GROUP

PROJECT APPRAISAL REPORT
BUILDING BLUE ECONOMY RESILIENCE AND PROSPERITY IN IGAD & HORN OF AFRICA (BE-PROSPER)

MULTINATIONAL

DJIBOUTI, ERITREA, SOMALIA, AND SOUTH SUDAN

UA 4,000,000

APPROVAL DATE: 29TH AUGUST 2025

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CURRENCY EQUIVALENTS

Exchange rate effective 12/1/2024

Currency Unit1	Equivalent
1 Unit of Account	1.33 USD
1 Unit of Account	235.71 DJF (Djiboutian franc)
1 Unit of Account	19.93 ERN (Eritrea N)
1 Unit of Account	757.13 SOS (Somali shilling)
1 Unit of Account	1,722.31 SSP (South Sudanese pound
1 Unit of Account	1.23 Euro

FISCAL YEAR

1 January – 31 December

Djibouti: 1 January to 31 December

Eritrea: I January to 31 December

Somalia: 1 January to 31 December

South Sudan:1 July to 30 June

WEIGHTS AND MEASURES

1 Metric ton	2,204.62 Pounds (lbs)
1 Kilogramme (kg)	2.20462 lbs
1 Meter (m)	3.28 Feet (ft)
1 Millimetre (mm)	0.03937 Inch (“)
1 Kilometre (km)	0.62 Mile
1 Hectare (ha)	2.471 Acres

ABBREVIATION AND ACRONYMS

ADF	African Development Fund
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
BE	Blue Economy
CRFA	Country Resilience and Fragility Assessment
CSP	Country Strategy Paper
EIRR	Economic Internal Rate of Return
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESCON	Environmental and Social Compliance Note
FC	Foreign Currency
FIRR	Financial Internal Rate of Return
GHG	Green House Gases
IGAD	Intergovernmental Authority on Development
I-CSP	Interim Country Strategy Paper
LC	Local Currency
NPV	Net Present Value
OCB	Open Competitive Bidding
PAR	Project Appraisal Report
PCN	Project Concept Note
PCR	Project Completion Report
PIU	Project Implementation Unit
PLW	People Living with Disabilities
RAP	Resettlement Action Plan
RISP	Regional Integration Strategy Paper
SEAH	Sexual Exploitation and Harassment
SDG	Sustainable Development Goals
SME	Small- and Medium-sized Enterprises
TSF	Transition Support Facility
UA	Unit of Account

PROJECT INFORMATION SHEET

CLIENT INFORMATION

Project Name	Building blue economy resilience and prosperity in IGAD & Horn of Africa (BE-Prosper)
Sector	Agriculture/Blue Economy
Borrower/Grant Recipient	IGAD (Djibouti, Eritrea, Somalia and South Sudan).
Project Instrument	TSF Pillar III Grant
Executing Agency	Intergovernmental Authority on Development (IGAD)

COUNTRY AND STRATEGIC CONTEXT

Regional Integration Strategy Paper/Country Strategy Paper Period:	Eastern Regional Integration Strategy Paper (2023-2027) Djibouti CSP 2023-2027 Eritrea I-CSP 2022-2024 Somalia CSP 2025-2030 South Sudan I-CSP 2022-2024
Country Strategy Paper Priorities supported by Project:	Eastern Regional Integration Strategy Paper Priority 2 Djibouti: Priority 1 Eritrea: Priority 1 Somalia: Priority 2 South Sudan: Priority 1
Government Program (PRSP, NDP or equivalent):	IGAD Regional Blue Economy Strategy and Implementation Plan (2021-2025)
Project classification:	**Relevant High 5 Priority Area(s)** Feed Africa Integrate Africa Industrialize Africa Improve Quality of Life of Africans
	SDGs SDG 1 (End poverty); SDG 2 (End hunger); SDG 3 (Well-being); SDG 5 (Gender equality); SDG 8 (Sustained and sustainable economic growth, SDG 12 (Responsible Consumption and Production) SDG 13 (Climate action); SDG 14 (Life below water); SDG 17 (Partnership)
Selectivity priority/ies:	**Feed Africa** Agricultural productivity (1.1); Added value (1.2); Investment in infrastructure (1.3) Agricultural financing (1.4); Inclusion and sustainable development **Integrate Africa** 4.1 Strengthen regional infrastructure connectivity 4.2 Improve the regional environment for market integration
Country Performance and Institutional Assessment:	Djibouti- 3.2 out of an Africa average of 3.5 (CPIA 2020). Eritrea- 2.3 out of an Africa average of 3.5 (CPIA 2020). Somalia- 2.0 out of an Africa average of 3.5 (CPIA 2020). South Sudan- 1.9 out of an Africa average of 3.5 (CPIA 2020).
Projects at Risk in the country portfolio:	(% of red-flagged operations) (Date: May 2025) • Djibouti – 47% • Eritrea – 45% • Somalia – 47% • South Sudan – 15% (*Note: The red flags include financing instruments of multinational operations whose borrowers or beneficiaries are national governments of these countries.)*

PROJECT CATEGORISATION

Environmental and Social Risk Categorization	Category 3 [1-November-2024]
Does the project involve involuntary resettlement?	No
Climate Safeguards Categorization:	Category 2
Fragility Lens Assessment:	Yes
Gender Marker System Categorization:	Category 2

ADF/ADB KEY FINANCING INFORMATION

Source	**Amount (millions)**		**Financing Instrument**
	UA	**[Other currency]**	
Transition Support Facility Pillar III	4,000,000		TSF Pillar III Grant
Government Counterpart Contribution:	463,950		In Kind
Total Project Cost:	**4,463,950**		

PROJECT DEVELOPMENT OBJECTIVE AND COMPONENTS

Project Development Objective:	To enhance food and nutritional security, employment opportunities, intra-regional trade, and adaptive capacity.
Project Components:	Improving collaborative governance of transboundary fisheries and genetic resources
	Policy harmonization and trade facilitation towards intra-regional trade
	Building Climate Resilience and Institutional Adaptability to Shocks
	Project Management and coordination

PROJECT PROCESSING SCHEDULE

PCN Approval:	July 2024
Appraisal Mission:	September 2024
Planned Approval:	June 2025
Effectiveness:	September 2025
Project Implementation Period:	September 2025 - August 2028
Planned Mid-term Review:	January 2027
Project Closing Date:	September 2028

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1 STRATEGIC CONTEXT

A. Country/Regional Context, Strategy and Objectives

1. The Intergovernmental Authority on Development (IGAD) region consists of eight member states, including both coastal and landlocked countries, covering a geographic area of approximately 5.2 million square kilometres. IGAD countries, such as Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, and Uganda, are heavily dependent on agriculture and livestock, with many facing water stress and climate vulnerability. The region is working towards transitioning to more resilient economies through the promotion of the Blue Economy, recognizing the untapped potential of its aquatic and fishery resources.
2. The IGAD region's Blue Economy Strategy (2021-2025) aims to promote sustainable use of aquatic resources to improve food and nutritional security, create jobs, and increase intra-regional trade. Fisheries are particularly important, providing livelihoods for over 230 million people across the region. It is well aligned with the African Union's Agenda 2063 and the United Nations Sustainable Development Goals 2030 (SDGs); further providing guiding frameworks for IGAD's long-term objectives. Specifically, SDG 2 (end hunger), SDG 13 (combat climate change), and SDG 14 (sustainable use of oceans and marine resources) directly align with IGAD's Blue Economy priorities.
3. The African Development Bank's (AfDB) Regional Integration Strategy Paper (RISP) for Eastern Africa (2023-2027) supports the transition of the IGAD region to resilient and diversified economies, particularly through Pillar II on the development of regional value chains and facilitating trade. The project aligns with four (4) of the Bank's High 5 priorities (Feed Africa, Integrate Africa, Industrialize Africa, and Improve the Quality of Life for Africans), which collectively support the Bank's goal of addressing the economic and environmental challenges faced by the region. In the context of 'Integrate Africa', the outcomes of the project will support the expansion of regional value chains for trade under the African Continental Free Trade Area (AfCFTA). In addition to RISP Pillar II, the project aligns with downstream activities of Priority 1 "Development of socio-economic infrastructure in the energy and transport sectors." of Djibouti's CSP 2023-2027. This will have downstream benefits to agribusiness and fisheries through support to business development by improving competitiveness to boost private sector activity and diversify the economy through intra-regional fish trade into the One Stop Border Post program. This will also create a nexus of food, employment, and trade opportunities whilst promoting maritime connectivity and security. This is also aligned with Eritrea's Interim-CSP 2022-2024 on Priority 1 "Developing quality and sustainable infrastructure to support agricultural value-chains for economic diversification and structural transformation". And that of Somalia's CSP 2025-2030 on Priority 2 "Institutional and human capacity strengthening for a stronger state and inclusive economy"; and Priority 1 "Agriculture value chains development for economic diversification and resilience" of South Sudan's Interim -CSP 2022-2024. Moreover, the project aligns with the Bank's 10-year strategy (2024-2033) through inclusive development (youth and women), the Bank's strategy for addressing Fragility and Building Resilience (2022-2026) and the Bank's Gender Strategy (2021-2025). The project also aligns with ADF-16 priorities; the Climate Change and Green Growth Action Plan (2021-2025), and the Paris Agreement on improving resilience to climate change.

B. Sector and Institutional Context

4. The IGAD region's economy relies heavily on natural resources for its development goals. This is so especially with agriculture and livestock, as well as fisheries and aquatic resources.

Yet, the region holds significant untapped aquatic resources that could strengthen food security, nutrition, and trade. Despite this potential, the sector faces several challenges, including weak institutional frameworks, inadequate regional coordination, and limited infrastructure for value chains, particularly for fisheries and aquaculture. Additionally, fragmented policies and regulatory frameworks hinder the effective governance and sustainable use of these resources.

5. There is limited capacity for fisheries resource management, low investments in cold chain logistics for fish trade, and inadequate access to markets for fishers and traders. Furthermore, the impacts of climate change, such as rising sea levels and extreme weather events, exacerbate the fragility of coastal communities and marine ecosystems. To address these challenges, IGAD has developed its Blue Economy Strategy (2021-2025), focusing on improving governance, increasing cooperation and regional integration by using the BE as a catalyst to stimulate a converging dynamic of interests and efforts, promoting sustainable fishing practices, and increasing resilience to climate change.

6. The project will benefit from synergies with the World Bank financed project on Food Systems for Resilience Building towards food security, as well as the Canada financed project on Food-Climate-Biodiversity nexus project on skills development and institutional capacity. By integrating and aligning with these existing projects, the proposed project aims to complement and enhance the ongoing efforts in maritime governance and shared transboundary fishery resources, value chains and agribusiness, cross border trade, and regional integration.

C. Rationale for Bank’s Involvement

7. The Bank’s involvement in the project is vital, due to its long-standing expertise in regional integration, trade facilitation, and sustainable development in Africa. The Bank is uniquely positioned to support the IGAD region in harmonizing policies, improving fisheries governance, and fostering intra-regional trade, all of which are key to unlocking the potential of the Blue Economy in the region.

8. The Bank’s Regional Integration Strategy Paper (2023-2027) for Eastern Africa emphasizes the importance of building regional value chains and promoting trade, which is central to this project. Additionally, the project aligns with the Bank’s Feed Africa, Integrate Africa, industrialise Africa and Improve the quality of life of Africans High 5 priorities, and it contributes to resilience-building efforts by improving climate adaptation in the fisheries and aquaculture sectors. Through the Bank’s involvement, the project will not only improve food security but also enhance economic resilience for vulnerable coastal and inland fishing communities. The harmonization of policies across borders will further facilitate trade under the African Continental Free Trade Area (AfCFTA), contributing to sustainable economic development.

9. The project is well aligned within the Bank’s Strategy for Addressing Fragility and Building Resilience Pillar III where a combination of conflict, environmental degradation, and youth unemployment, known as the "Disaster Triangle," exists in the IGAD region. The project's emphasis on promoting a sustainable blue economy aligns with the objectives of TSF Pillar III for resilience-building and the regions long standing socio-political challenges in the Horn of Africa including maritime security issues.

D. Development Partners Coordination

10. The IGAD region benefits from strong coordination among development partners, including multilateral organizations like the African Development Bank, the World Bank, the European Union, and bilateral partners such as Trademark Africa, Swedish International Development Agency (SIDA), and the Japan International Cooperation Agency (JICA). These partners provide support in areas such as infrastructure, trade facilitation, and capacity building.
11. The Bank engages in collaborations with bilateral and multilateral development partners in the region in line with the IGAD Partnership Strategy 2022-2025 and plays a critical role in the coordination of development efforts, particularly through its leadership in the East Africa Development Partners Group. The Bank also works closely with United Nations (UN) partners including United Nations Economic Commission for Africa (UNECA), the Food and Agricultural Organization (FAO), UN Industrial Development Organization (UNIDO), UN Environment as well as the African Union Commission (AUC) and Regional Economic Communities to enhance regional integration. The current project aims to leverage additional resources from other development partners. The project's alignment with the IGAD Blue Economy Strategy ensures a coherent approach to fostering sustainable fisheries governance, trade facilitation, and climate resilience in the region.

2 PROJECT DESCRIPTION

A. Project Development Objective

12. The primary objective of the project is to enhance food and nutritional security, boost intra-regional trade and adaptive capacity in IGAD region. To achieve this, the project specifically aims at: i) enhancing fisheries governance through the implementation of integrated management plans and blue economy initiatives; ii) fostering policy and regulatory harmonization and trade facilitation; and iii) strengthening institutions and knowledge capacity to effectively adapt to the impacts of climate change and other vulnerabilities.

B. Theory of Change

13. The core problem this project seeks to address is the underutilization and unsustainable management of aquatic resources in the IGAD region, which hampers food security, trade opportunities, and climate resilience. The region suffers from fragmented policies, inadequate governance structures, and limited capacity for managing fisheries and promoting intra-regional trade. This situation is exacerbated by the vulnerability of coastal communities to climate change.
14. The project's theory of change is built on the assumption that improved governance, harmonized policies, and enhanced capacity for fisheries management will lead to sustainable resource use, increased trade, and climate resilience. By promoting integrated management of fisheries resources, strengthening institutions, and facilitating policy harmonization, the project will create an enabling environment for sustainable fisheries and increased intra-regional trade. These interventions are expected to result in improved food and nutritional security outcomes, economic growth, and strengthened climate resilience across the IGAD region. The project's success depends on the continued engagement of regional and national stakeholders, effective coordination, and the integration of gender equity and youth empowerment into the process.
15. To overcome the constraints (identified in the previous paragraph) and get the expected changes, the logic of intervention of the project is based on: i) enhancing fisheries governance practices through capacity building programs; ii) strengthening value chains

competitiveness and facilitating cross-border trade through harmonization of trade policies and regulations; and iii) building climate resilience and institutional adaptability to shocks. This will contribute to increase production of fishes, increase marketing surpluses for the market, and create added value. In long-term, this will contribute to enhance food and nutritional security and boost intra-regional trade in IGAD countries. However, the project's success depends on less insecurity and conflicts in the region, the continued engagement of regional and national stakeholders, effective coordination, and the integration of gender equity and youth empowerment into the process.

Project Cost and Financing Arrangements

16. The total cost for the proposed project is UA 4.46 million (USD 6.07 million) comprising of a grant from Transition State Facility (TSF) amounting to UA 4 million and IGAD Secretariat will provide an in-kind contribution of UA 0.46 million (USD 0.63 million) in the form of Human Resources, requisite utilities, office space and logistical services. The total project cost is inclusive of price contingencies estimated at average rates of 4%. The TSF resources will be used to finance all the consultancies, technical assistance and goods. A summary of the project cost estimates by components and expenditure accounts is shown in Tables 1, 2, 3 and 4, while details are provided in the Technical Annexes.

17.

Project's Target Area and Population Beneficiaries and other Stakeholders

18. The project will target 4 IGAD member countries namely Djibouti, Eritrea, Somalia and South Sudan, particularly coastal and riparian communities and national institutions involved in fisheries, aquaculture, and the blue economy. Stakeholders are broadly defined along the fish production chain referring to those that govern (e.g. fisheries managers, maritime observers, custom officers, NGOs), and those that are being governed including fishers, processors, traders, and cooperatives. The direct beneficiaries include fishers, processors, traders, and SMEs involved in the fish value chain, with a special focus on women and youth. Approximately 250,000 direct beneficiaries will gain from enhanced governance, improved market access, and increased job opportunities in the fish trade while indirect beneficiaries include coastal communities, government institutions, and national and regional organizations involved in fisheries management and climate resilience initiatives in the entire IGAD region.

C. Bank Group Experience and Lessons Reflected in Design

19. Lessons from previous interventions by the Bank and other donors show that a regional approach in designing a program of this nature which involves shared natural resources is imperative. The East Africa RISP 2023-2027 stressed the importance of coordinated border management, harmonization of policies and regulations in the management of regional public goods. Experience from Bank financed projects and other development partner programs also show that the IGAD region urgently needs to strengthen the management of its scarce natural resources at the regional level, by enhancing coordination and reinforcing information bases so that countries can manage their transboundary resources in a way that is economically efficient. This need drove IGAD to develop its regional Blue Economy strategy (2021-2025) to enhance coordination and to efficiently harness the potentials of Blue Economy to reduce food and nutrition insecurity.

20. At the operational level, the project draws on other lessons from Feed Africa interventions, building on the success of the Bank's projects in value chain development, regional trade facilitation, and capacity building for climate resilience. For example, in previous

interventions, the lack of clear ToR and agreed scope of activities to be undertaken by implementing partners caused long delays in implementation. For this reason, the team held thorough engagements with implementing partners, agreeing to the scope of activities that they would undertake and drafting an MoU in advance based on agreed activities.

21. Lessons learnt from previous Bank operations on multinational blue economy and fisheries projects such as LEAF II[2] and ProFishBlue[3] are integrated into the design and implementation of the proposed operations. These lessons specifically resolve around implementation: i) support towards fiduciary clinics and procurement arrangements to address implementation delays; ii) facilitate stakeholder ownership and sustainability of community infrastructure for long term viability; iii) build institutional capacity of sector staff to address global shocks such as COVID-19 and climate disasters; iv) build partnership with private sector and SMEs for long term sustainability; v) improve cross-sectoral engagement and government oversight ; (v) support ownership and participation of beneficiaries to improve sustainability; (vi) high level political support at the regional and national levels; (vii) the need to strongly link environmental benefits to improved livelihoods for community well-being; viii) Improving monitoring and evaluation capacity for tracking gender and social ; and (ix) the need for greater Government oversight of the PIU to ensure that critical portfolio issues

22. Finally, the project reflects the Bank's experience engaging in transition states and adapting to their unique circumstances by ensuring inclusivity of the marginalised in the society especially women and youth.

3 PROJECT FEASIBILITY

A. Financial and Economic Analysis

23. This project is a technical assistance intervention. Therefore, traditional economic and financial analysis do not apply. However, it is expected that successful implementation of the project activities will lead to increased long-term productivity in enhancing sustainable fishing practices that result in healthier fish stocks, enabling consistent yields and long-term economic benefits for all participating nations. Genetic resources, such as resilient fish strains, can improve aquaculture and fisheries production, leading to higher revenues and livelihoods improvement. Collaborative governance frameworks allow countries to share benefits more equitably, reducing resource conflicts and ensuring that small or less economically developed nations receive fair access to shared fisheries and genetic resources. Coordinated management can enhance access to international markets by demonstrating sustainable practices, meeting certification requirements, and aligning with global standards. This will contribute to improving payment balance and reducing budget deficits in the beneficiary countries The project will promote cross-border trade and regional economic integration by harmonizing regulations and policies.

B. Environmental and Social Safeguards

Environmental

24. **E&S risk categorization**: The project is classified as Category 3 in accordance with the legislation of the beneficiary countries (the Environmental Management Act enacted in 2020 in Somalia, for Eritrea Article 20(4) of the Environmental Proclamation 2017; (Proclamation

[2] Lake Edward and Albert Integrated Fisheries and Water Resources Management Project https://www.afdb.org/en/documents/multinational-lakes-edward-and-albert-integrated-fisheries-and-water-resources-management-leaf-ii-project

[3] Program for Improving Fisheries Governance and Blue Economy Trade Corridor in SADC region https://mapafrica.afdb.org/en/projects/46002-P-Z1-AAF-015

No 179/2017)'' for Djibouti, the Decree No. 2011-029/PR/MHUEAT, for South Sudan, the Environment Bill (2010) and the Bank's Integrated Safeguard System. This category was validated in ISTS on November 1st and confirmed in SAP on November 2nd, 2024.

25. **Environmental and social safeguards instruments applicable:** As the project is classified in category 3 (low risk), no environmental and social safeguard instruments are required prior to project approval by the Board.
26. **Environmental and social risks and impacts:** From an environmental and social perspective due to their non-physical nature, the activities to be implemented which consist technical assistance aimed at strengthening food and nutrition security, have no impacts on the biophysical and human environment.
27. **Involuntary resettlement:** Implementation of the project activities will not result in the displacement of populations, damage to property or restriction of access to resources.
28. **Institutional implementation arrangement:** The project does not entail any environmental and social risks to be managed.
29. **The E&S compliance:** The project is compliant and ready to be submitted to Board examination, as evidenced by the ESCON in annex.

Climate Change and Green Growth

30. The IGAD region is currently experiencing, and will continue to experience, several climate hazards, including heat waves, strong winds, drought, floods and extreme rainfall. While droughts pose a real threat to food security in the region, extreme rainfall is likely to increase flooding, landslides, soil erosion and the spread of pests and diseases with largely negative impacts on health, livelihoods, infrastructure as well as freshwater and marine ecosystems. Noting that climatic and ecological regions transcend national political boundaries, the IGAD Secretariat has developed the IGAD Regional Climate Change Strategy and Action Plan (2023-2030), to provide a broad outline for harmonized and coordinated regional actions to address and respond to the impacts of climate change and to plan for a low-carbon resilient future. The Project will consider these regional environmental and climatic considerations in building resilience and will enable the relevant indicators and data to be captured and integrated in decision-making mechanisms.
31. The project is assessed using the Bank's Climate Safeguards System and is categorized as a Category 2 project meaning it is moderately vulnerable to the impacts of climate change. Climate-informed considerations should be considered in project implementation. Any maritime and coastal infrastructure to be built should consider the risk of water level rise in its design and construction. Incorporation of climate proofing technologies such as use of reinforced concrete and adequate drainage should be considered. The use of nature-based solutions to enhance climate change resilience in the blue economy should also be explored. This includes the conservation of wetland areas, use of protective marine infrastructure, and planting of mangroves to safeguard maritime ecosystems. The project is also assessed using the MDB Paris Alignment methodology and is considered aligned with the mitigation and adaptation goals of the Paris agreement. The project will explore potential co-financing from GEF International Waters and Blue Economy financing windows. Additional financing will target fisheries rebuilding and ecosystem restoration to maximize sustainable yield, promote climate resilience and ecosystem services in catchment basins and estuaries, as well as promote an integrated management approach to water resources in transboundary rivers and aquatic resources.

C. Other Cross-cutting Priorities

Poverty reduction, Inclusiveness and Job Creation

32. The project is expected to have a significant positive impact on poverty reduction, inclusiveness, and socio-economic progress, particularly in terms of employment generation and wealth distribution. By strengthening the fisheries value chain and promoting intra-regional trade, the project will create direct and indirect job opportunities for local communities, especially women and youth, who are disproportionately affected by poverty. The project's focus on building sustainable fisheries and improving access to markets will increase incomes for small-scale fishers, processors, and traders, thereby contributing to wealth distribution and reducing economic disparities within the IGAD region. The creation of an estimated 10,000 direct jobs and 100,000 indirect jobs will be a key driver of poverty alleviation.
33. In terms of inclusiveness, the project emphasizes gender equality and youth empowerment by ensuring women and youth have access to training, capacity-building opportunities, and involvement in decision-making processes. Youth represent a huge proportion of the population in the region and there is a need to make the agro-sylvo-pastoral and fisheries sector; a sector "Guarantor of decent jobs". The role and place of young people in the agro-sylvo-pastoral sector are considered as major challenges for agricultural and rural development, considering its economic, social and environmental implications. This project is aligned with the Strategy to support the employability of young people in the agro-sylvo-pastoral and halieutic sector in the IGAD region. The blue economy is one of the key sectors in the IGAD region that can unlock decent job creation for the youth and women. Special measures will also be taken to address barriers that limit women's participation in the fisheries sector, such as lack of access to credit and resources.
34. The project will also ensure adherence to labor standards, safety regulations, and equitable treatment to foster a safe and inclusive environment during its implementation and after.

Economic opportunities for youth

35. The project is deeply aligned with the Bank's Jobs for Youth in Africa Strategy (JfYA) and the Ten-Year Strategy (TYS 2024–2033), particularly in advancing youth employment, inclusion, and economic transformation. With a projected creation of 10,000 direct and 100,000 indirect jobs, and a focus on youth and women as core beneficiaries, the project directly supports JfYA's three pillars: Integration, Innovation, and Investment. Through targeted interventions like vocational training, graduate-level scholarships, and business incubation in the blue economy, the project enhances human capital, fosters entrepreneurship, and builds durable labor market linkages across fisheries, aquaculture, and related sectors.
36. By improving access to markets, reducing trade barriers, and investing in cold chain infrastructure, the project catalyzes regional value chains and economic opportunities for youth, particularly in coastal and underserved areas. These initiatives align with the Bank's TYS cross-cutting emphasis on equipping young people with the skills and opportunities needed to participate in and drive inclusive green growth.
37. By integrating skills development, job creation, and regional economic cooperation into a comprehensive framework, the project offers a transformative model for addressing youth unemployment and economic marginalization in fragile coastal regions, while accelerating the Bank's broader development vision.

Opportunities for Building Resilience

38. The geographical diversity of the region's countries, coupled with their unique socio-political needs—spanning land-locked nations, coastal territories, and small island states—highlights the critical role that regional integration plays in fostering resilience. This integration manifests through developing soft and hard infrastructure connectivity, essential for economic growth and stability. Key components of this connectivity include the advancement of digitalization and e-commerce, alongside the establishment of physical infrastructure such as navigable waterways, agro-processing zones, industrial clusters, blue ports, and enhanced maritime connectivity. These initiatives facilitate the swift and efficient movement of goods, services, and labor across national borders, promoting human capital development. The African Continental Free Trade Area (AfCFTA) presents a remarkable opportunity to unlock significant benefits for the continent, allowing countries within the Intergovernmental Authority on Development (IGAD) region to align better and participate in expansive continental trade networks. By prioritizing regional cooperation and enhancing infrastructure, these nations can unite their efforts to propel resilient and inclusive economic growth.

39. Additionally, this transition opens up avenues for policy dialogue that address vital issues such as coordinated trade corridors. Such discussions aim to collaboratively tackle regional vulnerabilities and respond to the multifaceted drivers of global change, which include challenges related to fragility, climate change, and conflict. Through these concerted efforts, the region can cultivate a robust framework for resilience, ensuring that it thrives despite external pressures.

40. The project aims to enhance regional initiatives focused on building resilience and effectively responding to the challenges posed by climatic shocks. It seeks to create a robust and scalable framework for comprehensively addressing climate change challenges by utilizing a diverse array of platforms and instruments. At the heart of this initiative is strengthening collaboration among countries facing similar climate vulnerabilities through regional cooperation. The project will foster a unified and coordinated approach to enhance resilience through strategies that promote climate adaptation and effective resource management. This includes joint efforts in managing transboundary resources such as water and fisheries, as well as developing cohesive disaster response mechanisms that can be mobilized when faced with climate-related emergencies. The project will facilitate regional policy dialogues through a policy and governance framework to harmonize national strategies with broader regional goals for resilience. Promoting knowledge exchange and collaborative planning will create a solid foundation for a cohesive response to the impacts of climate change.

41. The project will employ various climate finance mechanisms through financial instruments like establishing insurance schemes tailored to address climate-related risks and exploring innovative funding models that ensure an adequate financial base for enhancing resilience across critical sectors such as agriculture, fisheries, and infrastructure. Moreover, the project will leverage advanced digital tools and data-sharing capabilities with a technological platform to enhance real-time monitoring of climate events. Establishing early warning systems will facilitate evidence-based decision-making, empowering stakeholders to manage and mitigate climate risks before they escalate proactively. Finally, capacity-building activities will help develop project sustainability outcomes, provide comprehensive training, and create knowledge-sharing programs. These initiatives will equip various stakeholders—government agencies, local communities, and private sector actors—with the necessary skills and knowledge to effectively navigate and respond to climate challenges, reinforcing their ability to contribute to regional resilience efforts.

Industrialization and trade harmonization

42. The IGAD region recognizes the crucial role of BE in promoting economic diversification, enhancing productive capacities, creating wealth and employment, and reducing poverty. Intra-regional activities are currently hampered by Technical Barriers to Trade (TBT), which can restrict product movement across borders. The TBT Annex to the IGAD Trade Protocol seeks to identify, prevent, and eliminate unnecessary TBTs among IGAD member states and with other trading blocs. To support trade in fisheries and aquaculture products, the project aims to improve technical regulations, undertake conformity assessments, and enable mutual recognition of certification services. Industry and trade standards will be aligned with international standards, including those of the International Organisation for Standardisation (ISO) and Sanitary and Phytosanitary Measures (SPS). Adopting, certifying, and enforcing these standards will protect human, animal, and plant health, ensure safety, and safeguard the environment. This harmonization will facilitate cross-border trade and improve market access within the region.

43. Key institutions involved in standardization, metrology, and accreditation play a vital role in these efforts. The BE Prosper project will build on the successes of the PROFISHBLUE project in the SADC region, working to improve fisheries governance and blue economy trade corridors. Leveraging previous development and implementation of standards by the African Organization for Standardization (ARSO) and preparatory initiatives by the United Nations Industrial Development Organization (UNIDO) in developing One-Stop-Border-Posts (OSBPs) and conducting Compliance Assessments for Cross-Border Trade (CACBTs), the project aims to enhance intra-regional trade readiness. This includes developing country-specific skills and capacity building research initiatives in IGAD member states supported by the University of British Columbia (UBC), thereby improving the knowledgebase and skills development, as well as improve tools to support fisheries sustainability and market access for fish products.

44. Additionally, the project will provide limited but high-quality infrastructure such as refrigerated trucks for the storage and transportation of fisheries goods and improve access to blue economy inputs. Capacity building will be offered to Small- and Medium-sized Enterprises (SMEs) in business development literacy, trade process awareness, and quality requirements. These efforts will support the formalization of domestic and intra-regional activities and help combat Illegal, Unregulated, and Unreported (IUU) activities.

Gender Equality and Women's Empowerment Promotion

45. Pursuant to the banks Gender Marker System, the project is a category 2 on the Gender Marker System and aligns strongly with the Bank's Gender Strategy (2021-2025) pillar on access to finance and Markets. This project will implement transformative initiatives to address specific challenges faced by women in the fisheries and aquaculture value chain, where about 96% of women employed are involved in post-harvest activities such as processing and trading. The project will also address cultural, social norms and gender roles (customs, norms, practices or even laws) that limits women's involvement and leadership in this sector, women's limited access to assets/resources, markets and bargaining power, poor/traditional fish processing methods (smoking and rack drying etc.) that result to cardiovascular threats/risk to women, women's low literacy and knowledge in this field and the lack of available disaggregated data to capture women's role and involvement across the value chain etc.
46. The Project will make a deliberate effort to ensure adequate participation and leadership of women in fisheries and aquaculture governance value chain by strengthening the network of women in fishing across the region. The networks and cooperatives will be supported with

tools and infrastructure such as cold storage processing facilities, and market information, to enhance their trade in fish.

4 IMPLEMENTATION

A. Institutional and Implementation Arrangements

47. The IGAD Secretariat will serve as the executing agency, with a dedicated Project Implementation Unit (PIU) comprising of a Project coordinator, Procurement officer, Finance officer within IGAD's Agriculture and Environment (AED) Division. The Secretariat will implement and manage the project with full project management responsibilities. The Project oversight and guidance will be through the Project Steering Committee (PSC) that comprises of representatives from BE line ministries of IGAD beneficiary countries, and the AED Director. The project will also have a technical committee charged with appraising the progress and work plans of the project, discussing in detail on project implementation, challenges and emerging issues, and recommendations for better project implementation. The Technical committee will comprise of IGAD AED Director, Sustainable Environment Unit Programme Manager, Blue Economy focal persons from IGAD BE ministries, and fisheries bodies in the IGAD region.

48. The project will receive implementation support from development partners, given the multi-scale and scope of interventions and the comparative advantage of the technical capabilities of implementing partners. These partners include UN entities such as FAO and UNIDO, IGAD centres of excellences including ICPAC and research and academic institutions such as University of British Columbia. Their roles and contributions are provided in the implementation section in the Technical Annex (Annex 4-4). The partner's work is further buttressed at the community level by focal points, assigned and appointed at the sector ministry, who liaise with the technical committees at IGAD for guidance and implementation directives.

B. Procurement

49. Procurement of goods and acquisition of consulting services financed by the Bank will be in accordance with the Procurement Policy, dated October 2015 as may be amended from time to time (the "Procurement Framework") and the relevant Bank Standard Bidding Documents, and the provisions stipulated in the Financing Agreement. Specifically, all contracts designated for procurement with International Advertising, will follow Bank Procurement Methods and Procedures, using the relevant Bank Standard or Model Solicitation Documents. Based on detailed risk assessments done at appraisal, some of the contracts will follow IGAD's Procurement Methods and Procedures, using relevant Standard or Model Solicitation Documents.

50. Assessment of the Procurement Capacity of IGAD has been conducted and this focused on the organizational structure, staffing and practical experiences of the organization, to carry out required procurements under this project. The outcome of this assessment revealed that IGAD has the structure and procurement staff with adequate experience to implement the project. The details of this assessment will be included in the project appraisal report and technical annex.

51. A detailed Procurement Plan covering at least the first 18 months of the Project implementation period is prepared as part of the technical annex. To fast-track the procurements, IGAD will initiate and follow up on approval of advance contracting of critical activities with partners to reduce on delays in acquisition and implementation with key implementing partners identified during the design and preparation of the project. The list of implementing partners and activities is found in the technical annex

C. Financial Management, Disbursement, and Audit

52. IGAD Secretariat has been designated as the Executing Agency and has vast experience in the implementation of projects funded by development partners. The fiduciary risk on the project is a priori deemed as **moderate**. The project will be managed by a PIU comprising of Project coordinator, Blue Economy and Regional Fisheries Integration Officer, Procurement officer, and Financial Management officer, who will be charged with the day-to-day management of the project. The Procurement and Financial Management officer will be also responsible for the Gender and Lands TSF financed project implemented by IGAD. IGAD Secretariat provides its administrative system for an integrated project/program management of funded programs in line with the Secretariat Financial Project Management infrastructure policies.

53. The project **budget**, materialized in the WPBA will be prepared by the PIU and adopted by the project governance bodies, the Steering Committee before being submitted for validation by the Bank before the end of year N-1 to be enforceable in year N. The project must define a clear budget schedule to comply with this provision.

54. For **Internal Control**, an accounting and financial procedures manual or Project Implementation Manual will be established for the project and must meet the specific requirements of the projects. The manual will address all the administrative issues as well as financial and disbursement procedures especially funds disbursement made in the framework of project activities. The necessary steps must be taken to ensure that its final version is available within the first six months of the project's start.

55. The **Project Accounting Management** will include the current software (*SUN accounting system)* already used by the PIU for project management. The project accounting will be an accrual-based accounting and must be in line with the international accounting standards.

56. Concerning **Financial Reporting**, in accordance with the Bank's financial reporting and auditing guidelines, the project will need to prepare and submit the Interim Financial Report (IFR) within 45 days after the end of each calendar quarter. Additionally, separate annual financial statements will be prepared for the project, which will serve as the basis for the external audit. The format of the IFR will be discussed and agreed during the launching phase of the project.

57. Disbursements

The project will have access to the Bank's usual **disbursement** methods, particularly direct payment and the special account considering the activities planned in the project. The latter will require the opening of a bank account with a commercial bank deemed acceptable to the Bank. In addition, IGAD will have to pay the counterpart resources provided to supplement the Bank's financing. These resources will be collected through a separate account opened with the same commercial bank deemed acceptable by the Bank. The opening of the Special Account will be a condition to disbursement using the Special Account method. When needed, the project will have access to the reimbursement method for any expenses supported by the Executing Agency, with prior approval of the Bank. The management of the project's bank accounts will be supported by the regular production of monthly reconciliation statements and quarterly reconciliation statements of the Bank's special account. The Bank will issue a Disbursement Letter of which the content will be discussed and agreed with the Grant Recipient during Negotiations. Training will also be provided at project launch and during implementation as part of the Bank's continuous capacity building efforts

58. **Audits**

Finally, regarding **External Audit**, provisions like those used for monitoring previous projects carried out by the Executing Agency and financed by the Bank will be conducted in this project. This includes the recruitment of an independent external auditor based on ToRs approved by the Bank in advance. The duration of the auditor's contract must not exceed three financial years, and the audit reports must reach the Bank no later than six (6) months after the end of the financial year concerned. As such, the first and last audits may cover a maximum period of 18 months depending on whether the first disbursement occurs during the second half of the launch year, or the closing date is set during the first half of the closing year. The cost of the audit will be covered by the project. RPCU will institute adequate internal controls to ensure that all financial transactions are duly authorized, properly recorded and maintained in an accounting system and that expenditures and related supporting documents are properly and physically archived for supervision and auditing purposes. The audit report, complete with a Management Letter and responses, will be submitted to the Bank within six months of the end of the financial year

D. Monitoring and Evaluation

59. The PIU under the Directorate will have primary responsibility for internal monitoring of the implementation of activities and evaluation of their impacts. It will prepare quarterly and annual progress reports in accordance with the format recommended by the Bank, focusing on the monitoring of results and indicators of the project's logical framework. A functional monitoring and evaluation system will be set up with the support of an expert. This system will be computerized and will have tools for collecting and processing information that will make it possible to monitor physical achievements, disbursements and socio-economic and environmental impacts disaggregated by gender. It will also make it possible to detect weaknesses in a timely manner and to provide appropriate solutions. The "baseline" will be established by the team members from the Directorate and supplemented by existing IGAD Directorate data. Within the framework of the project, it is planned to set up an integrated information system for the collection, processing and analysis of information on fishing and aquaculture in order to provide reliable data to the institute in charge of statistics to feed the decision-making process of both the authorities and private operators. The Bank's various supervision missions and periodic activity reports will report on the level of achievement of the indicators. The project's performance will be measured at mid-term and at completion through the evaluation of its impacts in accordance with the performance indicators defined in the logical framework and through periodic surveys and with the support of targeted consultations.

60. External monitoring will be ensured by a committee comprising: representatives of the Steering Committee, and the other structures involved. It will be responsible for monitoring the progress of the project, the quality of its achievements, good governance of budgetary resources and coordination with the TFPs. It will ensure close monitoring of both operational and environmental aspects (ESMP) and those relating to fiduciary management and will participate in the various phases of the project cycle. The Committee will establish a schedule of quarterly meetings with the PMU to inquire about the progress of the project and collect the information necessary for the preparation of its reports. It will assist in resolving constraints encountered by the project, ensure compliance with agreed institutional arrangements, and prepare and disseminate semi-annual project monitoring reports to line managers and the steering committee. To strengthen the monitoring and evaluation capacity of the Committee, collaborative platform support is planned for the Directorate.

E. Governance

61. The Horn of Africa has been affected by a chronic cycle of poverty, instability, and conflict over natural resources. Challenges commonly faced by the countries of the region relate to weak governance, nomadic pastoralism, food insecurity, and sharing resources. In this regard, IGAD has become a central part of the region's political and security architecture. IGAD works on regional governance and integration by promoting responsive leadership at the local, national, and regional levels and by introducing anti-corruption measures. IGAD also works on the efficient management of natural resources, on food security, on border control, and on the non-proliferation of small arms. IGAD affiliated regional, multisectoral interventions like BE Proper help prevent and mitigate conflict by addressing the root causes of instability.

62. In terms of governance, the principal risks relate to public financial management and procurement. To minimize this risk, the program will: (i) ensure the use of the Bank's standard bidding documents and procedures where applicable; (ii) distribute the Bank's financial management manual to all project staff; (iii) encourage the regular submission of progress reports; and (iv) employ qualified, experienced procurement and financial management specialists in the PIU. The Bank will also run regular fiduciary clinics to assess any remaining capacity gaps. Bank team will conduct regular supervision missions and audits and follow up closely to monitor adherence to Bank standards and procedures as a way of securing value for money.

F. Sustainability

63. There is strong evidence of commitment from IGAD member states to the project, as demonstrated by the alignment of the project with national and regional policies, such as the IGAD Blue Economy Strategy (2021-2025) and the African Union's Agenda 2063. These frameworks emphasize sustainable management of aquatic resources, regional integration, and climate resilience. The project's objectives are also consistent with the African Continental Free Trade Area (AfCFTA), which promotes cross-border trade. The involvement of national governments in policy harmonization and resource governance ensures ownership of the project, while capacity building for local institutions and communities ensures sustainability beyond the project's lifespan.

64. Critical to the sustainability of the project's benefits are strong institutional frameworks, technical expertise, and social inclusion. The project builds institutional capacity for fisheries governance, climate resilience, and trade facilitation, ensuring that national bodies have the expertise to manage resources sustainably. The focus on stakeholder engagement at all levels, from local fishers to government institutions, ensures continued participation and ownership.

65. The project incorporates climate adaptation measures and safeguards to protect biodiversity and prevent over-exploitation of resources. Financial sustainability is enhanced through partnerships and knowledge mobilization. The project aims to mobilize additional resources from development partners and the private sector. Further investments through sovereign and non-sovereign operations will be sought to scale out activities on a national level. Through IGAD's business platforms, there is anticipation towards stakeholder engagement on de-risking instruments and creating enabling environment for private sector investments, incubation hubs, PPPs, and FDI.

G. Risk Management

66. Potential risks include climate-related disruptions, political instability, and limited capacity for cross-border coordination. Mitigation measures include building robust institutional frameworks for fisheries governance, enhancing climate resilience, and ensuring high-level

political engagement among IGAD member states. A strong M&E framework will ensure early identification of issues and timely corrective actions

H. Knowledge Building

67. As the Bank increases its interventions in the Horn of Africa, important knowledge will be generated on how to successfully build resilience in the region and beyond. Attention will be paid to local knowledge and experiences and to lessons from similar interventions in other regions. The program will promote cross-border learning within the region by joining existing resilience knowledge networks and by ensuring that the IGAD Secretariat plays an active role in regional coordination. Learning linkages with the University of British Colombia (UBC) will be strengthened by sharing information, exchanging visits and training of selected Blue Economy candidates in beneficiary countries. Face-to-face gatherings, virtual networking, and dedicated websites will help share knowledge among communities, public institutions, and other stakeholders. The project will also produce knowledge products such as Blue investment and management plans.

68. Progress reports, audit reports, midterm review reports, completion reports, and other information collected as per the monitoring and evaluation framework will be used to document lessons learnt. The Bank will share this knowledge with other development partners and stakeholders engaged in blue economy and climate change resilience activities.

5 LEGAL INSTRUMENTS AND AUTHORITY

A. Legal Instrument

69. The legal instrument for the Fund's financing of the Project will be a Letter of Agreement signed between IGAD (the "Recipient"), and the African Development Bank and the African Development Fund (together the "Bank") as administrators of TSF

B. Conditions Associated with Bank's Intervention

70. Condition Precedent to Entry into Force: The Letter of Agreement shall enter into force on the date of its signature by the Recipient and the Bank and Fund as administrators of TSF.

71. Condition Precedent to First Disbursement: The obligation for the Bank to make the first disbursement of the Grant shall be conditional upon the entry into force of the Letter of Agreement and the fulfilment by the Recipient, in form and substance satisfactory to the Bank, of the following condition: (a) Nomination of a Project coordinator for the duration of the project and interim PIU consisting of procurement officer and accountant with skills and qualifications acceptable to the Bank ;

72. Other conditions

The Recipient shall, within six (6) months of the Date of the Letter of Agreement:

(a) Submit evidence of the recruitment of two (2) experts for the project namely, (i) financial management specialist, and (ii) procurement specialist; with qualifications, skills, experience, and terms of reference acceptable to the Bank;

(b) Submit a Memorandum of Understanding entered into between the Recipient and co-implementing partners (UNIDO, FAO, and UBC), based on new or existing Memorandum of Understanding for scientific and technical cooperation and specified collaborative activities.

(c) Submit to the Bank, evidence, confirming the establishment and composition of the Project Steering Committee (PSC) comprises of representatives from BE line ministries of IGAD beneficiary countries including South Sudan, Eritrea, Djibouti, and Somalia.

73. Undertakings: The Recipient shall:

(a) Submit to the Bank a withdrawal request with a Special Account denominated in USD, opened at a commercial bank acceptable to the Fund, in the name of the Project, for deposit of the proceeds of the Grant, and a corresponding local currency operating account to facilitate project related payments in local currency;
(b) Make timely provision of the resources required as in-kind counterpart contribution to the financing of the Project to facilitate timely implementation of the Project;
(c) Implement the Project in compliance with the Bank Group Safeguards Policies, and the applicable national legislation in a manner and in substance satisfactory to the Fund;
(d) Maintain the existence and functioning of the PIU and PSC, each in a form and with a composition acceptable to the Bank, throughout the duration of the Project; and
(e) Prepare and submit to the Bank a consolidated work plan and project implementation manual clarifying the project implementation timeframe, roles and responsibilities, and project management and coordination arrangements, in form and substance satisfactory to the Fund.

C. Compliance with Bank Policies

The project complies with all applicable Bank policies.

African Development Bank Group Independent Recourse Mechanism

74. Communities and individuals who believe that they are adversely affected by an African Development Bank Group (AfDB) supported project may submit complaints to existing project-level grievance redress mechanisms or the AfDB's Independent Recourse Mechanism (IRM). The IRM ensures project affected communities and individuals may submit their complaint to the AfDB's Independent Recourse Mechanism which determines whether harm occurred, or could occur, as a result of AfDB non-compliance with its policies and procedures. To submit a complaint or request further information please contact: IRM@afdb.org or, visit the IRM website www.irm.afdb.org. Complaints may be submitted at any time after concerns have been brought directly to the AfDB's attention, and Bank Management has been given an opportunity to respond before reaching out to the IRM.

6 RECOMMENDATION

75. Management recommends that the Vice President (RDVP) clears this project for the President's approval for the proposed TSF Pillar III grant of UA 4.00 million to the Intergovernmental Authority on Development (IGAD) for the purposes and subject to the conditions stipulated in this report.

7 RESULTS FRAMEWORK

R E S U L T S F R A M E W O R K					
A PROJECT INFORMATION					
PROJECT NAME AND SAP CODE: BUILDING BLUE ECONOMY RESILIENCE AND PROSPERITY IN IGAD & HORN OF AFRICA | P-Z1-AAF-022			COUNTRY/REGION: MULTINATIONAL/ DJIBOUTI, ERITREA, SOMALIA, AND SOUTH SUDAN		
PROJECT DEVELOPMENT OBJECTIVE: To enhance food and nutritional security, intra-regional trade, and adaptive capacity					
ALIGNMENT INDICATOR (S): (i) Seafood consumption rate (ii) Labor productivity along the fisheries value chain; and (iii) Intra-regional trade as a proportion of total goods' traded (%)					
B RESULTS MATRIX					
RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF/ADOA INDICATOR	UNIT OF MEASUREMENT	BASELINE (2024)	TARGET AT COMPLETION	MEANS OF VERIFICATION
OUTCOME STATEMENT 1: Increased production and productivity of fish and fishery product					
OUTCOME INDICATOR 1.1: People benefiting from improved management in agriculture/aquatic food systems (fish value chains)	☒	*Number*	*1,0 million*	*1.5 million (50% women)*	*FAO statistics/IGAD/ National Department of Fisheries reports*
OUTCOME STATEMENT 2: Africa's share of market value for key processed commodities increased					
OUTCOME INDICATOR 2.1: Increase volume in cross border fish trade	☐	*Tons*	*100 000*	*150 000*	*FAO statistics IGAD/National Department of Fisheries reports*
OUTPUT STATEMENT 1: Best management practices for transboundary resources governance					
1.1: Fish value chain institutions and agencies trained on best fishery management practices	☐	*Number*	0	12	*IGAD report/Program progress and supervision reports, mid-term review and evaluations*
1.2 People benefiting from professional and graduate training (disaggregated by gender and age)	☐	*Number*	0/0/0	8/50%/<30	
OUTPUT STATEMENT 2: Value chain competitiveness and cross-border trade facilitation					
2.1: Conformity assessment and trade regulations developed	☐	*Number*	0	2	*IGAD report/Program progress and supervision reports, mid-term review and evaluations*
2.2: Coops and associations benefitting from cold-room trucks and storage facilities (disaggregated by gender and age)	☐	*lots/ sessions*	0/0/0	4/>50%/<30	
2.3: Member States officers trained on fish standards and quality assurance (gender disaggregated)	☐	*Number/ sessions*	0/0	16/1	
OUTPUT STATEMENT 3 : Climate resilience building					
3.1: Climate information support systems scaled-out	☐	*Number*	0	4	*IGAD report/Program progress and supervision reports, mid-term review and evaluations*
3.2: Functional and operational BE trust funds management system		*Number*	0	1	
3.3: Member states benefitting from regional platform for BE action plan support and investment start ups/incubation		*Number*	0	8	

8 ENVIRONMENTAL AND SOCIAL COMPLIANCE NOTE (ESCON)

A. Basic Information[4]		
Project Title: BUILDING BLUE ECONOMY RESILIENCE AND PROSPERITY IN IGAD & HORN OF AFRICA		**Project SAP or TFMS code: P-Z1-AAF-026**
Country: Djibouti, Eritera, Somalia and South Sudan	**Region: RDGE**	**Lending Instrument**: Project Finance Loan/Grant
Project Sector Unit: Agriculture	**Task Team Leader(s):** KHAN Ahmed	
Appraisal dates: September 9 -13, 2024	**Estimated Approval Date**: June 30, 2025	
Environmental Safeguards Officer: xxxx		
Social Safeguards Officer: BIDOUZO Sèdjro Hostin Esperancia		
Environmental and Social Category: Category 3	**Operation type**: Public Sector Operation	**Financial Intermediary**: No
Categorization date: November 1, 2024	**Categorization in ISTS:** November 1, 2024	**Categorization in SAP:** November 5, 2024
Is this project processed under rapid responses to crises and emergencies?		**No**
Is this project processed under a waiver to Integrated Safeguards System (ISS) requirement(s)?		**No**

B. Disclosure and Compliance Monitoring **B.1 Mandatory disclosure**	
Environmental Assessment/Audit/System/Others: [*specify including number*]	
Was/Were the document (s) disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Resettlement Action Plan (RAP)[5]**:** [*specify including number*]	
Was/Were the document (s) disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Stakeholder Engagement Plan (SEP): [*specify including number*]	
Was/Were the document (s) disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Pest or Vector Management Plan (PMP/VMP): [*specify including number*]	
Was/Were the document (s) disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Vulnerable Peoples Plan (VPP): [*specify including number*]	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Riparian Communities Participation Plan (RCPP): [*specify including number*]	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Emergency Preparedness & Response Plan (EPRP): [*specify including number*]	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***
Date of disclosure by the Bank	***Click to Set the date***
Hazardous/Medical Waste Management Plan (HWMP): [*specify including number*]	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	***Click to Set the date***

[4] **Note**: *This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.*

[5] *Including Livelihood Restoration Plan*

Date of disclosure by the Bank	*Click to Set the date*
Riparian notification:	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	*Click to Set the date*
Date of disclosure by the Bank	*Click to Set the date*
Environmental and Social Management Plan (ESMP) of the financing agreement[6]	
Was the document disclosed ***prior to appraisal?***	**NA.**
Date of "in-country" disclosure by the borrower/client	**Click to Set the date**
Date of receipt, by the Bank, of the authorization to disclose	*Click to Set the date*
Date of disclosure by the Bank	*Click to Set the date*
If in-country disclosure of any of the above documents is not expected, as per the country's legislation, please explain why: NA.	

B.2. Compliance monitoring indicators

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	**NA.**
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	**NA.**
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized, and secured?[7]	**NA.**
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	**NA.**
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	**Yes**

C. Clearance

Is the project compliant with the Bank's environmental and social safeguards requirements, and can be submitted to Approval? **Yes**

Prepared by	***Name***	***Signature***	***Date***
Environmental Safeguards Officer:	xxxx		**Click to set the date**
Social Safeguards Officer:	BIDOUZO Sèdjro Hostin Esperancia		**November 22, 2024**
Task Team Leader:	KHAN Ahmed		**December 18, 2024**
Submitted by			
Sector Director:	FREGENE Martin		**February 27, 2025**
Cleared by			
Director SNSC:	ISSA Maman-Sani		February 27, 2025

[6] As referred to in section III.2.3 of the Bank's Environmental and Social Policy (ESP)

[7] *In case a resettlement action plan (RAP) are not required although ESIA is/are disclosed, attached the image/picture/photo of the area/site/landscape to evidence that it is free of any encumbrance (simple statement or letter from the borrower does not suffice), in addition to the statement by the borrower that it is a public-owned land.*