

Road Sector Development



In the 1990s, the government of Ethiopia knew that a major expansion of the road network was necessary to meet its development goals—namely, (a) advance the private sector; (b) upgrade and expand essential infrastructure; and (c) conserve the environment. With this in mind, Ethiopia's leaders formulated the 10-year Road Sector Development Program (RSDP 1997–2007), a two-phased integrated package of

investments, reforms, and institutional reorganization. The program was later extended to include a third phase up to the end of June 2010.

The program was designed to achieve the following:

- Improve trunk and regional/rural road access to meet the agricultural and other economic development needs;
- Build institutional capacity in both the public and private sectors for sustainable road development and maintenance; and
- Provide economic opportunity for the rural poor both through increased employment in rural road works and affordable transport and services.

During phase I, 8,709 km of roads were constructed or rehabilitated. The first two components of the project alone upgraded Ethiopia's major connectors, including the Modjo-Awash-Gewane-Mille (442 km) on the import-export corridor, and the Awash-Hirna-Kulubi-Dire Dawa-Harar (311 km), a gateway to the eastern part of Ethiopia and Somalia.

Phase II included the rehabilitation of 988 km of roads, upgrades to 1,758 km, and the construction of 628 km of new gravel roads. As of late 2008, heavy or emergency maintenance had been completed on 4,199 km of asphalt and gravel roads, and some 70,000 km of community roads were constructed.

Development Impact

In addition to infrastructure changes, the Road Sector Development Program's institutional development impact has been substantial. It supports the re-establishment of the Ethiopian Road Authority (ERA), now the project's implementing agency, as an autonomous institution with its management accountable to a board. Because of this, major reforms have been introduced, particularly those aimed at commercializing the ERA's operations. This ensures reliable road infrastructure and efficient road agencies.

Other highlights of the project include:

- A six-fold increase in annual road fund revenues;
- An increase to 58 percent in 2008 in the share of the annual contract price awarded to local contractors;
- Smaller transport tariffs and less travel time reported by rural populations;
- An increase in income opportunities for women from labor-based works and a smaller domestic transport burden; and
- A wider range of alternative income and diversification of agriculture, translating to higher prices for commercial sales of agricultural produce and decreased agricultural inputs.

World Bank Support

The World Bank's first contribution to the Road Sector Development Program was in the form of an International Development Association credit of US\$309.2 million (1998-2005), which was followed by an Adoptable Program Lending of US\$845 million in four stages (2004-1016). The Bank, with other donors, has provided grants and credits to the program since 1998.

Partners in the project include the European Union, African Development Fund,

Department of International Development, UK (DFID), Norwegian Development Fund, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), (Kreditanstalt für Wiederaufbau (German Bilateral Aid) Japan, Italy, and the Netherlands.

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