Early Warning System

AFDB-P-Z1-DB0-292

Djibouti - South Sudan - Ethiopia–Djibouti Transport Corridor Project Phase II

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Quick Facts

Countries	Djibouti, Ethiopia, South Sudan
Specific Location	Juba–Addis Ababa–Djibouti corridor
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	A
Voting Date	2025-12-02
Borrower	Ministry of Roads and Bridges (South Sudan); Ethiopian Roads Administration; Djibouti Roads Agency
Sectors	Infrastructure, Transport
Investment Type(s)	Grant
Investment Amount (USD)	$ 30.81 million
Project Cost (USD)	$ 361.89 million

Project Description

According to the Bank's website, the South Sudan–Ethiopia–Djibouti Transport Corridor Project Phase II is a regional infrastructure investment aimed at strengthening transport connectivity and trade integration in the Horn of Africa by bridging missing links along the Juba–Addis Ababa–Djibouti corridor and improving logistics and border efficiency. The total project cost is estimated at UA 266.63 million. The project is financed primarily through African Development Fund (ADF) grants to the three participating countries, including Regional Operations, Performance-Based Allocation and Transition Support Facility resources, complemented by UA 0.26 million in technical assistance from the Climate Action Window. In addition, the project benefits from parallel co-financing from the Korea Exim Bank amounting to USD 100 million (UA 76.39 million) for a section of the expressway in Ethiopia, as well as a counterpart contribution of UA 26.12 million from the Government of Ethiopia. The executing agencies are the Ministry of Roads and Bridges in South Sudan, the Ethiopian Roads Administration in Ethiopia, and the Djibouti Roads Agency in Djibouti, with implementation carried out in close coordination under a regional integration framework supported by IGAD and the Horn of Africa Initiative.

The objective of the project is to improve transport connectivity, logistics efficiency and regional integration among South Sudan, Ethiopia and Djibouti by upgrading priority road infrastructure, strengthening trade and transport facilitation, and enhancing institutional and human capacities along the corridor. By constructing new expressway sections in Ethiopia, rehabilitating key road segments in Djibouti, preparing missing links in South Sudan, and supporting one-stop border posts, logistics platforms, skills development and climate-resilient infrastructure, the project aims to reduce transport costs, improve travel time and safety, facilitate cross-border trade, and promote economic diversification. The project also seeks to strengthen resilience to climate change, support youth and women's employment and entrepreneurship, and contribute to the operationalization of the African Continental Free Trade Area through improved regional connectivity.

The project will directly and indirectly benefit populations living along the corridor in the three countries, including communities in the Boma region of South Sudan, the Oromia, Afar and Amhara regions of Ethiopia, and the Djibouti–Dikhil corridor, with a combined area of influence covering over 1.5 million people, and with national-level spillover effects for landlocked South Sudan and Ethiopia through improved access to the Port of Djibouti. In Ethiopia alone, the zone of influence is estimated at about 500,000 people, while in Djibouti the improved corridor and port connectivity will affect nearly the entire population of about one million people. Beneficiaries include transport users, traders, farmers, logistics operators and border communities, as well as women and youth, who will benefit from targeted skills development, entrepreneurship support, roadside market facilities and employment opportunities generated during construction and operation. Public institutions and corridor management bodies will also benefit from strengthened capacity in road asset management, trade facilitation and regional coordination, contributing to long-term economic integration and poverty reduction in the Horn of Africa.

Early Warning System Project Analysis

Environmental Category: [1] High Risk

The project is classified as Category 1 and validated in ISTS on June 19, 2024. This Category 1 is justified considering the proposed activities and identified construction sites and the significant E&S risks and impacts the project is associated with. The proposed project is a large-scale expressway transport project, and core project activities and ancillary facilities will potentially generate adverse impacts on the nearby biophysical and social environment as well as sensitive receptors, that include Awash National Park (in Ethiopia), farmland, and assets and property belonging to communities in the proposed project implementation areas.

Investment Description

- African Development Bank (AFDB)

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Financial Instrument: Project Cycle Grant
Commitments (UA): 22,700,000
Conversion Rate USD (2026-02-04): 1,35728
Commitments (USD): 30,810,256

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process.

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Appraisal Report (EN)
- Appraisal Report (FR)

Other Related Projects

- AFDB-P-Z1-DB0-291 South Sudan-Ethiopia-Djibouti: Transport Corridor Project- Phase II
- AFDB-P-Z1-DB0-142 Ethiopia - South Sudan-Ethiopia-Djibouti: Transport Corridor Project- Phase II