Early Warning System

AFDB-P-Z1-DB0-291

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	Regional - Ministry of Roads and Bridges (MoRB)
Sectors	Infrastructure, Transport
Investment Type(s)	Grant
Investment Amount (USD)	$ 3.41 million
Project Cost (USD)	$ 361.89 million

Project Description

According to the Bank's website, the Multinational South Sudan–Ethiopia–Djibouti Transport Corridor Project – Phase II aims to strengthen a key regional trade and transport artery across the Horn of Africa. The project will improve critical segments of the Juba–Addis Ababa–Djibouti corridor through infrastructure construction, technical support, logistics facilitation, institutional capacity-building, and resettlement measures where required. The total project cost is estimated at UA 266.63 million, financed mainly through ADF grants allocated to the three countries, including UA 1.50 million for South Sudan, UA 138.66 million for Ethiopia, and UA 22.70 million for Djibouti. Additional resources include UA 1 million from the Transition Support Facility (TSF) for South Sudan, UA 0.26 million from the Climate Action Window for Ethiopia, a parallel co-financing of UA 76.39 million (approximately USD 100 million) from the Korea Exim Bank for Ethiopia, and a government counterpart contribution of UA 26.12 million from Ethiopia. Contributions from South Sudan and Djibouti remain below 10% of project cost in line with justified country conditions.

The overarching development objective is to improve transport connectivity among South Sudan, Ethiopia, and Djibouti. More specifically, the project seeks to remove key bottlenecks on the corridor, enhance efficiency in the movement of goods and people, support trade expansion, and promote deeper regional integration within the Horn of Africa. By facilitating mobility and reducing transport costs, the project is expected to stimulate economic activity, strengthen resilience, reduce poverty, and create new economic opportunities for communities along the corridor. The intervention is aligned with the SDGs; Agenda 2063; and regional integration priorities, including the Horn of Africa Initiative.

The project benefits a vast population along the corridor. In South Sudan, it will serve the Boma region, home to an estimated 214,676 people. In Ethiopia, the road sections traverse the Oromia, Afar, and Amhara regions, with an estimated 500,000 inhabitants living in the directly affected zones. In Djibouti, the project impacts communities along the Djibouti–Dikhil axis and rural districts targeted by complementary investments. Beyond local populations, the project benefits traders, transport operators, women entrepreneurs, small businesses, and national and regional economies that depend on reliable access to Djibouti's ports—through which more than 90% of Ethiopia's imports and exports transit. Improved infrastructure and logistics will therefore generate wide-ranging social and economic gains across the three countries.

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 / Institutional Support and Rehabilitation Grant
Commitments (UA): 2,500,000
Conversion Rate USD (2026-04-19): 1,36507
Commitments (USD): 3,412,675

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

- Contract (EN)
- Appraisal Report (EN)
- Appraisal Report (FR)
- General Procurement Notice (EN)

Other Related Projects

- AFDB-P-Z1-DB0-292 Djibouti - South Sudan - Ethiopia–Djibouti Transport Corridor Project Phase II
- AFDB-P-Z1-DB0-142 Ethiopia - South Sudan-Ethiopia-Djibouti: Transport Corridor Project- Phase II