

The African Development Bank (AfDB) signed a Loan Agreement on 15 January 2010 with the Government of Ethiopia to finance the Mombasa-Nairobi-Addis Ababa Road Corridor Project Phase II.



The loan for an amount of Units of Accounts (UA) 85 million, representing USD 125.6 million, was signed by Mr Sufian Ahmed, Minister of Finance and Economic Development, representing the Government of Ethiopia and Mr Lamin G. Barrow, AfDB Resident Representative, Ethiopia Country Office, representing the Bank.

On the occasion of the signing ceremony, Sufian Ahmed, Minister of Finance and Economic Development, highlighted the importance of this multinational project as another clear indication of the Bank's commitment to support the development endeavors of Ethiopia, and expressed his great appreciation, on behalf of the Government, for the Bank's continued assistance.

In his remarks, the Bank's Resident Representative underscored the significance of this NEPAD flagship project as it will support the Ethiopian Government's efforts to diversify access to seaports and help redress the apparent marginalization of horn of Africa countries from the recent boom witnessed in intra-COMESA trade.

In reaffirming the Bank's commitment to provide continued support to the two Governments in developing this road corridor development, Mr. Barrow also reiterated the necessity for addressing the non-physical barriers, which is paramount to fostering increased trade between the two countries.

On the Ethiopian side, this multinational road project involves the rehabilitation to bitumen standard of the 193 km long Ageremariam-Yabelo-Mega road section, construction of roadside socio-economic infrastructure, construction of a One-Stop-Border-Post at Moyale and drilling of 12 community water wells within the project area, which is located in the southern and south western part of the country, mainly in Oromia region.

The road is an important section of the Trans-African Highway Network and aims at improving transport links between Kenya and Ethiopia for the benefit of both countries and the wider East Africa and Horn of Africa regions.

On completion, the project is expected to reduce transport and shipping costs between Kenya and Ethiopia; reduce transit time for imports and exports; and increase the volume of Ethiopian goods transiting through Mombasa Port in Kenya.

The road corridor development program, which is being implemented in three phases, will also promote increased intra-regional trade and regional integration in East Africa and the Horn of Africa.

(Written by Lamin Barrow, AfDB Resident Representative to Ethiopia)