Q1: TITLE OF CASE STORY

How well have African Development Bank-funded Air Transport Projects in Ethiopia performed? Lessons learned

Q2: CASE STORY ABSTRACT

This note summarizes the performance of the Ethiopian Airlines Infrastructure Development Project (EADP); the Addis Ababa International Airport Development Project (AADP) in particular to bring out pertinent issues for learning and informing future design and management of similar Bank supported air transport projects in Ethiopia.
Q3: LONG DESCRIPTION OF THE CASE STORY

Developing transport infrastructure and services has been and is still a core partnership area for the Government of Ethiopia (GoE) and the African Development Bank Group (the Bank) in order to strengthen Ethiopia's competitiveness in regional and world markets, and regional integration.

The EADP (1990-1997) and AADP (1996-2004) have been completed, while the EAP (2011-2017) was approved in 2011 and ongoing. These three projects are complementary but sequentially implemented.

With regard to EADP (1990-1997), the GOE sought to expand its route network, modernize its fleet, and improve aircraft maintenance and productivity. It was established at appraisal that lack of engine test cell and flight simulator hampered effectiveness of operations and created financial pressure as the national carrier had to depend on facilities located overseas. The project was thus designed to construct a Jet – engine Test Cell and a Flight Training Simulator (for pilot training), and to undertake a feasibility study for a cargo terminal and a maintenance hangar and engineering design.

In the case of the AADP (1996-2004), it was meant to increase the capacity of the Addis Ababa International Airport to meet the expected increase in passenger traffic and aircraft movements, as well as to comply with ICAO standards. The AADP was thus formulated to upgrade the existing airside infrastructure and the communication systems as per ICAO standards.

The objectives of developing the operational capacity of the national carrier to enhance its operation, efficiency and profitability (EADP), and infrastructure of the Bole airport and its safety standards (AADP) were consistent with the GoE development objectives of economic growth and poverty reduction, and its transport sector policy and priorities of investing in roads and air transport infrastructure. Furthermore, the objectives of developing airport infrastructure development that inter-connect the regions and strengthens the national carrier were relevant ex-post as these were consistent with the prevailing GoE development objectives.

The objectives of the projects were also in line with the AfDB country strategy paper which aimed at supporting priority road and air transport investments that could ensure sustained economic growth and poverty reduction.

The EADP procured and ensured the functionality of the jet engine test cell, flight training simulator and related buildings, and also conducted the feasibility with preliminary detail engineering design and other related study for cargo terminal and maintenance Hangar.

The project deliverables enhanced Ethiopian Airlines’ capacity to: (1) assemble and test aircraft engines; (2) operate an aviation academy to meet its own as well as third party training needs (pilot training as well as training in aircraft maintenance and repair services); (3) meet the growing demands for passengers and freight transport on existing routes; (4) expand its domestic and international destinations with regional hubs in Africa East, West and South.

The growth in the operation of the Ethiopian Airlines owes in part to the development of the Addis Ababa Bole International airport. Through the AADP, the airside infrastructure and the communication systems of the Bole International airport were expanded and upgraded with new facilities (runway with taxiways, the air traffic control tower with associated communications, navigation aid and power supply systems) and land services (new international passenger terminal). These facilities, which meet the ICAO standards, have attracted foreign airlines and associated traffic.
**Q4:** Please add here web links to project/programme materials.


**Q5:** YOUR CONTACT DETAILS

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Ministry/Institution/Organization: African Development Bank  
Country: Cote d'Ivoire  
Email Address: .

**Q6:** FUNCTION

Public sector

**Q7:** FUNDING PARTNER Tick the appropriate box(es)

Multilateral organization,  
Other (please specify) National Government

**Q8:** Additional information

*Respondent skipped this question*

**Q9:** START DATE OF PROJECT/PROGRAMME

1990

**Q10:** STATUS OF PROJECT/PROGRAMME

On-going

**Q11:** DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME

More than 5 years

**Q12:** COST OF PROJECT/PROGRAMME

More than US$20 million

**Q13:** Additional information

For EADP, at appraisal, the project cost was estimated at UA31.4 million/ USD20.72 million with the Bank contributing 90 percent (UA28.2/ USD18.61) and the rest by GoE (UA3.2 million/ USD2.11 million).

The total AADP cost, at appraisal, was UA49.55 million / USD32.70 million, with the Bank’s share standing at 39 percent (UA19.5 million / USD 12.87) and the rest by the GoE and five other development partners.

**Q14:** TYPE OF FUNDING FOR PROJECT/PROGRAMME

Loan

**Q15:** PROJECT/PROGRAMME TYPE

Single country / customs territory
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<th>Question</th>
<th>Response</th>
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<tr>
<td>Q16: SINGLE COUNTRY/CUSTOMS TERRITORY</td>
<td>Respondent skipped this question</td>
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<td>Q17: REGION (If the region does not appear in the drop down menu, please enter manually.)</td>
<td>Respondent skipped this question</td>
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<td>Q18: MULTI-COUNTRY (Enter all countries or customs territories)</td>
<td>Respondent skipped this question</td>
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<td>Q19: CASE STORY FOCUS Tick the appropriate box(es)</td>
<td>Upgrading transport infrastructure, Improving skills levels in service sectors, Other (please specify)</td>
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<td>Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME Tick the appropriate box(es)</td>
<td>Successful</td>
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Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)

- Officials trained,
- New conformity assessment procedures or processes,
- New quality assurance procedures or processes,
- New or updated transport infrastructure (e.g. roads, bridges, airports),
- New network infrastructure (e.g. broadband),
- New laws, rules or regulations on services,
- Services sector skills

Q22: Additional information (maximum 300 words)

The project deliverables enhanced the Ethiopian Airlines’ capacity to: (1) assemble and test aircraft engines; (2) operate an aviation academy to meet its own as well as third party training needs (pilot training as well as training in aircraft maintenance and repair services); (3) meet the growing demands for passengers and freight transport on existing routes; (4) expand its domestic and international destinations with regional hubs in Africa East, West and South.

Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMME Tick the appropriate box(es)

- Reduction in airport cargo handling times,
- Increase in merchandise imports,
- Increase in merchandise exports,
- Increase in airport cargo volumes,
- Increase in service exports,
- Increase in service imports

Q24: Additional information (maximum 300 words)

Respondent skipped this question
### Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMMETick the appropriate box(es)

- Increase in domestic investment,
- Increase in foreign investment,
- Increase in employment,
- Export market diversification,
- Import market diversification,
- Reduction in export market concentration

### Q26: Additional information(maximum 300 words)

*Respondent skipped this question*

### Q27: LESSONS LEARNT Tick the appropriate box(es)

- Importance of good project design,
- Importance of alignment with national priorities,
- Importance of agreeing clear project implementation responsibilities,
- Importance of agreeing clear project monitoring and evaluation process and procedures,
- Other (please specify)
  Lending for investments that complement has synergic effect on the benefits generated

### Q28: Additional information(maximum 300 words)

The monitoring and evaluation (M&E) systems were not clearly and adequately designed at appraisal, and remained so throughout project implementation. The performance indicators and their baselines especially those concerning outcomes were missing. The weak M&E system challenged considerably project performance evaluation at completion and thereafter.

### Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)

- M&E framework used,
- Other (please specify) see above for comment