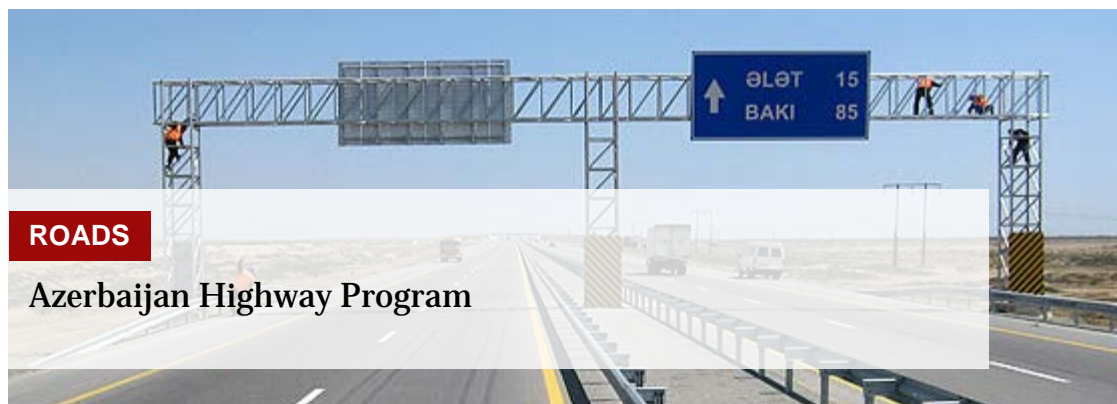


## Azerbaijan Highway Program



### ROADS

## Azerbaijan Highway Program

### Overview

Since independence in 1991, Azerbaijan has aimed to use its oil wealth to combat poverty and make a transition to a diversified market economy. In particular, the Government has paid a special attention to improving its international and domestic road networks for stimulating economic growth, increasing competitiveness of domestic products and accelerating development of regions. These efforts have been actively supported by the World Bank under the Highway Program.

### Challenge

Azerbaijan was identified as one of the countries with the poorest road infrastructure in the region, according to a study examining the impact of road network quality on intraregional trade in ECA (2006). Although the Government has invested about US\$ 5 billion in the road sector during 2005-10, significant part of the road infrastructure remains in poor condition. It is estimated that about 55 percent of primary roads and 70 percent of secondary roads in the country are beyond their useful lifespan. Road users, businesses and communities bear ultimate burden of deteriorated roads with longer travel time, costly vehicle maintenance, and higher accident risks.

### Approach

The first phase of the Bank's support began with the Highway Project in 2001. This Project provided US\$ 40 million equivalent to reconstruct a section of the major East-West transport corridor, and begin road sector modernization in Azerbaijan.

Phase two is substantive and broad, totaling US\$ 675 million, to improve over 470 km of primary roads through the ongoing Second Highway Project which was approved in 2006 and supplemented with two additional financings in 2008 and 2009. The Second Highway Project also includes a sector-wide technical assistance which aims at modernization of road institutions and improved management of the road sector in Azerbaijan.

The Third Highway Project, approved in May 2010 in amount

#### MULTIMEDIA

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More Results



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# 33 %

reduction of travel time along the road section. The project has also helped to improve the quality of about 60 km local roads serving a population of over 14 000 people, mostly in low-income rural communities. This has stimulated trade and business along the area roads and increased international transit role of the region.

of US\$ 242 million, has launched the third phase in the Bank's support for Azerbaijan's road sector. The Project will advance the sector policy dialogue to the next stage where issues specific to the nascent motorway network management and operation will be addressed.

#### SLIDE-SHOW

» Highway Program

## Results

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Under the ongoing Second Highway Project, about 170 km of road sections have already been rehabilitated and upgraded, and additional 300 km of highway sections and 340 km of local roads serving remote rural areas will be constructed. The Project has introduced international design standards and institutionalized best practices in management and supervision of road projects in Azerbaijan.

Along with physical infrastructure investments, the Highway Program has also supported institutional modernization. One of the important achievements was the adoption of the new Land Acquisition Law, prepared under the Second Highway Project, by the Parliament of Azerbaijan in April 2010. The Project has also launched major activities on formulation of the new road safety strategy, development of road data base, preparation of road master plan, and revision of design and maintenance standards.

## Voices

*“We have been growing tomatoes for 15 years and taking them to the market in Ganja city. Roads were very bad in the past and it would take us more than one hour to reach the market. Now the situation has improved and we get to the market in 15 to 20 minutes. We use less fuel and get good price because we reach the market earlier.”*

*— Nofal Aliyev, farmer from Shamkir in the west of Azerbaijan*

## Toward the Future

Future Bank support in the road sector would be two-fold: (i) to develop Azerbaijan nascent motorway network; and (ii) to upgrade regional life-roads and adjacent local roads as a part of regional development strategy. To date, the Government has already upgraded about 300 km of the main transport corridors to motorway standards and plans to construct an additional 700 km by 2015. The World Bank plans to actively support the Government in implementation of this ambitious program, in particular, through technical assistance to modernize road maintenance and operation practices. As a starting point, a pilot motorway operation and maintenance program under the Third Highway Project will test new ways of motorway management and maintenance that best suit conditions in Azerbaijan.