

## **1. An overview of the infrastructure strategy including MTS**

The African Development Bank attaches great importance to Infrastructure, which is viewed as a key priority for the Bank. It recognises that there is a direct link between infrastructure development and poverty alleviation

The objective of the African Development Bank is to contribute to more sustained development and poverty alleviation through appropriate lending and investment policies. It actively seeks to ensure that these investments provide demonstrable public benefit by improving growth, productivity, employment and access to market opportunities and essential services, particularly those required for accelerated progress toward the MDGs. Since its establishment in 1967, approximately 36% of the Bank's commitments have been devoted to infrastructure (equivalent to USD 52 billion). Further spurred by NEPAD's impetus, the Bank's investments in the Sector have increased considerably, accounting for 62% of all Bank approvals (against 52% for ADF X).

The development of infrastructure networks is intimately connected with the process of economic growth. Transport infrastructure facilitates economic integration and trade and aims to link areas of production to areas of consumption. High priority is accorded to the Trans-African Highway road network which consists of nine groups of road links servicing different sub regions of the continent. The segments stretch from Cairo to Dakar, Tripoli to Windhoek and Lagos to Mombasa and provide 15 landlocked countries with improved regional links and access to the sea.

***“Infrastructure is at the heart of the Banks’ sovereign and non-sovereign activities to which the Bank is always in search of partners” – President Kaberuka, - Key note address at the Africa Investor Forum NYSE – 21-09-09***

## **2. Broad view Regional Integration Strategy**

The African Development Bank is recognized as one of the leading financial Institutions that has placed regional integration at the centre of its operations. The Bank Group gives high priority to promoting regional cooperation and integration to enable the many small countries of Africa to gain from economies of scale and the benefits of larger markets. Its efforts have been boosted in recent years by the leadership role that it has assumed for regional infrastructure and banking and financial standards at the request of the NEPAD Heads of State Implementation Committee.

The New Partnership for Africa's Development (NEPAD) identifies infrastructure and regional integration as major parameters for economic growth and poverty reduction in Africa.

Regional integration is essential to building markets, creating robust and diverse economies, increasing opportunities for growth, and attracting new sources of investment finance. The Bank recognizes that regional integration is paramount for Africa, where 40% of the population and one-third of the economies are trapped in landlocked countries. The Bank aims to focus on deepening cross-border economic, commercial and policy linkages, and concentrating on investments in cross-border infrastructure and selective support to regional public goods, and providing assistance and advisory services to increase the effectiveness and relevance of the network of regional and sub-regional economic communities.

*As far back as the 1960s, architects of African integration agreed that building infrastructure was vital to lubricate the wheels of intra-African trade and distribute its benefits regionally. Regional economic integration creates a vehicle which can be used to unlock the huge economic and human capital potential of the continent. Regional integration facilitates the movement of people and goods across national boundaries.*

### **Bank's intervention in Infrastructure- Transport in Africa**

The African Development Bank's Transport policy recognizes the urgent need to enhance connections within RMC territories and with other countries in the region - in order to gain access to regional and international markets, and to promote regional integration for the whole of Africa. Transport infrastructure is a key element for the economic growth and development and it plays a fundamental role in enabling a better mobility for people and goods as well as a better connection between regions.

The Bank recognizes that transport is the ultimate enabler in much of its development work. Transport serves other sectors of a nation's economy, and puts development goals within reach. Lowering transport costs within national and regional borders and along the trans-Africa corridors can unlock growth potential, create jobs, and bring wealth to local communities.

The Bank recognizes that efficient infrastructure attracts centres of production and consumption, gives greater access to markets and education centres and that timely access to health care, facilitated by transport can prevent maternal deaths and lower infant mortality rates. Transport is viewed as an access agenda, aimed at unlocking growth and development potential.

*In addition to ensuring mobility of goods and people and broader access to markets and social and health services, the Bank makes concerted efforts to mitigate the spread of HIV/AIDS along transport corridors. Special emphasis on road safety extends support to include road safety components embedded in road infrastructure projects.*

### **Bank Group Investments in Road Transport**

(Amount in UA Million)

	2005	2006	2007	2008	2009 16/09/09)	(till Grand Total
<b>Whole of Africa</b>	<b>210.86</b>	<b>462.83</b>	<b>745.86</b>	<b>641.12</b>	<b>821.06</b>	<b>2,881.73</b>
<b>National</b>	<b>70.66</b>	<b>284.13</b>	<b>637.06</b>	<b>331.32</b>	<b>494.02</b>	<b>1,817.19</b>
<b>Multinational</b>	<b>140.20</b>	<b>178.70</b>	<b>108.80</b>	<b>309.80</b>	<b>327.04</b>	<b>1,064.54</b>

#### ***Bamenda- Abakaliki Road – Major highway between ECOWAS and ECCAS***

*The Transport Facilitation Programme for the Bamenda-Mamfe-Abakaliki-Enugu Corridor, a first for Africa connects two regions both Central and West Africa under the auspices of the regional economic communities of ECCAS and ECOWAS. This project bridges regional divides and contributes to regional trade. It aims to develop, reconstruct, and periodically maintain 391 km of paved roads and highway structures on a significant corridor stretching from Bamenda, Cameroon to Enugu, Nigeria. With the Bank's contribution of UA 204.8 million. This project will enhance cross-border trade as well as regional integration. Transport costs are expected to decrease significantly. A common border checkpoint and a limited number of checkpoints will reduce obstacles to the free flow of traffic and movement of goods.*

#### **Conclusion**

In striving to achieve its development objectives—and foremost to eradicate poverty—the African Development Bank is committed to mobilizing the transport sector to the fullest possible extent in order to pave the way to a truly sustainable development, one where transport plays a crucial role.