A <u>new report</u> published by the African Development Bank (AfDB) raises the need to upscale investment in road infrastructure to unlock cross-border trade and reap the benefits of the AfCFTA. While roads are the primary mode of transport, the report notes (as they carry 80 percent of goods and 90 percent of passenger traffic), only 43 percent of the African population has access to an all-season roads. Moreover, only 53 percent of roads on the continent are paved, isolating people from access to basic social services including healthcare, education, trade hubs and economic opportunities.

Africa is the less connected continent in the world (for the coverage of its infrastructure network, see the

## Africa Development Corridor Database

). This leads to increased transaction costs and low level of Intra-Africa trade, estimated at less than 20% according to several sources and at 18% by the AfDB in its report.

The infrastructure deficit in Africa is also one of the reason of the weak regional integration of the continent, where small economies with in most cases skimpy export baskets, strive to exchange their merchandises with each other due to the lack of roads connecting their respective territories and due to the unavailability of other modes of transport, especially the railway or inland water ones. Also when connected, such economies exchange among themselves slowly and at very high cost, due to the poor condition and high congestion of roads, combined with border inefficiencies and widespread non-tariff barriers. All such costs add to the final price of goods, making them extremely expensive on the destination markets. What Africa urgently needs is a complete network of corridors connecting the production centers and gateway ports to the consumption centers. The AfDB report mainly focuses on roads, but what about railways? that in Africa are even more important (as railway transport is able to cover big distances) and the less used mode of transport as highlighed by a recent UNECA report

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Promoting regional integration is part of the AfDB mandate since its creation in 1963 and one of its top five priorities. This is why the Bank is one of the main institutions supporting the expansion of road infrastructure in Africa, having as its main objective the development of cross-border transport corridors. Between 2004 and 2022, the Bank provided over USD 13 billion to finance regional road corridor projects. As a result, close to 18,022 kilometer of climate resilient, regional highways have been built on 25 road corridors, along with 27 One Stop Border Post (OSBPs) and 18 bridges (including the Kazungula and the SeneGambia bridges).

The report describes all these projects, with the outcomes achieved in terms of reductions of travel time for trucks and for border crossing, as well as in vehicle operating costs savings for transport companies. Some of these corridors were built as sections of the Trans-African Highway network under various continental and regional infrastructure development programs including the Program for Infrastructure Development in Africa (PIDA).

Among such projects, particularly interesting is the El-Wak-Rhamu road, that will create a new connection link between Kenya and Ethiopia, the biggest economies in the Horn of Africa, currently served only by one road (through the Moyale OSBP), which in the past has often suffered from frequent closures due to waves of protests that have often turned into violent clashes and ethnic or political conflicts in Southern Ethiopia, paralizing the trade between the two countries. The Kenya Revenue Authority (KRA) has plans to establish a border post in Rha mu, for which a

<u>feasibility study tender</u> was launched this month.