



**ReCAP**  
Research for Community Access Partnership



## MDB Policies and Selected Projects in Support of Rural Transport and Access



Partnership on Sustainable, Low Carbon Transport  
(SLoCaT)  
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## **Abstract**

In consultation with the ReCAP Project Management Unit in July 2015, SLoCaT added a new deliverable to the financing activity of Phase I of the project Promotion of Sustainable Rural Access in the Post 2015 Sustainable Development Agenda, which constitutes research on the rural transport portfolios of six Multilateral Development Banks (MDBs) with investments in Asia and Africa. For this component, SLoCaT has examined policy documents of the MDBs as related to transport (as well as rural development, agriculture, education, and health) to see if and how transport is considered an enabler in each sectorial strategy.

## **Key words**

Multilateral development banks, rural transport, transport policy and strategy, funding; financing

### **RESEARCH FOR COMMUNITY ACCESS PARTNERSHIP (ReCAP)** *Safe and sustainable transport for rural communities*

ReCAP is a research programme, funded by UK Aid, with the aim of promoting safe and sustainable transport for rural communities in Africa and Asia. ReCAP comprises the Africa Community Access Partnership (AfCAP) and the Asia Community Access Partnership (AsCAP). These partnerships support knowledge sharing between participating countries in order to enhance the uptake of low cost, proven solutions for rural access that maximise the use of local resources. The ReCAP programme is managed by Cardno Emerging Markets (UK) Ltd.

**See [www.research4cap.org](http://www.research4cap.org)**

## **Acronyms, Units and Currencies**

ADB	Asian Development Bank
AFCAP	Africa Community Access Partnership
ASCAP	Asia Community Access Partnership
AfDB	African Development Bank
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
GMS	Greater Mekong Subregion
IDB	Islamic Development Bank
LDC	Least Developed Countries
MDB	Multilateral Development Bank
NEPAD	New Partnerships for Africa's Development
RAI	Rural Access Indicator
ReCAP	Research and Community Access Project
SDGs	Sustainable Development Goals
SLoCaT	Partnership on Sustainable, Low Carbon Transport
SSATP	Sub-Saharan Africa Transport Policy Program

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## EXECUTIVE SUMMARY

In consultation with the ReCAP Project Management Unit in July 2015, SLoCaT added a new deliverable to the financing activity of Phase I of the project Promotion of Sustainable Rural Access in the Post 2015 Sustainable Development Agenda, which constitutes research on the rural transport portfolios of six Multilateral Development Banks (MDBs) with investments in Asia and Africa. For this component, SLoCaT has examined policy documents of the MDBs as related to transport (as well as rural development, agriculture, education, and health) to see if and how transport is considered an enabler in each sectorial strategy.

### Summary of MDB Policies Related to Rural Transport

Table 1 presents an overview of key institutions, priority documents and programs and project database for the banks that were analyzed.

Table 1. Key institutions, priority documents and programs and project database

Institution	Priority Documents and Programs	Project Database
Asian Development Bank	<a href="#">Sustainable Transport Initiative Operational Plan (2010)</a> <a href="#">The Operational Plan for Agriculture and Natural Resources (2015)</a> <a href="#">Regional Cooperation and Integration Strategy (2006)</a>	General project database is available, as well as subsequent division on sectors and subsectors; rural transport is referred to as “road transport (non-urban)” in most cases and its share is specified for each project.
African Development Bank	<a href="#">Strategy for 2013-2020 (2013)</a> <a href="#">Agriculture Sector Strategy (2010)</a> <a href="#">High-Fives (2016)</a>	Available; the tendency is to assign a project as a whole to the Transport sector without specifying the share of rural transport within it.
Islamic Development Bank	<a href="#">Vision 1440H/2020</a> <a href="#">41 Years on the Service of Development (2015)</a> <a href="#">Annual report 1435H/2014</a>	Mainly success stories are available; details like project's approval date are not retrievable. The rural transport share in each project is not defined.
World Bank	<a href="#">Transport Strategy (2008)</a> <a href="#">Transport for Health (2014)</a> <a href="#">Africa Transport Policy Program (SSATP)</a>	Rural and Inter-Urban Roads and Highways section is available under Transport Sector. The rural transport share in each project is available in the project appraisal document.
European Bank for Reconstruction and Development	<a href="#">Transport Sector Strategy (2013)</a> <a href="#">Agribusiness Sector Strategy (2010)</a>	Available; the search system is arranged by topics which features transport, but the rural

		transport share is not defined.
European Investment Bank	<a href="#">Transport Lending Policy</a> (2011)	Available; the exact amount allocated for the transport sector can be identified, however, the rural transport share is not.

Based on this overview of MDBs policies on rural transport, the following observations are made:

- MDBs continue to invest in rural transport projects. In terms of how MDBs classify rural transport, a general tendency is observed that rural transport often falls between rural development and transport/transportation, not fully belonging to either of these topics. This raises the question as to which sector truly has ownership over rural transport projects. This also makes it very difficult to get an accurate overview of MDB projects on rural transport.
- While most banks recognize the strategic importance of rural transport from a developmental perspective, it appears that most projects are still of a more traditional nature, e.g. constructing and modernizing rural roads.
- All the development banks seem familiar – though to varying extents – with complex inter-linkages existing between transport and water, transport and energy, transport and agriculture, transport and social inclusion, transport and health, transport and gender, transport and education, etc., and refer to these aspects in their policy documents.
- The Asian Development Bank offers an essential focus on increasing equity in transport with its commitment to “expand its work on pro-poor dimensions of transport, including through improving rural bus services and non-motorized transport, and on other social dimensions of transport.”
- Certain banks (i.e. Islamic Development Bank, European Investment Bank) don't have a strategic document on rural transport, although they are implementing several projects on rural access. The most extreme case in this respect is the European Investment Bank, which doesn't explicitly mention rural transport or rural roads in any of its strategic documents. Although this fact could be explained by a relatively well-developed rural infrastructure in Europe compared to other regions, such apparent lack of attention for rural transport is surprising, especially given that the Bank also actively operates outside the European Union.
- Some banks, like the World Bank and the Asian Development Bank, explicitly state their commitment to rural transport, mentioning it among their priority areas in many strategic documents, online resources and programs. However, for most MDBs, rural transport is not among the priority areas, even if it used to be the case in the past.
- An illustrative example of such transition is the African Development Bank, which did not include rural transport in its new [High-Fives](#) Strategy (2016) as a priority, nor is rural transport present among its indicators, with the single exception of “rural roads”. There is a risk that “what is not measured, is not managed”, and that rural transport may become an underrated topic in the Bank's activities.

Based on these observations, it is recommended that rural transport stakeholders engage more actively with MDBs to help inform the development of policy documents, by advocating for a more central and tangible treatment of rural transport in institutional investment strategies and key performance indicators. It is also suggested that in their communications with MDBs, rural transport stakeholders underscore the essential role of rural transport investments in making progress toward the Sustainable Development Goals (e.g. increased global food security) and the Paris Agreement on climate change (e.g. enhanced transport infrastructure resilience).

## **A. Asian Development Bank (ADB)**

### **1. Summary of ADB Rural Transport Policies**

- ADB's transport policy framework has a strong existing focus on rural transport, which notably includes support for rural transport services as well as infrastructure, and thus could be a key ally in this area.
- ADB offers an essential focus on increasing equity in transport with its commitment to “expand its work on pro-poor dimensions of transport, including through improving rural bus services and non-motorized transport, and on other social dimensions of transport.”
- [ADB's Operational Plan for Agriculture and Natural Resources](#) makes a direct and tangible link to transport as a critical sector contributing to strengthening global value chains, improving farm-to-market connectivity and increasing food security.
- Resilience is a key focus in ADB agricultural policy, which provides a crucial lever for adaptation strategies into other policy areas as well.
- There is potential to leverage existing programmes in regional integration (e.g. [CAREC](#), [GMS](#), [SAARC](#)) to enhance urban-rural linkages and thus to increase economic opportunity and food security.

### **2. Policy Document References to Rural Access**

ADB's policies to support rural access are primarily divided among three documents: the Bank's [Sustainable Transport Initiative Operational Plan](#), its [Operational Plan for Agriculture and Natural Resources](#) and its [Regional Cooperation and Integration Strategy](#).

#### **Sustainable Transport Initiative Operational Plan (2010)**

##### ***Rural Access and Economic Inclusion:***

- “Since rural roads play an important role in inclusive economic growth by making transport accessible and affordable, ADB will continue to support rural roads in many developing member countries (DMCs). Where feasible, ADB will support the use of labor-intensive approaches to rural road construction and maintenance” (p.22).
- “In most DMCs, the incidence of poverty is highest in rural areas. Often this is linked to geographical remoteness and lack of access to markets and services. In line with its overarching poverty reduction strategy, ADB has supported integrated road network improvements in many DMCs and financed major rural roads programs” (p.13).

##### ***Rural Road Networks:***

- Examples of options to consider can be: “need for rural roads if there are major gaps in rural accessibility; local road components to link new highways with hinterland population; programs of small rural infrastructure investments to provide year-round access, e.g., bridge repair, drainage, minor road improvements” (p.34)

##### ***Rural Transport Services:***

- “To help realize the full potential for rural roads to contribute to more accessible and affordable transport, ADB has also supported improved rural bus services to ensure adequate services, encourage competitive transport markets, strengthen approaches to service regulation, and finance facilities such as bus stations. Rural transport will continue to be an important focus for ADB transport operations” (p.13).

##### ***Rural-Urban Linkages: N/A***

**Women and Vulnerable Groups:**

- “To support social sustainability, ADB will expand its work on pro-poor dimensions of transport, including through improving rural bus services and non-motorized transport, and on other social dimensions of transport—including gender mainstreaming, participation, HIV/AIDS and human trafficking, core labour standards, and use of tariff and subsidy options—to optimize the balance between accessibility and affordability” (p.26)
- In terms of gender dimensions, examples of options to consider can be: “community-based road maintenance programs; facilities and standards for roads, buses, coaches, and stations; measures to combat human trafficking” (p.35)
- To meet the needs of elderly and disabled, adequate attention should be given to “facilities and standards for buses, coaches, and stations and approach to tariffs and subsidies” (p.35)

**Institutional Support**

- “ADB has also provided support for strengthening institutional arrangements and capacity for jurisdiction over rural road networks, project management, and financing and execution of rural road maintenance” (p.13).

**Sustainability and cross-cutting issues**

- “The Transport Community of Practice (TCOP) will work closely with other communities of practice that can contribute to ADB’s approach to sustainable transport— including those for health, gender, environment, urban development, rural development, education, regional cooperation, and private sector development—and will explore opportunities for involving external partners in the TCOP. The TCOP has 16 advisory teams covering the following specialized fields of transport: highways, rural roads, road asset management, road safety, road transport services, railways, ports and water transport, air transport, cross border transport and logistics, urban transport, climate change and vehicle emissions, private sector and public– private partnerships, transport economics, financial management in transport, social and environmental sustainability, and administration of transport projects” (p.22)

**The Operational Plan for Agriculture and Natural Resources (ANR): Promoting Sustainable Food Security in Asia and the Pacific in 2015–2020 (2015)**

**Rural Access and Economic Inclusion:**

- “ADB will support (i) transport, communication, market facilities, and logistics to enable integration of more producers, agribusinesses, and consumers into national, regional, and global food systems” (p.vi);
- “The Midterm Review recommends that for the balance of the Strategy 2020 period ADB should aim to (i) increase the productivity of agriculture and strengthen links with global value chains and food systems; (ii) improve farm-to-market connectivity through transport and communication investments; (iii) promote food safety and quality standards; and (iv) improve the resilience of ANR to the impacts of disasters and climate change” (p.3)
- “The construction of infrastructure and increased agriculture activities (including planting, maintenance, harvesting, and transport) will enhance employment opportunities in some of the poorer parts of the region” (p. 11).
- “Improved market connectivity is essential for efficient agriculture and food value chain integration. ADB will support transport, communication, market facilities, and logistics to enable integration of more producers, agribusinesses, and consumers into local, national, regional, and global food systems” (p. 11)

**Rural Road Networks: N/A**

**Rural Transport and Agriculture:**

- “Given the multifaceted nature of food security, ADB will continue to take a multi-sector approach, focusing on increasing positive linkages between the ANR sector and other sectors (including transport, energy, water, environment, finance, education, and health), to ensure that interventions more systematically address the key features of food security” (p.vi).

**Rural-Urban Linkages:**

- ADB's policies “will include interventions to address resilience in disaster prone areas, measures to enhance the complementary use and conservation of resources in the water-energy-food-climate change nexus, measures to enhance rural-urban linkages through improved transport and value chain integration, and measures to increase access to rural finance” (p.16).

**Women and Vulnerable Groups: N/A**

**Rural Finance for Transport Businesses**

- “Through close coordination with the finance sector group, rural finance can also be provided to rural entrepreneurs to establish processing and transport businesses and other small and medium enterprises to serve the sector and promote production” (p.11)

**Regional Cooperation and Integration Strategy (2006)**

**Notes:** As direct references to rural transport cannot be found in this document, all the citations below can be only broadly related to rural transport. It is also the most market-focused document among the three ADB, giving relatively little attention to sustainability issues, gender and specific vulnerable groups, except for the poor, in general, given that the priority of the strategy is poverty reduction. In terms of transport, emphasis is put on improving physical connectivity and also liberalizing cross-border transport agreements (p. 34).

**Rural Access and Economic Inclusion:**

- “Cross-border infrastructure projects—e.g., transport, energy, and telecommunications—are essential for the movements of goods, services, people, and information across countries. The resulting intensification of cross-border economic activities can create employment, particularly in the labour-intensive sectors of DMCs, thus contributing to poverty reduction” (p. 8).
- “Physical connectivity is the bedrock of many economic cooperation and integration efforts. Physical connections— particularly robust transport and communication links—are essential for the movement of goods, services, capital, people, and information across countries” (p. 11).
- “Improvements in roads and railways can reduce transport and logistics costs, but they are not sufficient to encourage cross-border trade if different legal and regulatory frameworks, inefficient systems of customs clearance, and other barriers are not removed. In this sense, greater physical connectivity requires regional/sub-regional cooperation for both cross-border hard infrastructure and related software” (p.11).
- “Continued growth in Central Asia will require export expansion, growth of private enterprises, and an increase in investment in areas currently excluded from economic gains. To make this possible, the region will need to create efficient transport infrastructure, rehabilitate energy networks, restore and improve irrigation systems, and enable seamless transit across the region to external markets” (p. 23).
- “Of its 255 million people in Mekong region, about three fourths live in rural areas and survive on subsistence or semi-subsistence agriculture (p. 25). The Greater Mekong

Subregion's (GMS) initial focus was on overcoming inadequate transport and communication links. Overcoming geographical barriers and integrating sub-regional markets and promoting new economic opportunities have been key dimensions through which sub-regional projects have complemented national assistance programs" (p.25).

- "Since 1992, the countries of the GMS— Cambodia, People's Republic of China, Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam— have participated in a comprehensive program of economic cooperation covering transport, energy, telecommunications, human resource development, environment and natural resources management, trade facilitation, private investment, tourism, and agriculture" (p.26).
- "Increased connectivity through the development of sub-regional transport infrastructure has accelerated market-driven economic integration and improved access to basic social services, especially for the poor in border areas" (p. 26)

**Rural Road Networks:** N/A

**Rural Transport and Agriculture:** N/A

**Rural-Urban Linkages:** N/A

**Women and Vulnerable Groups:** N/A

#### **Transport in Regional Integration**

- "In Central Asia, despite several constraints, there is a growing awareness of the need for and the benefits of Regional Cooperation and Integration (RCI), particularly in the area of transport logistics and trade liberalization and facilitation (p.5). In particular, for the first time in many years, land and rail transportation now connects India and Pakistan" (p.6).
- "In terms of regional cooperation in trade facilitation, how to improve transparency, efficiency, and procedural uniformity of cross-border transportation of goods has increasingly become a major concern for DMCs" (p. 13).
- "The Subregional Economic Cooperation in South and Central Asia (SECSCA) Program promotes transport and trade facilitation along the road corridors connecting the Central Asian republics to the Arabian Sea and the Persian Gulf via Afghanistan" (p. 22).
- "In April 2004, ADB and South Asian Association for Regional Cooperation (SAARC) signed a Memorandum of Understanding, which provided the basis for ADB to approve the first regional technical assistance to SAARC for the SAARC Regional Multimodal Transport Study" (p.22)
- "Transport is one of the six priority sectors of South Asia Subregional Economic Cooperation (SASEC)" (p.22).
- "The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and ADB initiated a process of dialogue in 2005, resulting in BIMSTEC's request for assistance to conduct a transport logistics study" (p.23).
- "The Central Asia Regional Economic Cooperation (CAREC) Program is an initiative supported by ADB to encourage economic cooperation in Central Asia. Begun in 1997, the program has focused on regional initiatives in transport, energy, trade facilitation, and trade policy critical to improving the region's economic performance and the livelihoods of all people, especially the poor" (p.23).

#### **Financing Transport**

- "Supplementing ADB's support for regional and sub-regional economic cooperation programs aimed at developing cross-border infrastructure is a new focus on developing links across the various regional and sub-regional programs. The focus will be on identifying

commercially sound projects in energy, water, transport, tourism, and other sectors that span regions and subregions in Asia and promote connectivity, trade, and market integration” (p.12)

- “To support these operations (key lending activities), development of coordinated approaches for the creation of regional and sub-regional networks of transportation, energy, water resources, and communication will be covered by non-lending activities” (p.12).

**Rural Transport Cost**

- “Each Pacific DMC is unique, but they also face common challenges related to high transport and other transaction costs, limited human resources and weak institutional capacities, governance challenges, and narrowly-based economies vulnerable to natural disasters and external shocks” (p.24).

**3. Rural Access Project Portfolio**

**Investments in Support of Rural Access**

- “Between 1996 and 2009, ADB provided USD 4 billion for rural roads, including large programs in India, Indonesia, Pakistan, and Viet Nam” (Sustainable Transport Initiative Operational Plan, p.13)

**Selected Recent Projects on Rural Access**

Project Title	Country	Description	Target Approval Date	Budget
<a href="#">Rural Connectivity Investment Program – Tranche 3</a>	India	The investment program will improve and sustain the connectivity of selected rural communities in the states of Assam, Chhattisgarh, Madhya Pradesh, Odisha and West Bengal to markets, district headquarters and other centers of economic activities.	22.10.2015	USD 273 million
<a href="#">Jiangxi Pingxiang Integrated Rural-Urban Infrastructure Development</a>	P.R. China	The project will contribute to socially inclusive, environmentally sustainable and competitive urban-rural development in Pingxiang municipality in Jiangxi province. The project will be a model for integrated rural-urban development, by supporting towns and bringing services closer to people, improving rural-urban transport and developing institutional capacity.	21.09.2015	USD 150 million
<a href="#">Northern Flood-Damaged Infrastructure</a>	Afghanistan	ADB is helping Afghanistan repair damaged irrigation systems and rural roads in 15 provinces in the north that suffered heavy	16.10.2014	USD 40 million

<a href="#">Emergency Rehabilitation Project</a>		damage from severe flooding in 2014. The project will also protect land from further flood-related erosion, enabling irrigated land to return to full production as soon as possible.		
<a href="#">Coastal Climate-Resilient Infrastructure Project</a>	Bangladesh	The project focuses on improving coastal embankments, rural connectivity, water supply and sanitation, promoting public-private financing and capacity building for mainstreaming climate resilience and knowledge management.	28.09.2012	USD 118.80 million

### References

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2. Asian Development Bank (2015). Operational Plan for Agriculture and Natural Resources: Promoting Sustainable Food Security in Asia and the Pacific in 2015-2020. Retrieved from <http://www.adb.org/sites/default/files/institutional-document/175238/op-agriculture-natural-resources.pdf>
3. Asian Development Bank (2006). Regional Cooperation and Integration Strategy. Retrieved from <https://aric.adb.org/aid-for-trade-asia/pdf/final-RCI-strategy-paper.pdf>

## B. African Development Bank (AfDB)

### 1. Summary of AfDB Rural Transport Policies

- Rural transport is not included in the new 2016 [High-Fives](#) strategy as a priority area, nor it is present among the monitoring indicators, except for “rural roads”. There is a risk that “what is not measured, is not managed”, meaning that rural transport can become neglected topic in the Bank's activities.
- Similarly to IsDB, it seems that rural transport policies are mainly limited to building, maintaining or upgrading rural roads.

### 2. Policy Document References to Rural Access

AfDB's policies to support rural access are presented in two main documents: the [Bank's Strategy for 2013-2020](#) (2013) and its [Agriculture Sector Strategy](#) (2010). Important online resources are the [Bank Group Vision on Transport Sector](#) and a new [High-Fives](#) application, a tool for tracking progress on the Bank's development priorities.

#### At the Centre of Africa's Transformation Strategy for 2013-2020

##### **Rural Access and Economic Inclusion:**

- “High transport costs add 75% to the price of African goods, and about 30 countries have chronic power outages. Bridging these gaps could add 2 percentage points to Africa's annual GDP growth” (p.13).
- “As part of its inclusive growth strategy, the Bank will scale up investment in related infrastructure (water, energy, roads and transportation)” (p.18)
- “Promoting agricultural production is one of the most effective ways to drive inclusive growth and reduce poverty. The Bank contributes primarily by developing agricultural infrastructure through investments in rural roads, irrigation, storage facilities and markets, its areas of comparative advantage” (p.20).
- “Improving rural infrastructure and trade-related capacities for market access” is mentioned among four pillars of the Comprehensive Africa Agriculture Development Program (CAADP) supported by the Africa Union (AU) and New Partnership for Africa's Development (NEPAD)” (p.7)
- “The Bank will allocate a significant proportion of its new commitments on infrastructure development to improve transport and logistics chains” (p.14).
- Building transport and communications infrastructure will improve physical and virtual connectivity (p.8).

##### **Rural Road Networks: N/A**

##### **Rural Transport and Agriculture:**

- By continuing to invest in rural infrastructure (such as rural roads, irrigation, electricity, storage facilities, access to markets, conservation systems and supply networks), the Bank will help countries increase agricultural productivity and competitiveness (p.3)
- Poor infrastructure, especially rural and trunk roads constitute another significant challenge to agriculture in Africa. While one half of the rural population of south Asia lives within a one-hour journey of a market, nearly 50% of African farmers still live 5 hours or more from a market. Not only are there few rural roads, but transport costs in Africa are among the highest in the world, reaching as much as 77% of the value of exports (p.4)
- AfDB Response to the African Food Crisis (July 2008) is “to inject into Africa's agriculture sector, about 496.57 million Units of Account (UA) in the short term and 1.4 billion UA in the

medium to long term. The Bank's medium to long term response focused on improving rural infrastructure (p.11)

***Rural-Urban Linkages: N/A***

***Women and Vulnerable Groups:***

- To reduce gender inequalities, the Bank will focus on promoting women's economic empowerment. For example, the Bank will invest in infrastructure such as water, energy and transport, particularly in rural areas, that frees time for women to pursue economic activities and increase their productivity (p.21)

***Green Transport***

- "By incorporating green principles in development plans, African countries will extend access to water, energy and transport, boost agricultural productivity and create new jobs and expertise" (p.6).
- By "promoting sustainable infrastructure, Africa can develop transport systems compatible with environmental concerns" (p.13).

***Multiple Functions of a Rural Road***

- "As the High Level Panel noted, "The Bank's role in infrastructure must be seen in its broadest sense, as an enabler of productivity and growth, contributing directly to results in other sectors." A road becomes the market space for rural populations to sell their goods and earn income, boosting intra-regional trade and reducing spatial inequalities not only between countries but also within national boundaries" (p.14).

***Agriculture Sector Strategy (2010)***

***Rural Access and Economic Inclusion:***

- "The Agriculture Sector Strategy (AgSS) aims primarily at contributing to the broader development objectives of greater agricultural productivity, food security and poverty reduction. This will be done by improving rural infrastructure, and trade-related capacities for access to local and regional markets (p.9).
- The various interventions under the two Pillars, including construction and rehabilitation of rural roads would have considerable impact on increased food production and increased food security (p.12)
- Pillar I – Agricultural Infrastructure - focuses on improving rural and community roads and agricultural infrastructure, including market/storage and agro-processing, agricultural water and water storage, and other infrastructure in support of livestock, fisheries and rural energy. Maintenance will be assured through promoting ownership by the community. By developing agricultural infrastructure the Bank will contribute to regional integration which seeks to create markets and new opportunities for growth (p.10)
- Investments in rural infrastructures under **Community Agricultural Infrastructure Improvement Program** (CAIIP-1) are expected to enhance farmers' access to markets, attract competitive prices and increased incomes. Covering 26 districts of central and eastern regions of Uganda, CAIIP-1 will rehabilitate and ensure annual maintenance of district and community access roads (p.14).

***Rural Road Networks:***

- The Bank's engagement in rural feeder and community access roads will be through project financing, institutional support and capacity building, including the preparation of strategic plans on development and maintenance of these roads. When investments in trunk roads are linked to investment in feeder roads that open up areas of high agricultural potential, it will maximize the benefits from both. Roads connect the rural population to their farms,

local markets, and social services, hence increasing their income and improving their quality of life (p.14)

***Rural Transport and Agriculture:***

- Adequate and well-functioning infrastructure (good network of rural and community roads, storage facilities for crops, livestock and fish products and related processing and market facilities) will underpin agricultural development (p.18).
- The Bank's infrastructure-oriented agricultural interventions include the construction of rural roads, rural and urban commodity markets, irrigation projects, etc. It will focus its agricultural operations on two pillars: agricultural infrastructure and support for natural resource management (NRM) (p.11).

***Rural-Urban Linkages: N/A***

***Women and Vulnerable Groups:***

- Due to rural women's subordinate position in society, their views and needs are not often included in the planning of agricultural and rural development interventions such as agricultural infrastructure (land and water management, market infrastructure, roads, energy and water development) (Annex VII, p.1). The designing of Bank projects will take into account the gender differentiated needs of farmers and promote equal access to improved agricultural infrastructure and markets (Annex VII, p.1).
- The design of Bank projects will consider the gender differentiated needs of farmers and promote equal access to improved agricultural infrastructure and markets (p.18).

According to the [Bank Group Vision on Transport Sector](#), rural roads and rehabilitation and maintenance programs are recognized to be sectorial priorities of the transport sector. Of the USD 2.73 billion injected into infrastructure in 2007, USD 1.07 billion (39.2% of the total) was allocated to the transport sector.

[High-Fives](#) application (2016) allows progress on the Bank's five areas of priority which include: 1) Light up and power Africa; 2) Feed Africa; 3) Integrate Africa; 4) Industrialize Africa; 5) Improve the quality of life for the people of Africa. Rural transport-related indicators are only included in the last priority area in the form of "paved roads" indicator. Other rural transport-related issues are not mentioned among the monitoring tools at all.

### **3. Rural Access Project Portfolio**

***Investments in Support of Rural Access***

- The Bank "has provided financial assistance of about USD 2.5 billion, building 850 kilometers of feeder roads, rehabilitating 1,100 rural markets, improving 26,000 hectares of agricultural land, drilling and rehabilitating 3,000 boreholes and training 6,000 farmers—60% of them women— in agricultural technology and land use" ([Strategy for 2013-2020](#), p.19).
- "Since 2008 the Bank has helped build and rehabilitate 25,000 kilometers of main roads and feeder roads, linking rural areas to transport corridors and markets, benefiting more than 10 million people" ([Strategy for 2013-2020](#), p.13-14).
- "10,000 Km of rural roads built and/or rehabilitated" ([Agriculture Sector Strategy](#), p.10)
- AfDB Agriculture Sector Action Plan includes in 2010-2014 such lending operations as providing support for improvement of rural and community roads with an estimated loan/grant 320 (UA m) which are done in cooperation with other development partners (AfDB / World Bank, OPEC Funds, IsDB, BOAD, Kuwait Funds, Saudi Funds) ([Agriculture Sector Strategy](#), Annex V p.12)
- "5,000 and 10,000 km of feeder and access roads constructed by 2012 and 2014, respectively" ([Agriculture Sector Strategy](#), Annex I, p.2)

**Selected Recent Projects on Rural Access**

Project Title	Country	Description	Target Approval Date	Budget
<a href="#">Makebuko-Ruyigi road section rehabilitation project</a>	Burundi	The main road rehabilitation plan contributes to regional development and includes constructing 15 km of connecting rural roads and rural infrastructure.	<b>18.12.2013</b>	UA 9,930,000 (USD 15,093,500)
<a href="#">Road Rehabilitation and Transport Facilitation on the Lome - Cinkanse- Ouagadougou CU9 Corridor</a>	Togo- Burkina Faso	The project rehabilitation of 303 km of road in very bad or bad condition, with 150 km in Togo and 153 km in Burkina Faso, as well as the improvement of transport facilitation along the corridor. It's expected to provide jobs for youth and women, reduce transportation costs and boost trade.	<b>23.02.2015</b>	UA 114,930,000 (USD 182,268,636 )
<a href="#">Rural access and mobility project</a>	Nigeria	The objective of the project is to improve access to transport services for the rural population in Cross River State. It comprises rehabilitation of gravel feeder roads (474 km) to all weather access roads, institutional strengthening and supply office equipment and vehicles.	<b>18.07.2007 (ongoing)</b>	UA 39,400,000 (USD 60,231,568)

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## C. Islamic Development Bank (IDB)

### 1. Summary of IDB Rural Transport Policies

- Similar to AfDB, it seems that rural transport policies are mainly limited to building, maintaining or upgrading rural roads.
- Transportation is not included within rural development, which are two separate categories for most IDB documents.
- Annual reports refer to transport in much more detail than strategic documents tend to do. Still, very few documents focus specifically on rural transport, references to transport in general are more common.
- Although a lot of IDB's focus has actually been on rural roads in support of inclusiveness and sustainable development of rural and marginalized communities, through providing them with access to markets and social services, the Bank does not have a clear strategy document that outlines that (Personal Communication, 21.02.2016).
- The Bank's Transport Policy is planned to be finalized by the end of 2016 and two of four proposed pillars are: i) transport in support of economic growth and regional integration, and ii) Transport that enables social inclusion. Both these pillars would support rural transport (Personal Communication, 21.02.2016)

### 2. Policy Document References to Rural Access

IDB's policies to support rural access are presented in two strategic documents: the [Bank's Vision 1440H/2020](#) and its 2015 report [41 Years on the Service of Development](#) as well as in its [annual reports](#), among which [Annual Report 2006](#) and [Annual Report 2014](#) were selected for analysis.

#### Vision 1440H/2020

##### **Rural Access and Economic Inclusion:**

- “Strategies to develop a comprehensive infrastructure to underpin and drive growth include enhancing private-public sector partnership to build infrastructure. Infrastructure development is especially critical in the more underdeveloped regions, where road and rail transport linking neighbouring economies can bring enormous benefits” (p.28)
- “Delivery of services is also often poor. To a large extent, this is due to unavoidable factors, like limited resources and poor transport and communication infrastructure” (p.12).

**Rural Road Networks: N/A**

**Rural Transport and Agriculture: N/A**

**Rural-Urban Linkages: N/A**

**Women and Vulnerable Groups: N/A**

##### **Transport in Infrastructure:**

- The infrastructure should cover, among others, the administrative, legal, financial, transport and communication spheres (p.28)

#### 41 Years on the Service of Development

##### **Rural Access and Economic Inclusion:**

- Transport sector, as an indispensable catalyst for accelerated growth and economic development, continues to remain one of the highest priorities of IDB member countries.

Transport sector projects approved by the Bank effectively contributed to the economic prosperity and social well-being of the member countries and played a strategic role in the opening up of peripheral, isolated and landlocked countries and regions. (p.20).

- Almost 80 percent of requests for IDB financing from member countries are in infrastructure sector - energy, water, transport and telecommunication. This is reflective of the significant infrastructure financing gap that exists in member countries and the increasing realization that infrastructure development is vital for reducing poverty and improving people's lives (p.18).

***Rural Road Networks: N/A***

***Rural Transport and Agriculture: N/A***

***Rural-Urban Linkages: N/A***

***Women and Vulnerable Groups: N/A***

***Sustainable Transport:***

- The IDB has also joined the multilateral development bank community (since the Rio+20 meeting in 2012) in enhancing its commitment to transport sustainability by ensuring that its transport infrastructure projects are safe, more efficient, and economically sustainable and environmentally friendly (p.20).

***Transport in IDB priorities:***

- In accordance with the IDB Group infrastructure development priorities, transport financing activities concentrated on road, railway and aviation sector developments particularly for the least developed countries in Sub-Saharan Africa. The overarching goal has been to promote regional integration among neighbouring countries (p.20).

### **Islamic Development Bank. Annual Report 1427H/ 2006**

***Rural Access and Economic Inclusion:***

- Investment in infrastructure development, particularly in rural areas, reduces poverty through higher growth in agricultural production and rural non-farm employment opportunities. IDB assistance in this sector has more than doubled over the last 5 years, from ID278 million (USD 354 million) in 1423H to ID635 million (USD 931 million) in 1427H. This assistance has mainly targeted power generation, water supply and the construction and expansion of road networks, particularly in member countries in Central Asia and Sub-Saharan Africa (p.37)

***Rural Road Networks: N/A***

***Rural Transport and Agriculture: N/A***

***Rural-Urban Linkages: N/A***

***Women and Vulnerable Groups: N/A***

***Transport in IDB Infrastructure Fund:***

- As a private investment vehicle dedicated to infrastructure development in member countries, the IDB Infrastructure Fund constitutes a prime example of public-private partnership for development. As at the end of 1427H, the Fund had committed a total amount of USD 774 million in 18 projects in 9 member countries. The Fund's investment has targeted primarily the power, petrochemical, telecom, transport and mining sectors, which

together attracted around 95 percent of the Fund's commitments, while the remaining 5 percent targeted the oil and gas sector (p.41).

- Transport Share in IDB Operations in Various Countries:
- "The war in Lebanon in 1427H (Summer 2006) prompted the IDB to provide a special assistance package worth USD 250 million for the reconstruction of the country. This package will focus on restoring basic social services, including reconstruction and rehabilitation of basic infrastructure for the provision of transport. This package complemented the USD 500 million of IDB development assistance provided to Lebanon since the Taif Agreement, which ended the civil war" (p. 30)
- "Similarly, 1427H saw the IDB pledging around USD 200 million of assistance to Yemen over the four-year period 1428H-1431H (2007-2010) to support the implementation of the country's Third National Development Plan. This assistance will focus mainly on improving basic social services", including transport services (p.30)
- "In 1427H, the IDB conducted 37 evaluations, including 26 post-evaluations of completed operations, one special evaluation of an on-going project, and two CAE studies for Senegal and Tajikistan. The transport share was 46 percent. Out of these 26 operations, 75 percent were rated successful or highly successful, while 25 percent were rated partly successful" (p.44)
- "The IDB's assistance (ordinary operations) to Senegal between 1979 and 2005 totaled ID266 million (USD 354 million) and targeted 70 operations" in various sectors where transport and communications share accounted for 25 percent (p.44).

#### **Annual report 1435H/2014**

##### ***Rural Access and Economic Inclusion:***

- Transport sector projects approved by the Bank effectively contribute to the economic prosperity and social well-being of the member countries and play a strategic role in the opening up of peripheral, isolated and landlocked countries and regions (p. 42).
- In Gambia, the IDB-funded projects built more than 185 km of paved roads connecting major cities and rural communities as well as neighbouring countries. The main outcomes included: (i) reducing travel time by 50%, (ii) reducing vehicle operation cost, (iii) reducing road accidents, (iv) easing access to markets for agriculture producers and fishermen, and (v) development of small businesses and real estate along the roads. The funded projects improved access to markets, enhanced economic activities and tourism, and facilitated trade with neighbouring countries (p.66).
- The IDB financing for the transport sector has greatly facilitated member countries in their integration with regional and/or global economy. The transport sector itself has grown as an important sector of economic activity in a number of member countries. As a strategic area of responsibility of governments, transport sector projects have played a major role in facilitating mobility, accessibility and supply of transport services. Alleviating poverty and accelerating transport infrastructure development in member countries remained a strategic priority for IDB in 1435H. The bulk of the Bank's transportation sector financing in 1435H went to six African member countries - Burkina Faso, Cameroon, Mali, Niger, Chad and Uganda - to develop their road transport networks (p.42)

***Rural Road Networks: N/A***

***Rural Transport and Agriculture: N/A***

***Rural-Urban Linkages: N/A***

***Women and Vulnerable Groups: N/A***

***Water-Energy-Transport Linkages:***

- Energy is an important facilitator for the provision of clean water, communications, health, education and transportation facilities (p.42)

***Transport Share in IDB Financing:***

- The achievement of the Bank in key economic sectors in member countries in 1435H: within infrastructure, transportation accounted the second largest allocation of financing of 33% (after energy 44.9%) (p. 25).

***Transport in Public-Private Partnership***

- Demand for infrastructure services is growing all the time and governments by themselves cannot meet the challenges of providing basic facilities such as water, electricity, transport and telecommunications. To this end, the Bank introduced the Public-Private Partnership (PPP) in 2006 as a financing model to support infrastructure development in member countries. Since then, PPP has accounted for almost a quarter of all IDB infrastructure financing, with total investment reaching USD 3.5 billion (p.46).

***Transport in Co-Financed Projects***

- Most of the co-financing targeted the infrastructure sector, particularly projects in the power sector and, to a lesser degree, the transport and water sectors, which together attracted around 94 percent of co-financing (66 percent in the power sector and 14 percent each for projects in the transport and water sectors) (p. 53).
- The sectors co-financed with the [Coordination Group](#) were power (56 percent), transport (26 percent), health (12 percent), water (5 percent), and agriculture (1 percent) (p. 54).
- Co-financing with the [Arab Bank for Economic Development in Africa \(BADEA\)](#) targeted mainly projects in the transport sector as well as the agriculture and rural development sectors, with the IDB and [BADEA](#) providing USD 1.2 billion and USD 700 million, respectively. In 1435H, IDB and BADEA co-financed a transport project in Cameroon - Olama-Kribi Road Project (USD 184 million from the IDB and USD 27 million from [BADEA](#)) (p.54)
- Co-financing with [Kuwait Fund for Arab Economic Development \(KFAED\)](#) has focused mainly on infrastructure projects, especially power and transport. In 1435H, IDB and [Kuwait Fund](#) co-financed five projects, including two transport projects in Cameroon and Mali (p.55).
- The bulk of co-financing with the [World Bank](#) targeted projects in the infrastructure sector - transport (37 percent), power (32 percent) and water (10 percent), extractive industry (8 percent), and ICT (3 percent) (p. 55).
- Co-financing with the [West African Development Bank \(BOAD\)](#) has primarily targeted power generation, including hydropower, and transport sector projects (p. 55)
- Cooperation with [European Investment Bank](#) has expanded significantly especially in recent years, which witnessed a growing level of co-financing in the power and transport sectors (p.55).

### 3. Rural Access Project Portfolio

#### Investments in Support of Rural Access

- Transportation sector projects approved in 1435H amounted to ID909.5 million (USD 1.4 billion). This brings the total approval to transportation sector since inception to USD 10.6 billion ([41 Years on the Service of Development](#), p. 20).
- The IDB financing in the transport sector amounted to ID306 million (USD 451 million) in 1427H, which was mainly allocated to land transport projects, including road projects totaling ID281 million (USD 410 million) and, to a much lesser degree, railway projects amounting to ID27 million (USD 40 million). Out of the total amount committed for road projects around ID137 million (USD 200 million) targeted projects in 9 member countries in Sub-Saharan Africa. Cumulatively, IDB assistance in the transport sector (land, air and water transport) has totaled over USD 3 billion since its inception, with the largest share of 70 percent going to land transport, 20 percent to water transport, and 10 percent to air transport. At the end of 1427H, transport and communications accounted for 22 percent of active portfolio with around USD 1.6 billion. IDB intervention in this sector focused primarily on land transport, mainly road projects in land-locked member countries in Africa and Central Asia. Since its inception, the IDB has financed over 200 road projects. In Africa, most financed road projects focused on developing the East-West (Trans-Saharan) and North-South (Trans-Saharan) land corridors in order to promote trade between member countries. ([Annual Report 1427H/2006](#), p. 34)
- The active infrastructure portfolio of the Bank reached 190 projects for USD 15.9 billion, of which 25 percent has been disbursed. In 1435H, the Bank approved 51 infrastructure operations for ID2.8 billion (USD 4.2 billion) which financed electricity generation and transmission, transportation, and water and sanitation infrastructure ([41 Years on the Service of Development](#), p. 19).

#### Selected Recent Projects on Rural Access

Project Title	Country	Description	Target Approval Date	Budget
<a href="#">Olama-Kribi Road Project</a>	Cameroon	The project aims at implementing a 204 km paved road to ensure safe and efficient transport of local populations, and facilitate the transportation of wood and forestry products up to the Port of Kribi.	<b>N/A (financed in 2014)</b>	USD 184 million
<a href="#">Constructing a bridge across the Niger River in Gao</a>	Mali	Constructing the bridge helped bring down transport costs, reduce travel times, link Gao to the rest of the country and neighbouring countries, and encourage trade and investment.	N/A	USD 16.2 million
<a href="#">Social Safety Nets</a>	Egypt	Pro-poor project aimed at developing of public infrastructure, such as roads and	<b>N/A</b>	USD 739 million for

	Yemen	water resources, education and healthcare programmes, and microfinance initiatives aimed at supporting the development of small and microenterprises.		Egypt USD 185 million for Yemen
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## D. World Bank (WB)

### 1. Summary of WB Rural Transport Policies

- Among all development banks, the World Bank provides the most information on rural transport, including linkages between transport and energy, water, health and other development goals.
- The World Bank explicitly states its commitment to rural transport, mentioning it among its priority areas in many strategic documents, online resources and programs.
- The Bank is doing a variety of projects on rural transport, not only traditional ones as building or maintaining roads, but also involving gender, health, education aspects, climate resilience etc.

### 2. Policy Document References to Rural Access

WB's policies to support rural access are presented in two main documents: the Bank's [Transport Strategy](#) (2008) and its report [Transport for Health](#) (2014), as well as online resources [Transport Overview](#) and [Rural Transport](#).

#### World Bank Transport Strategy (2008)

##### **Rural Access and Economic Inclusion:**

- “It is not surprising that poor people in rural areas view isolation as a major reason for their poverty. The Bank has attempted to quantify this problem. The results are summarized in a [Rural Access Index](#) that measures the proportion of rural dwellers who live within 2 kilometres of an all-season road. In the richer countries, 94 percent of rural people live within 2 kilometres of an all-weather road. In the poorest group of 15 Sub-Saharan African countries, only 37 percent live within 2 kilometres of an all-weather road. Rural roads already constitute over half of the total length of roads built, rehabilitated, or maintained with Bank (p. 21).
- Poor transport is often the main restraint on economic progress and poverty reduction in rural areas. Improving access to markets encourages rural farmers to modernize with fertilizers, mechanized equipment, and new seed varieties, which, in turn, raises yields, lowers unit costs, and increases demand for inputs and credit. Rural transport also provides access to labour markets and thus the opportunity to earn non-farm income. Moreover, the same road that provides access to product, service, and labour markets often provides the right of way for electricity lines and water pipes (p.17).
- “Rural transport also provides access to labour markets and therefore creates the opportunity to earn non-farm income” which is confirmed by numerous studies in China, Latin America and Bangladesh (p. 21)
- In Guinea, in areas where rural roads had been provided, the area sown with crops doubled compared with other areas. Output sold to market for cash almost quadrupled. In areas where no such access improvements were made there was no change: citizens remained locked into traditional subsistence living (p.21).
- In Colombia, in improvement of rural roads in areas previously inaccessible to vehicles reduced travel times and transport costs by 80 percent. Farmers responded by increasing production of goods for market (particularly perishables) by between 50 percent in one area to 200 percent for some products in others (p.21).

- To ensure that transport is safe and clean, regulations or other governmental interventions are likely to be required, whether assets are under public or private ownership. These policy measures can help to improve the access to transport services for those now under-served and most in need (rural women, the disabled and elderly, the poor who rely on non-motorized transport) (p. 27).

***Rural Road Networks:***

- Poor road asset management is a particular problem. Since the 1960s, many African countries have lost around half of their road network (and especially their rural roads). Part of the answer is to help build the capacity for transport administration and management (p.65).

***Rural Transport and Agriculture:***

- The economic impacts of improved access can be cumulative and far-reaching. Access to markets makes it worthwhile to modernize agriculture through mechanization, use of fertilizers, and planting of higher-yield varieties. This, in turn, increases demand for inputs and corresponding demand for and availability of sources of credit. When road access is improved to remote rural areas, the economic effect can be dramatic (p.21).

***Rural-Urban Linkages:***

- One of the best ways to promote rural development is to ensure good accessibility to growing and competitive urban markets. And improving urban transport improves both urban areas and the wider economy. We are thus promoting urban and interurban transport strategies to increase access for the urban and rural poor (p. 3).

***Rural Transport Modes:***

- Rural transport in many developing countries is characterized by an enormous range of trips made by non-motorized transport: on foot, by bicycle, barrow, and cart (and in some places by small boat). In an analysis of five districts of Malawi the motorized mobility rate was found to be only about one-tenth of a trip per person a year. Over 99 percent of out-of-village trips (including virtually all to health or education facilities) were made by non-motorized modes of transport (walking, cycling, animal-drawn vehicles, etc.) over an average round-trip distance of nearly 20 kilometres. The average round-trip distance just to reach a motorized form of transport in these districts was over 11 kilometres (p.23).
- Non-motorized transport is important in moving both people and freight; in serving both rural and urban areas; and in achieving both social and economic purposes. Indeed, the first link in a supply chain from a poor rural area to a rich international market is often made by people carrying their produce on foot, by bicycle, on a horse-drawn cart, or in a country boat. The relative importance and specific needs of these modes can be captured by well-designed transport surveys that look beyond the movement of conventional motor vehicles. They can be supported by the way projects are conceived and the way infrastructure is designed to improve their accessibility, safety, and amenity (p.38)

***Women and Vulnerable Groups:***

- The impact on girls and women, who often suffer disproportionately from poor transport, is especially profound, as better transport services help to ease the risks of travel and the burdens of collecting firewood and water and thus allow more opportunities for school attendance, home hygiene, and prenatal care (p.17).
- Empirical evidence shows that in both urban and rural contexts, women have different transport priorities and needs, are affected differently by transport interventions, and

sometimes bear the major part of the transport burden in families. Transport will be most effective for development if significant gender differences in demand and impact are properly identified and if transport policies and programs then reflect the full range of transport needs that exist (p. 37).

- A second area for inclusive transport policy is in meeting the transport needs of physically disabled and/or elderly people, who often have the greatest personal need of transport services. Large numbers of poor, disabled people in developing countries are currently denied the basic mobility to participate in either economic or social life because of inaccessible vehicle design and/or operational practices. Exclusion increases the human and economic costs associated with disability and constrains disabled people from breaking out of poverty. Inclusion depends upon establishing the right policies and the supporting legislative, regulatory, and operational measures (p.38).

***Transport Affordability:***

- “Efficient and affordable personal mobility is essential, in both urban and rural areas, to make cities work better and to diversify rural economies” (p. 2).

***Transport-Health-Education Linkages:***

- Better access to education and health facilities increases enrolment rates in rural schools and leads to more visits to health care services (p.17).

***Transport-Energy-Water Linkages***

- The same road that provides transport access to product, service, and labour markets often provides the right of way for electricity lines and water pipes (p.21).

***Rural Transport Services***

- Provision of infrastructure by itself does not solve the social and economic transport needs of the poor. The poor do not own motor vehicles, and the existence of a road does not automatically lead to the provision of affordable transport services. More attention will be given to the transport services that use new roads. Markets can be made to work more efficiently to provide safe and affordable transport services through policies that affect the cost and availability of transport service vehicles (import and sales taxation, import controls and duties, vehicle taxes, road transport regulations, anti-cartel measures, etc.) However, this is not only a matter of government policies; the Bank will also continue to support NGOs, which often are the conduit for service innovation at the local level (p.22-23).

***Rural Road Safety:***

- “Unsafe roads are a problem in both urban and rural areas” (p.71).

***Regional Priorities for Rural Transport:***

- Rural transport is mentioned among regional priorities for Sub-Saharan Africa where “a key focus will be the two thirds of rural people who lack reliable access to an all-weather road and the even larger number of urban people who live in slums in worsening environmental conditions. The former are locked into subsistence living and cut-off from health care and education; the latter are growing rapidly in number and need access to urban jobs and services, for which cost-efficient urban transport is a must; for both groups, transport and logistics costs are excessive” (p. 6).

- “Two-thirds of Africa’s rural population—about 300 million of the world’s poorest people—do not have reliable access to an all-weather road. Most are locked into subsistence living and are disadvantaged in access to reliable health care and education. The region contributes only 2 percent of world trade and its share is falling, while its unit transport costs are typically three to five times higher than those of developed countries. Africa also contains half of the world’s landlocked developing countries. Many factors push up Africa’s transport costs, some of them mutually reinforcing” (p.64).
- “Investment climate surveys in the South Asia region have pinpointed transport as a particular constraint for regional and international trade. Furthermore, at the micro level, many rural households lack access to all-season roads” (p. 6) “Only 39 percent have such access in Bangladesh and 30 percent in Nepal. About 40 percent of villages in India are cut off from market centres and the main road network in wet seasons” (p.71).
- “At present, 1.1 billion people in East Asia (60 percent of the total) still live in rural areas. Rural access needs to be improved in low-income countries (Cambodia, Vietnam), in landlocked and island states (Laos, Mongolia, Pacific Islands), and in large poverty pockets in fast-growing countries (western China, eastern Indonesia, the central and northern highlands of Vietnam, northeast Thailand, and Mindanao in the Philippines). In these regions, a sustainable rural transport agenda will be promoted with strong emphasis on working with sub-national levels of government on poverty targeting” (p.66).
- In Latin America and the Caribbean, “there are still 65 million rural dwellers that are poor. Rural poverty rates exceed 70 percent in Bolivia, Guatemala, Honduras, Nicaragua, Paraguay, and Peru. Many other people live in fringe settlements that are far away from the neighbouring cities. With low population densities, the unit cost of providing infrastructure and other services to these fringe communities is very high, resulting in a high incidence of poverty. They are often physically and economically embedded in a rural setting, sharing the socio-economic characteristics and accessibility constraints of the rural population. Targeted investments to improve rural and fringe-urban transport links are critical for enhancing access to markets and services and increasing the productivity of small farmers beyond subsistence levels” (p.70)

***Transport in Peace-Building:***

- Africa’s recent military conflicts have also disrupted transport, as they have disrupted communities and economies. Improved transport can help to rebuild economies in post-conflict countries and to lessen vulnerability to future conflict. Transport can play a key role in keeping a country together, in overcoming potential disputes over access to resources, and in defusing the seeds of conflict sometimes arising out of the feeling of isolation. The Bank Group (and other donors) have recognized this and are providing support to the transport systems of post-conflict countries such as the Democratic Republic of Congo, Angola, Rwanda, and more recently Sudan (p. 65)

***Transport for Health (2014)***

***Rural Access and Economic Inclusion:***

- Providing reliable transport infrastructure can stimulate economic development in several ways. For instance, foreign direct investment is attracted to regions that provide high-quality road infrastructure to facilitate efficient logistics. Within a country, road infrastructure connects remote areas with centres of trade and connects centres of industry to global markets, spurring the growth of trade and reducing costs by improving access to goods and services (p. 16).

***Rural Road Networks: N/A***

***Rural Transport and Agriculture: N/A***

***Rural-Urban Linkages: N/A***

***Women and Vulnerable Groups:***

- “Rural connectivity helps reduce maternal mortality through better access to maternal care” (p.16).
- “Rural roads have impact on increasing the enrolment of girls in school. In addition to being an end in itself, education of girls is important to population health as it helps reduce fertility rates and improve maternal and child health, among other mechanisms” (p.16).

***Accounting on Health and Social Impacts:***

- Improved accounting for health and social impacts of transport is required. “At present, more effort is invested in estimating the economic rate of return of road projects than in estimating either the social benefits (access to health care, education, markets) or social harms (burden of disease, environmental costs) of transport” (p. 51).

***Rural Roads and Health:***

- Roads facilitate access to food markets and can promote better nutrition (p.16).

**3. Rural Access Project Portfolio**

***Investments in Support of Rural Access***

- Total World Bank Group transport commitments in fiscal year 2014 (FY14) amounted to USD 8.8 billion, of which USD 7.3 billion for the Bank (including IBRD/IDA), USD 581 million for IFC, and USD 911 million for MIGA. In FY14, there were 221 active Bank projects with total net commitments of USD 44.4 billion, representing 23 percent of the Bank’s total lending portfolio ([Transport Overview](#)).
- Rural and inter-urban roads remain the largest sub-sector with 42 percent of lending in FY14 (USD 3.1 billion). However, the transport sector has rebalanced its portfolio with more operations in urban transport, road safety, aviation, ports, and railways, including projects that aim to improve trade competitiveness ([Transport Overview](#)).

***Selected Recent Projects on Rural Access***

Project Title	Country	Description	Target Approval Date	Budget
<a href="#">Disaster</a>	Jamaica	Enhancing Jamaica’s resilience to	10.02.2016	USD 30.00

<a href="#">Vulnerability Reduction Project</a>		disaster and climate risk by providing technical assistance; construction and/or rehabilitation of bridges, rural roads, drainage, schools, establishing coastal protection measures, and post-disaster Social Safety Net support to affected people.		million
<a href="#">Local Economy and Infrastructure Development Project</a>	Armenia	Improving infrastructure services and institutional capacity for increased tourism contribution to local economy in selected regions of Armenia.	22.12.2015	USD 68.75 million
<a href="#">National Community Driven Development Project</a>	Myanmar	Enabling poor rural communities to benefit from improved access to and use of basic infrastructure (small feeder roads, footpaths and bridges, water and electricity supply systems, classrooms and health centres) and services, and enhancing the government's capacity to respond effectively to a crisis or emergency.	30.06.2015	USD 452.50 million

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## **E. European Bank for Reconstruction and Development (EBRD)**

### **1. Summary of the EBRD Rural Transport Policies**

- The Bank's strategic documents make numerous linkages of rural access and rural transport to agriculture, gender, etc.; however, most projects are still quite traditional in their nature, e.g. constructing and upgrading roads.
- The Bank is conducting gap analyses to determine the existing exclusion groups, and identify where the Bank could have an impact. Based on initial analyses, the most likely channels for economic inclusion will be through access to employment (including the construction phases of large transport projects), access to public and other services, skills transfer and improved corporate standards and practices.
- EBRD works in South-eastern Europe, Central Europe and Baltic States, Eastern Europe and the Caucasus, Central Asia, the Southern and Eastern Mediterranean, and Russia and Turkey.
- While the EBRDs geographic focus does not correspond to countries ReCAP works in, it is still valuable to look at the work they have been doing, which can be an example to other MDBs working in the ReCAP countries.

### **2. Policy Document References to Rural Access**

EBRD's policies to support rural access are primarily divided between two documents: the Bank's [Transport Sector Strategy](#) and its [Agribusiness Sector Strategy](#).

#### **Transport Sector Strategy (2013)**

##### ***Rural Road Networks:***

- "Developing efficient transport networks and services, such as rail services, rural road networks and logistics solutions is therefore a key challenge for the sector"

##### ***Rural Access and Economic Inclusion:***

- "Based on initial analyses, the most likely channels for economic inclusion will be through access to employment (including the construction phases of large transport projects), access to public and other services, skills transfer and improved corporate standards and practices. In the context of increasing urbanization, this will necessarily entail differentiation among the needs of the different groups in the rural and urban context, with a particular focus on gender.
- While pursuing its transition mandate the Bank will give active consideration to these issues, in particular in supporting projects which facilitate rural access, such as regional road rehabilitation, and national corridor investments, which help to integrate regions into the national economy"
- "Roads make up a significant proportion of a country's infrastructure assets, demonstrating that a good quality road network is essential for the development of well-functioning modern economies by reducing transport times and costs, improving safety and accessibility to rural regions"
- "By creating connections at the local, regional, national and international level, transport provides the access which is essential for a well-functioning economy. This can be access to product markets, access to labour markets, and access to essential public services, such as health and education facilities.

**Rural-Urban Linkages:**

- “Within the countries of the region, recent patterns of economic growth have resulted in regionally unbalanced development, with growing disparities between urban and rural areas.”

**Women and Vulnerable Groups:**

- “Access through transport development helps reduce disparities in opportunity and development, particularly for women and vulnerable groups or those living in remote rural areas”

**Agribusiness Sector Strategy (2010)**

**Rural Access and Economic Inclusion:**

- “In more advanced transition countries such as in the Western Balkans challenges are clustered around upstream production as well as SMEs particularly in rural and more remote areas and hence require a different set of investments.”

**Rural Transport and Agriculture:**

- The Bank “will contribute to the increased availability of food through its investments and promote better market access (by improving price signals, transport infrastructure, storage facilities, etc.). It will improve accessibility of food products and increase food safety domestically, enhancing the market in rural areas especially”
- In food supply, retail and distribution, the Bank will aim to play an important role in supporting the roll-out of modern format food retail chains in rural areas and hypermarkets/malls in suburban areas of large cities, thereby increasing the accessibility of affordable, locally manufactured and packaged food products of superior quality for wider parts of the population and promoting good labour standards and working conditions in the sector.
- “The Bank’s own investments in the sector (food supply, retail and distribution) grew more than 300% since 2002, contributing to the transition process, increasing food diversity and safety, even in rural areas and following its first”
- “In South Eastern Europe, Russia and Turkey, the Bank will pursue opportunities principally in regional and rural areas”

**3. Rural Access Project Portfolio**

**Investments in Support of Rural Access**

- “[From 2005-2012] The Bank has invested more than EUR 4.9 billion in 72 key road projects at all levels of the network to develop a more efficient network. These include construction and rehabilitation of rural roads, support of PPP revenue generating projects in the most advanced transition countries and the introduction of performance based contracts in the Western Balkans.”

**Selected Recent Projects on Rural Access**

Project Title	Country	Description	Target Approval Date	Budget
<a href="#">Osh-Isfana Road Upgrading Project</a>	Kyrgyz Republic	Rehabilitation and upgrading of the part of Osh–Batken–Isfana road in the South-West	14.07.2009	USD 35 million

		of Kyrgyz Republic.		
<a href="#">Modernization of Roads in Azerbaijan</a>	Azerbaijan	Modernizing a 156 km road segment to improve transport links for half a million people in this rural area and provide access to the main highway.	15.12.2011	USD 250 million

### References

1. European Bank of Reconstruction and Development (2013). Transport Sector Strategy. <http://www.ebrd.com/downloads/sector/transport/transport-strategy.pdf>
2. European Bank of Reconstruction and Development (2011). Agribusiness Sector Strategy. <http://www.ebrd.com/downloads/policies/sector/agri.pdf>

## F. European Investment Bank (EIB)

### 1. Summary of EIB Rural Transport Policies

- Similarly to Islamic Development Bank, the EIB does not have a strategy document on rural transport, while doing projects on rural transport.
- EIB mainly works in the European Union, with about 90 percent of its total lending volume being spent there. Nevertheless, it also works with the EU Eastern neighbours, South Africa, Sub-Saharan Africa, Caribbean and Pacific, Central Asia, Asia and Latin American.
- Rural transport is the least frequently mentioned in EIB documents among all the MDBs. This fact could be explained by a well-developed rural infrastructure in Europe compared to African or Asian rural transport network. However, given that the Bank works also with non-EU countries, it seems that rural transport is not in the Bank's focus or priorities.

### 2. Policy Document References to Rural Access

EIB's policies to support rural access are not explicitly expressed in either of the Bank's policy or strategy documents.

The main Bank's document on Transport is the Transport\_ (2011) that states the Bank's guiding principles in terms of transport projects financing which are: (1) supporting mobility (p.3-4); (2) commitment to funding of the Trans-European Networks (TENs) (p.4) and (3) mainstreaming climate change in all the Bank's lendings (p.3, p. 4).

The following modes/activities on transport are mentioned as eligible for the funding:

- Research, Development and Innovation.
- Manufacturing.
- Land transport.
- Waterborne Transport.
- Civil Aviation.

The document doesn't mention rural transport among the priorities or activity areas.

Another resource on transport activities of the EIB is the Bank's dedicated [Transport](http://www.eib.org/projects/sectors/transport/index.htm) page (<http://www.eib.org/projects/sectors/transport/index.htm>). In the EIB Transport Page, the key challenges in the transport area are identified as "increasing demand for mobility, severe congestion, poor air quality, noise emissions and pollution". The Bank's response to these challenges is as follows: 1) supporting "resource-efficient and economically sustainable investments in smart mobility"; 2) building "transport links internationally, nationally, regionally and within population centres"; 3) supporting "cross-border and domestic trade, labour mobility, environmentally benign travel, social integration and regional development".

The main focus is on transport sustainability. The Bank's approach in funding projects is divided between the following areas:

- The construction, extension or rehabilitation of public transport infrastructure
- Railway, light rail, metro and tramway systems

- Rolling stock
- The promotion of cycling and pedestrian networks
- The development” of intelligent traffic management and information systems.

Another transport-related webpage referring to the Bank's activities is [Roads](#) which doesn't directly mention rural roads either. However, they could be included into the “support for the less developed regions” section where “improving accessibility and ensuring the adequate quality and level of service” is stated as a priority.

### 3. Rural Access Project Portfolio

#### **Investments in Support of Rural Access**

- In 2014, the Bank invested 8.3 billion euro in transport supporting 545 million additional passengers and 100 million hours of time savings per year ([Transport](#)). The share of the rural transport is not specified.

#### **Selected Recent Projects on Rural Access**

Project Title	Country	Description	Target Approval Date	Budget
<a href="#">PNG Rural Bridges</a>	Papua New Guinea	The project will improve two-lane national road network by replacing 27 narrow temporary bridges (Bailey bridges) with permanent structures. The reusable Bailey bridges will be reassembled on rural roads to improve access. The project is expected to help improve access to basic services, commerce and to provide employment during construction for both urban and rural communities.	21.12.2015	EUR 53,367,450
<a href="#">Rural Roads IV</a>	Morocco	Through the construction or upgrading of 15 500 km of rural roads, the programme will serve to make nearly 3 million rural dwellers less isolated and help reduce the disparities between the different provinces in terms of accessibility.	17.05.2012	EUR 100,000,000

#### **References**

- EIB. Transport Lending Policy (2011). [http://www.eib.org/attachments/strategies/transport\\_lending\\_policy\\_en.pdf](http://www.eib.org/attachments/strategies/transport_lending_policy_en.pdf)
- EIB. Transport. <http://www.eib.org/projects/sectors/transport/index.htm>