

# AfDB provides €345m in road construction support to Tanzania and Kenya

Over three million people in Tanzania and Kenya will benefit from a €345m financing package for road construction support, approved by the African Development Bank (AfDB) board. The bank's support for the Mombasa-Lunga Lunga/Horohoro and Tanga-Pangani-Bagamoyo roads Phase I is in the form of African Development Bank and African Development Fund loans, representing 78.5% of the total €399.7 million project cost.



Image source: [Gallo/Getty](#)

The European Union contributed a grant of €30m, 7.7% of the total project cost, to the government of Kenya.

*“ The project will have spillover benefits for hinterland countries such as the Democratic Republic of the Congo, Burundi, Rwanda, Uganda and South Sudan that depend on Mombasa as a gateway to global markets. ”*

The road is a key component of the East African transport corridors network, connecting Kenya and Tanzania. Producers, manufacturers and traders will be able to move goods more quickly and cheaply. In addition, farmers and fishermen will benefit from improved access to local and regional markets and amenities, including better schools and health centres.

"The project will have spillover benefits for hinterland countries such as the Democratic Republic of the Congo, Burundi, Rwanda, Uganda and South Sudan that depend on Mombasa as a gateway to global markets," said Hussein Iman, the AfDB regional sector manager for infrastructure, private sector, and industrialisation.

AfDB's support will also provide roadside trading facilities for sellers, half of them women who currently operate in disorganised and unsafe conditions.

The road crosses regions with high rates of youth unemployment. In light of this, the project includes a vocational training component for 500 unemployed youth (half of them women) to acquire marketable skill and improve their economic prospects.

## Boosting regional integration

The bank anticipates that the intervention will boost regional integration by reducing transit times, facilitating trade and the cross-border movement of people, opening access to tourist attractions. The project will also link the ports of Dar es Salaam, Tanga and Mombasa, and stimulate the blue economy in coastal areas.

This first phase involves the construction of 175km of road sections: the 121km Mkanga-Pangani road section in Tanzania and the 54km Mombasa-Kilifi road section in Kenya.

The intervention is a priority item in the Bank's Eastern Africa Regional Integration Strategy (EA-RISP), the Country Strategy Papers (CSPs) of both countries and aligns with two of the Bank's High 5 priorities - Integrate Africa and Improve the quality of life for the people of Africa.

Regional integration is a priority for Kenya and Tanzania. However, poor infrastructure has been a major constraint.

This week, the Bank witnessed the signing of a \$440m agreement between Japan International Cooperation Agency (JICA) and the government of Kenya for the first phase construction of a bridge connecting Mombasa island and Likoni, a major international port area of East Africa.

The Mombasa Gate Bridge will be the longest cable-stayed bridge in Africa, providing a critical link over the Indian Ocean along the just approved Mombasa – Lunga Lunga/Horohoro and Tanga - Pangani – Bagamoyo corridor phase I.

The total amount of co-financing is expected to be more than \$ 1.2bn when subsequent phases of the project are concluded - the largest co-financing agreement between the AfDB and JICA.

"We are confident that we can all work together to accomplish this important task and other projects in the future," said Nhenna Nwabufo, AfDB's acting director-general for the East Africa Region, said at the signing.

As at the end of November 2019, the bank's portfolio in Kenya comprises 27 public and seven private operations with a total commitment of 2.7 billion euros.

AfDB's portfolio in Tanzania as at the end of November 2019 comprises 21 public and 2 private operations with a total commitment of 1.82 billion euros.