

# Roads to development

CAF invests in roads to connect Latin American and Caribbean communities to labor, goods, and services markets to improve their wellbeing.



**DURING THE LAST FIVE YEARS...** 

USD 4.8 billion

approved to finance urban and rural roads projects in **10** countries

58 credit operations

with at least one road component

at least

14,000 km

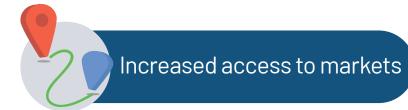
of new, improved, and rehabilitated roads

47%

of operations include a component of road maintenance or rehabilitation



#### CAF's road investments contribute to:



- reduced transportation costs
- increased availability of transportation services
- higher traffic, people, and cargo
- more access to input and final product and service markets
- increased availability of logistics services



Increased economic activity



- increased specialization and productive agglomerations
- increased exports
- greater diversification of economic activity
- economic growth



- greater access to labor markets, productive inputs, and public services
- increase in per capita income and consumption
- higher school enrollment and attendance
- greater use of **preventive health services**
- greater use of preventive health services (!) and improved nutritional status
- ① of particular importance in rural areas



## employment

**† 5**%

in **Peru**, thanks to road investments between 2003 and 2010

**16.7%** in **Mexico**, thanks to road improvements in

the 1980s

## (real wages )

10.3-0.5%

in **Bolivia** and **Brazil**, thanks to the construction of the Santa Cruz-Puerto Suarez road, **financed in part by CAF** 

# (exports)

16.4%

in **Peru**, thanks to road investments between 2003 and 2010

# GDP

10.5%

in **Bolivia**, thanks to CAF's road investments between 2006 and 2017

#### Impacts can be affected by:

# **Project selection**

- Prioritize social, environmental, and economic benefits alike
- Very positive impacts when destinations already have more developed markets and greater availability of services

#### **Quality of projects**

- 0.65% of GDP can be saved in LAC with better-designed, implemented, and managed road projects
- Road maintenance is very cost-effective

#### **Environmental considerations**

- Adoption of adequate protection measures to minimize biodiversity losses
- Road maintenance is key to reducing emissions





# TRINIDAD AND TOBAGO **PANAMA USD 75 million USD 375 million** 1 loan agreement 2 loan agreements **BARBADOS USD 50 million** 1 loan agreement **PERU ECUADOR USD 233 million 1** loan agreement **USD 819 million 10** loan agreements **BOLIVIA BRAZIL USD 762 million USD 675 million** 11 loan agreements 14 loan agreements ARGENTINA **USD 802 million URUGUAY** 8 loan agreements **USD 36 million** 4 loan agreements References Types of Interventions **PARAGUAY** With maintenance, improvement, and/or **USD 1.012 million** rehabilitation components 6 loan agreements With pavement or new road construction components Multipurpose projects with roads components