



ADB Transport Forum



Pathways to Sustainable Transport

25 - 27 May 2010
ADB Headquarters
Manila, Philippines



ADB and Regional Infrastructure Development

ADB Transport Forum SPS 7: Regional Cooperation and Integration

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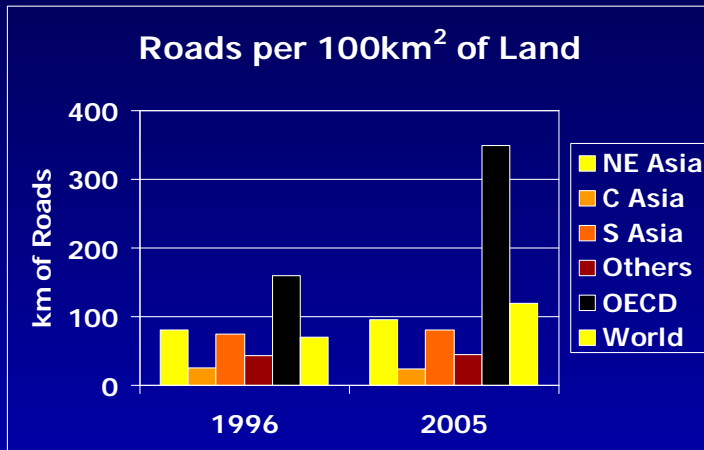
ADB

Structure of Presentation

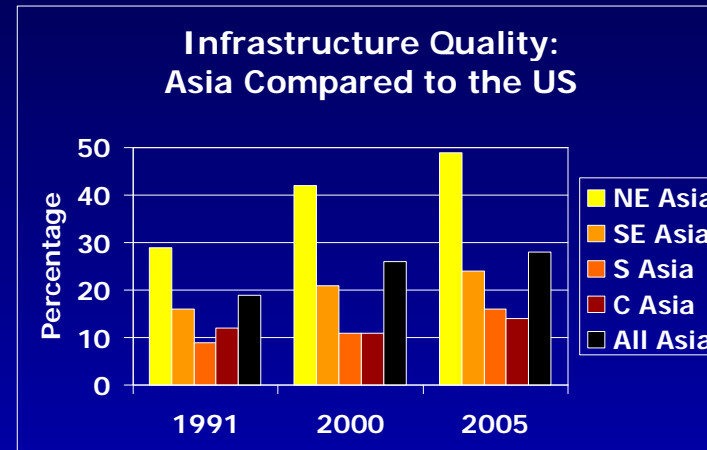
- Asia's infrastructure requirements
(emphasis on transport, but other sectors covered as well)
- Recent activities of ADB
- Main issues, challenges and opportunities
- Future plans of ADB
- Summary and conclusions

1. Asia's Infrastructure Requirements (Part 1)

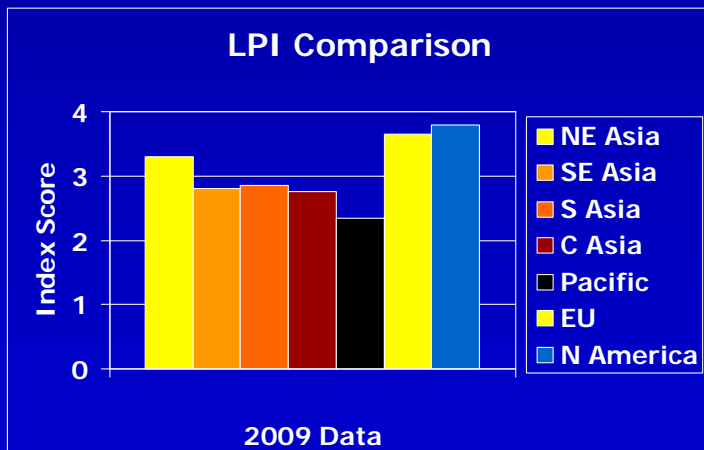
Region's Infrastructure Stock



Source: Infrastructure for a Seamless Asia (2009)



Source: Institutions for Regionalism (2010)

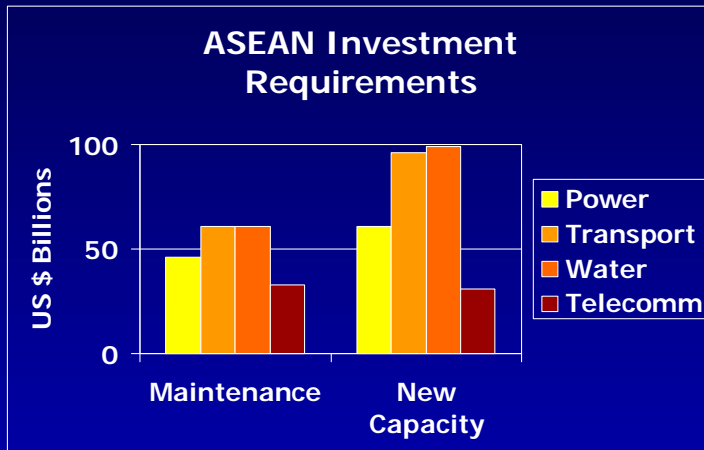


Source: World Bank Logistics Performance Index

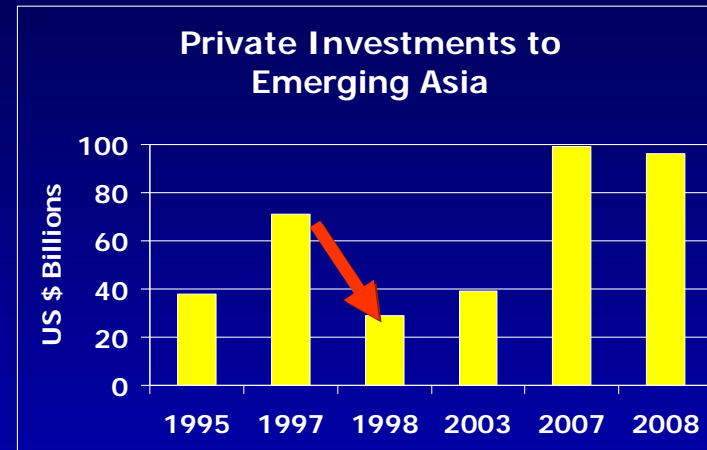
- Progress has been made, but Asia is still behind the developed countries
- Disparities within Asia are an important issue

1. Asia's Infrastructure Requirements (Part 2)

Resource Requirements



Source: ADBI Working Paper #138 (2009)

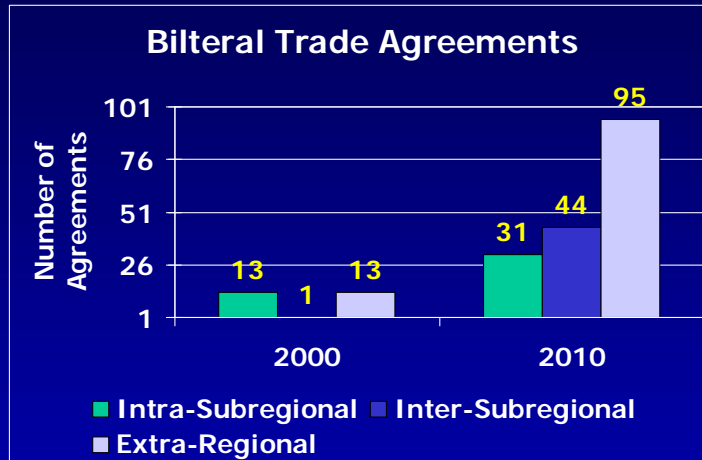


Source: World Bank PPI Index

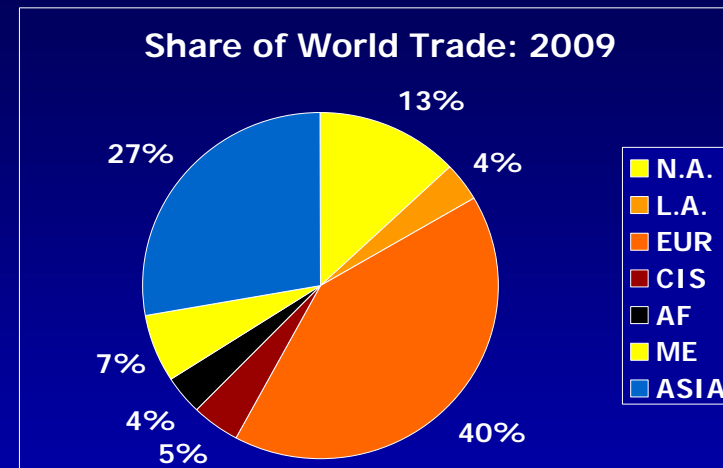
- ASEAN requires about \$500 billion in the next 10 years
- *Infrastructure for a Seamless Asia* indicates investment needs of \$8 trillion during 2010-2020
- Private investments are important for Asia, but they are largely determined by global financial conditions

1. Asia's Infrastructure Requirements (Part 3)

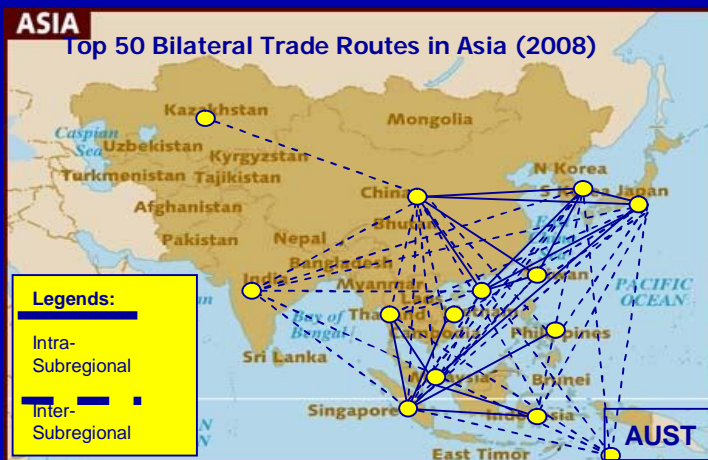
Opportunities for the Region



Source: ADB – ARIC Database



Source: WTO Database

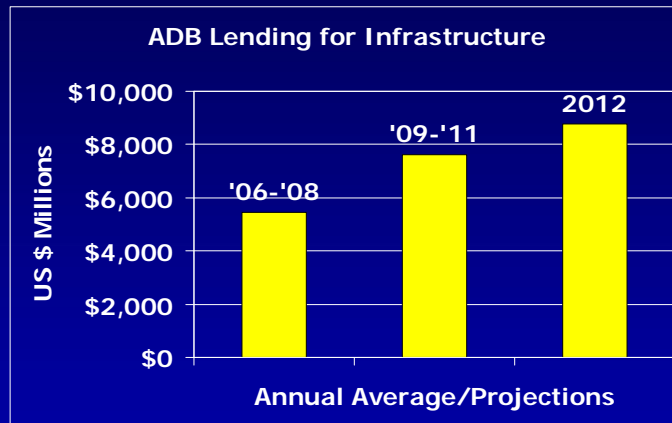


Source: ADB – ARIC Database

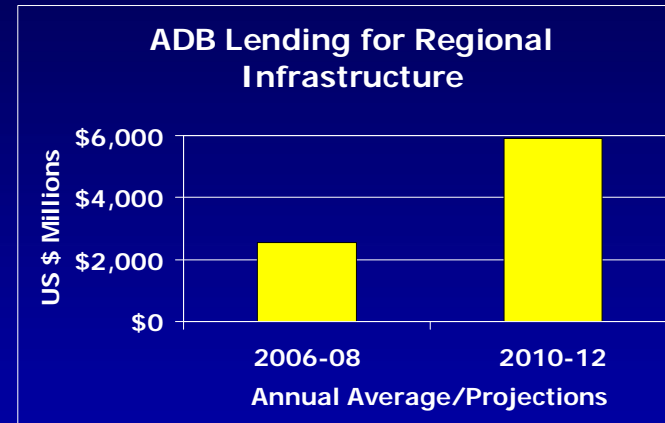
- Importance of market access for efficiency and competitiveness
- 43% of top 50 trades in Asia: inter-subregional

2. ADB's Activities (Part 1)

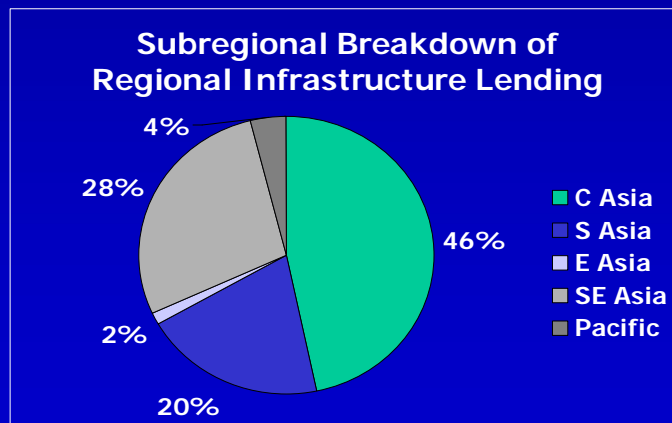
ADB's Lending Operations (Projections)



Source: ADB WPBF (2009)



Source: ADB WPBF (2009)



Source: ADB WPBF (2009)

- Significant growth in infrastructure lending, especially for regional infrastructure projects

2. ADB's Activities (Part 2)

Financing Initiatives and Knowledge Products

Financing Initiatives

- Asia Infrastructure Financing Initiative with the Republic of Korea and IsDB in 2008
- ASEAN Infrastructure Fund (in preparation)
- Additional cofinancing (\pm \$3b targeted for 2010: WPBF)

Knowledge Products Focusing on Regional Cooperation

- *Emerging Asian Regionalism (2008)*
- *Pan-Asian Integration (2009)*
- *Infrastructure for a Seamless Asia (2009)*
- *Institutions for Regionalism (2010)*

3. Major Issues and Challenges (Part 1)

Need for Coordination

- Common understanding on infrastructure development as a regional challenge
- Mechanism for coordination among the stakeholders: knowledge, understanding of key issues, database, project identification and preparation, harmonization of regulations, capacity development, and funding
- Comparison with other regions:

Europe	Trans-European Networks (Cohesion Fund)	\$35 B
Latin America	Initiative for Integration of Regional South American Infrastructure	\$10 B
Central America	Mesoamerican Development and Integration Project	\$7 B

3. Major Issues and Challenges (Part 2)

Need for Additional Financing

- No quick solution. Rather, a series of actions are required:
 - Support from donor agencies
 - Spending by the governments (fiscal resources)
 - PPP projects (with donor / public support)
 - Mobilization of other sources as such pension funds, foreign reserves, etc.
 - Domestic capital market development
- ADB / ASEAN+3: Credit Guarantee Investment Fund
- Connecting those with finance but without projects with those with projects but without finance

4. ADB's Recent Initiatives (Part 1)

A Quick Summary

Financing Support

- Development of the AIF, CGIF, and other measures
- Additional ADB lending and catalyzing resources

Knowledge Support

- Publication of "Institutions for Regionalism"
- Implementation of "Infrastructure for a Seamless Asia" recommendations

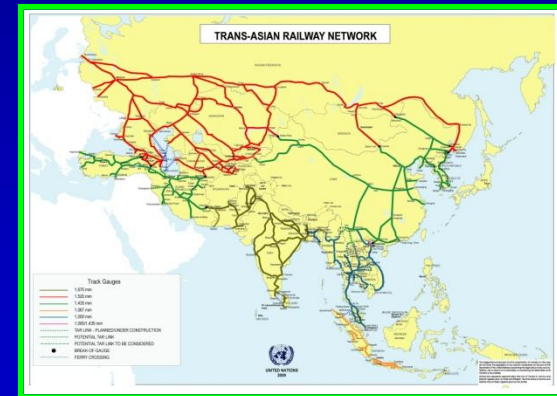
Operational Support

- Sustainable Transport Initiative: Operational Plan (RCI: Trade and Transport Linkages)
- Replenishment of Regional Cooperation and Integration Fund (project development facility)

4. ADB's Recent Initiatives (Part 2)

Region-Wide Project Pipeline

- Asian Highway (AH) / Trans-Asian Railway (TAR): almost 250,000 km
- Connecting all major cities, capitals, and commercial areas
- Actively promoted by UNESCAP
- ADB has been a major financier of AH: almost \$18 billion for 17% of the road network
- A new RETA with UNESCAP for AH and TAR: updating of databases, prioritization of projects, and identification of possible financing



4. ADB's Recent Initiatives (Part 3)

Ideas for "Pan-Asia Infrastructure Forum"

Coordinating Institutions

- ADB & Development Partners (Donors)
- Forum for information and knowledge

Civil Society

- Consensus from local Communities
- Environmental and social safeguards

Private Sector

- Increase of private financing through support from the public sector
- Not only effective investments, but also management

Asian Governments

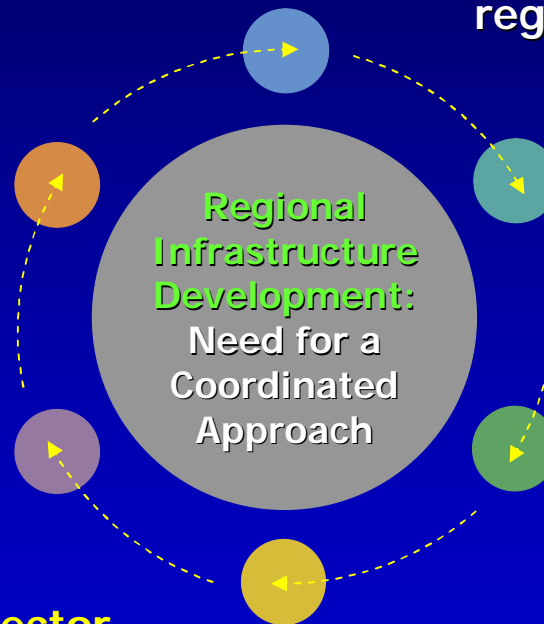
- Recognition of regional implications of infrastructure
- Harmonization of national and regional policies

Donor Agencies

- Provision of resources and technical support
- Facilitation of the process as honest brokers

Research Institutes

- Support for capacity development and knowledge dissemination
- Creation and maintenance of databases



5. Summary and Conclusions

Infrastructure Requirements

- Despite progress, still inadequate level of infrastructure stock
- Huge investment needs coupled with declining private investments
- Need for supporting the expanding trade in Asia-Pacific

Major Issues and Challenges

- Need for coordination and resource mobilization

ADB's Activities

- Lending and non-lending support for DMCs
- Operational and financing initiatives
- Partnerships with UNESCAP, and call for active coordination

References & Contact Information

ADB / ADBI Documents Available in the Internet

ADB's Strategy 2020:

- <http://www.adb.org/Strategy2020/>

ADB / ADBI "Infrastructure for a Seamless Asia":

- <http://www.adbi.org/book/2009/09/15/3322.infrastructure.seamless.asia/>

ADB "Infrastructure Development per Sector" / Climate Change

- <http://www.adb.org/Climate-Change/default.asp>
- <http://www.adb.org/Clean-Energy/default.asp>
- <http://www.adb.org/Water/default.asp>
- <http://www.adb.org/Transport/default.asp>

ADB "Regional Cooperation"

- <http://www.adb.org/RegionalCooperation/default.asp>

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