

Interregional Corridors, Infrastructure and Development, A Regional Perspective

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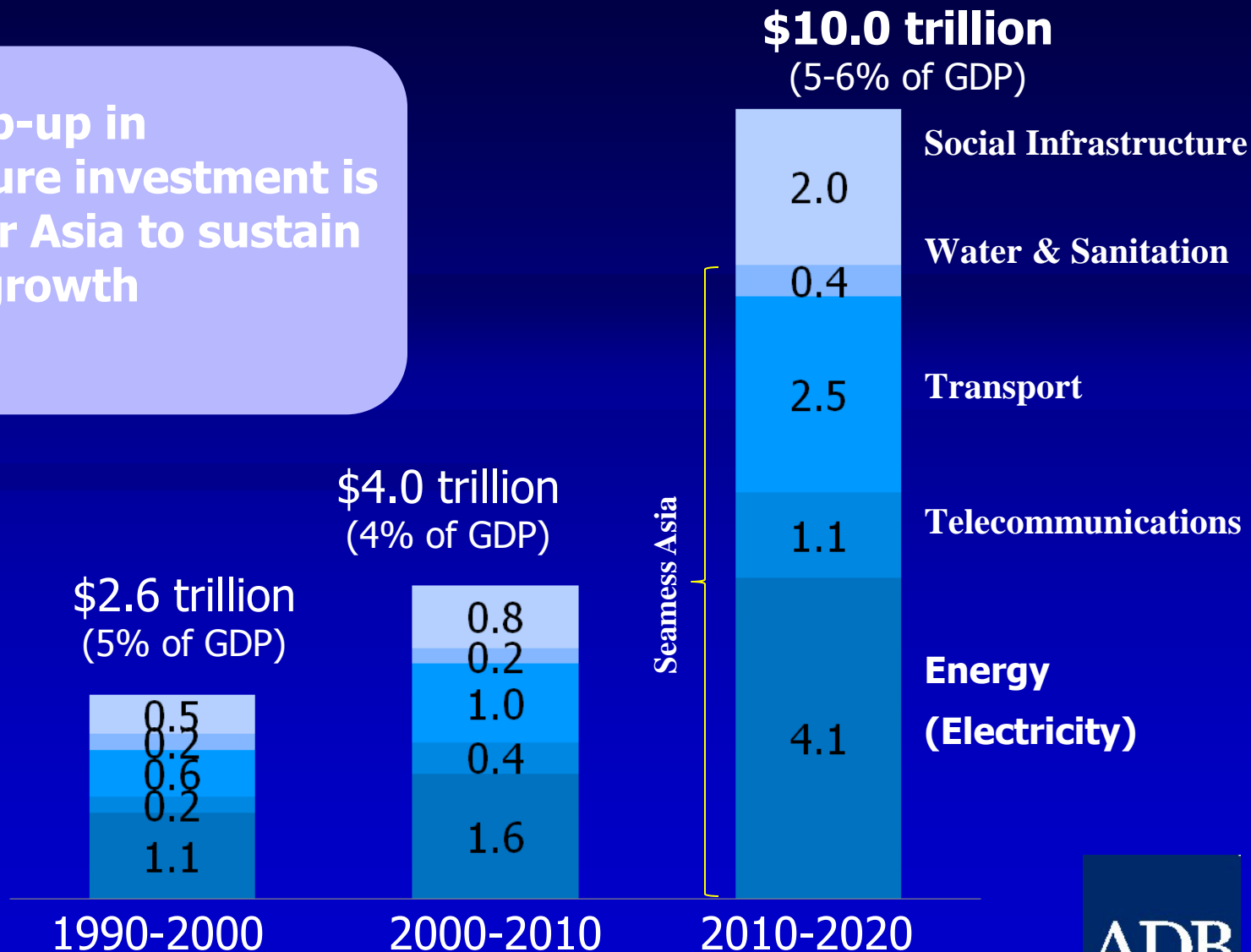
ADB

Asia's Infrastructure Needs

- Infrastructure key to economic growth, reducing regional inequalities
- Large parts of Asia land-locked and isolated.
- Asia's infrastructure below global average...
 - Bottleneck to economic growth and poverty reduction.
- Asia's investment needs 2010-2020:
 - Estimated \$800 billion per year (national infrastructure).
 - Along with more than \$200 billion annually for regional infrastructure projects, mainly transport and energy

Asia Infrastructure Investment Needs

A huge step-up in infrastructure investment is required for Asia to sustain economic growth



Regional Cooperation and Integration: ADB Initiatives

- Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)
- Central Asia Regional Economic Cooperation (CAREC)
- Greater Mekong Subregion (GMS)
- Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT)
- South Asia Subregional Economic Cooperation (SASEC)

RCI Strategy and Role of ADB

**ADB adopted the RCI strategy on 25 July 2006.
The RCI strategy has four pillars:**

Pillar 1	Pillar 2	Pillar 3	Pillar 4
Regional and Subregional Economic Cooperation	Trade and Investment Cooperation and Integration	Monetary and Financial Cooperation and Integration	Cooperation in Regional Public Goods

Regional Cooperation

Example: CAREC

- Many stakeholders
 - 10 countries and 6 MIs, each with clear roles.
 - Strong IFI collaboration, but leadership by countries.
 - More than \$28 billion of investments
 - ADB is CAREC Secretariat.
- Participating countries: Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, PRC, Tajikistan, Turkmenistan, Uzbekistan
- MIs: ADB, EBRD, IMF, Islamic Development Bank, UNDP, World Bank

CAREC Transport Corridors: Interregional

- 6 corridors

1. **Europe – East Asia
Asia**

2. **Mediterranean – East Asia
South Asia**

3. **Russian Federation – Middle
East and South Asia**

4. **Russian Federation – East**

5. **East Asia – Middle East and**

6. **Europe – Middle East and
South Asia**

From Transport Corridors to Economic Corridors

- Economic corridors: *linking markets, ideas, and people*
- Focuses of economic corridor development
- Economic corridors from vision to reality: examples
 - **China-Pakistan Economic Corridor**
 - **Almaty-Bishkek Economic Corridor**

Interregional Infrastructure +++: Challenges

- Software: policy coordination – TTF
- Critical inputs:
 - Need for honest broker
 - Not just finance: Technical and knowledge partnerships
 - Private sector participation
- Institutional partnerships