Connecting Asian Initiatives: Realizing Connectivity Opportunities

RCI Week 2017 Day 2, Session 1:
Emerging RCI Initiatives
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Arjun Goswami
Chief, RCI Thematic Group
Asian Development Bank
Role of stakeholders

**IFIs and major bilateral organizations**
- Supporting inter-DMC dialogue and priority planning
- Technical support and capacity building
- Financing

**Global and regional think tanks**
- Analysis of emerging trends and issues (e.g. 4th industrial revolution)
- Knowledge sharing (e.g., meetings on new RCI initiatives)
- Data and project mapping across RCI initiatives

**Private sector**
- Technical advice on cross-border investments
  - Business incubation and acceleration
  - Private sector in product markets
  - Financing: PPP, local currency bonds
Role of RCI technical secretariats

**Project mapping and data sharing**
- GMS, CAREC, SASEC sectoral perspectives

**Technical analysis of benefits and costs of RCI initiatives**
- DMCs’ capacity needs, comparative advantage in terms of participating in RCI initiatives
- Enabling institutional coordination of sectors
- ASEAN Infrastructure Fund administration

**Supporting knowledge sharing**
- ADB’s role in ASEAN+3: local currency bonds
- CAREC Institute
- RCI Roundtable Conferences
Role of RCI program coordination

**Aligning connectivity initiatives**
- Top-down [vision] + bottom-up [project delivery] approach

**Collective action at the core**
- Connect different parts of the region, including though engagement with the private sector
- ASEAN subregion as core, building outward (e.g., ASEAN+3/+6)
- More intersubregional work, linking other subregions to ASEAN (e.g., India-Mekong, Pacific [Timor-Leste]-Indonesia)

**Benefits shared across more DMCs, businesses, and people**
- Economic corridors at the center of approach engaging in more sectors
Role of RCI project financing

Meeting ADB’s RCI target of 30% of total lending by 2020

Partnering with cofinanciers, including AIIB
- RCI project development (thematic trust funds, joint upstream RCI studies)
- RCI project cofinancing (e.g., SASEC, CAREC, GMS, Pacific project pipelines)

Improving project quality
- Economic analysis
- Environmental and social safeguards
- Financial due diligence

Partnering with private sector
- RCI project development transaction services (e.g., TAPI)
- RCI project financing by PPP (e.g., Colombo Port)
Way Forward
Way forward (1/2)

- ADB to step up collaboration with stakeholders
  - e.g., joint publications with other IFIs, CSIS partnership, business survey and incubation work with private sector

- As RCI technical secretariat: continue work on cross-border projects, but increasing technical content
  - Play role of highly-skilled Secretariat: give objective advice to member countries on RCI collective action participation costs and benefits
  - Strengthen knowledge partnerships, provide internal training
Way forward (2/2)

• **As RCI program coordinator:** leveraging more emerging RCI sectors, more intersubregional, private sector-driven work cutting across different parts of the region
  – CAREC 2030: an example of supporting emerging RCI sectors on top of traditional connectivity sectors (e.g., agriculture, tourism, health)
  – Building on subregional RCI to link subregions
    • e.g., SASEC-Myanmar, link to ASEAN + expanding ASEAN work to other subregions
  – Economic corridor development

• **As RCI project developer and financier:** enhancing project quality
  – Confinanced projects
  – Due diligence
  – Economic and sector analysis
  – Private sector
Thank you!