



Seminar 4: Discussion Points on *Optimal Provision of RPGs in Asia and the Pacific*

**Regional Cooperation and Integration Division
Economic Research and Regional Cooperation Department
Asian Development Bank**

**ERCI/ERCD Internal Seminar on AEIR Theme Chapter
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Initial Proposal Outline

1. Introduction: ABCs of RPGs

- Definition and scope
- Data and measurement, literature review

2. Background and Motivation

- Importance in Asia and the Pacific
- Rationale

3. Optimal provision of RPGs

- Issues and challenges
- Literature review on empirical studies
- Lessons from Europe
- Lessons from Latin America
- Additional areas to discuss the provision of RPGs
 - Technology and regional labor market

4. Policy discussion

- Regional mechanisms
- Role of MDBs

Discussion Points

1. Definition and Scope of RPG

- In the literature, RPGs are public goods whose **benefits extend beyond a single nation's territory** to some well-defined region.
- In ADB's RCI Strategy (2006, p15), a RPG is defined as a **benefit shared** by two or more countries in a region.
- Can tools/inputs (e.g. international treaties) to produce shared benefits be considered as RPGs?
- If the scope is too broad, how should we narrow it down for research purpose?
- Is it practically possible to distinguish RPGs from GPGs?

	Rivalry	Non Rivalry
Excludable	Private Goods	Common Resources
Non excludable	Club Goods	Public Goods

Discussion Points

2. Definition of Optimality

- Optimal level of provision vs. optimal approach to provide RPGs
- Cost-effectiveness of RPG
- Towards promoting optimality of RPG?

3. Sectors and Case Studies

- Transport, Energy, Banking, and ICT
- Applicability of other regions' experiences to Asia

4. Methodology: sectoral difference in methodology; general equilibrium approaches

5. Regional mechanisms and role of MDBs

- Forms of mechanisms: forming an institution / rules and regulations / facility or funds / etc
- role of MDBs: coordination & financing given the differences of member countries?

THANK YOU!