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?

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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!