The views expressed in this presentation are the views of the author and do not necessarily reflects the views or policies of the Asian Development Bank (ADB), or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequences of their use. Terminology used may not necessarily be consistent with ADB official terms.

Regional Cooperation and ADB

New Ventures in Regional Cooperation, Learning Program for CAREC Participating Countries
29 March 2007

Rajat M. Nag

Managing Director General

Office of the President

ADB

Regional Cooperation and ADB

Since the early 1990s, ADB has supported the

- Greater Mekong Subregion (GMS) Economic Cooperation program
- South Asia Subregional Economic Cooperation (SASEC) program
- Central Asia Regional Economic Cooperation (CAREC) program
- Subregional Economic Cooperation in South and Central Asia (SECSCA) program
- Pacific Plan

ADB

- **In the aftermath of the Asian financial crisis, ADB was asked by the Association of Southeast Asian Nations (ASEAN) and ASEAN+3 to support their initiatives on regional monetary and financial cooperation.**

SUBREGIONAL COOPERATION INITIATIVES



BIMP-EAGA	Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area
BIMSTEC	Bangladesh-India-Myanmar-Sri Lanka-Thailand-Bhutan-Nepal Economic Cooperation
CAREC	Central Asia Regional Economic Cooperation
GMS	Greater Mekong Subregion
IMT-GT	Indonesia-Malaysia-Thailand Growth Triangle
SASEC	South Asia Subregional Economic Cooperation
SECSCA	Subregional Economic Cooperation in South and Central Asia

GMS Objectives

- Strengthen infrastructure linkages through a multisectoral approach
- Facilitate cross-border trade and investment
- Enhance private sector participation in development and improve its competitiveness
- Develop human resources and skills competencies
- Protect the environment and promote sustainable use of the subregion's shared natural resources

ADB

Why is GMS successful?

ADB's roles:

- Honest broker – bring everyone to the table
- Create an enabling environment – engage everyone in a dialogue process. "From the killing fields to the talking table"
- Finance bankable projects with clear "spread benefits"
- Provide technical assistance (experts, consultants)
- Sovereignty issues are off the table; not ADB's role

ADB

The East West Corridor: An Example



- Road linkages from Vietnam to Myanmar will stimulate economic activity across all four countries
- Evidence of economic growth already evident along border areas (Central Vietnam).
- Road infrastructure also builds "social capital" by linking previously isolated communities

ADB

Border area along EWEC

Table 6. Poverty rate (national standard) of Quang Tri province, 2001-2010

	2001	2002	2003	2004	2005	2006	2008	2010
Total households	124550	126290	128100	129850	131730	129095	123983	119073
Poor households	29951	24500	19215	16881	14490	14200	13638	13098
Poverty-escaped Hs.	4100	5451	5285	2334	2391	2439	2538	2641
Poverty rate (%)	24.05	19.40	15.00	13.00	11.00	11.00	11.00	11.00

Source: Quang Tri People's Committee (2005).

LESSON

what a difference a road makes

ADB

SASEC Objectives

- Improve connectivity
- Facilitate trade and investment
- Develop regional tourism
- Facilitate cooperation in energy
- Promote private sector cooperation

ADB

SASEC working groups recently agreed to 4 concrete loan projects, which will mark a new milestone in SASEC:

- **ICT: SASEC Information Highway Project (2007)**
- **Transport: SASEC Transport Logistics and Trade Facilitation Project (2008)**
- **Tourism: SASEC Tourism Development Project (2008)**
- **Trade and Investment: SASEC Trade-related Infrastructure Project (2008)**

ADB

BIMP-EAGA Objective

- The goal of EAGA is to increase trade, investments, and tourism in the region.

ADB

ADB's Role for BIMP-EAGA

- 2001 --- ADB asked to play a regional development adviser role
- ADB sits in working groups/cluster groups
- ADB provides advice on feasibility of proposals;
- ADB shares intellectual resources/ regional cooperation experiences

ADB

The Quarantine Case

- ADB conducted study on quarantine procedures for all four countries focusing on the EAGA areas.
- Provided advice to the four countries to address differences among standards on customs, immigration and quarantine.
- ADB's Recommendations:
  - Compliance with international quarantine will be
  - Let's do mutual recognition arrangements - e.g., live fish trade, testing for cyanide.
  - Indonesia and Philippines are negotiating to adopt Philippine procedures because of more complete testing facilities.
  - Under consideration is for Indonesia not to do further testing. Indonesia accepts quarantine clearance from the Philippines.
  - Identify eligible fish varieties for environmental conservation

ADB

SUMMING UP: What can we learn?

- Engage in concrete activities with clear benefits to all;
- It's not only about money:
  - it is also about dialogue.
  - it is also about knowledge
- Find what fits: there is no one model for regional cooperation
- Stay the course. This is for the long haul

ADB