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12TH ASIAN DEVELOPMENT BANK BUSINESS OPPORTUNITIES FAIR 2024

9-10 OCTOBER 2024 | 9 A.M. to 5 P.M. | ADB HEADQUARTERS, MANILA

Thematic Opportunities —Regional Cooperation and Integration

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CCSD / CCRC

10 OCTOBER 2024



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1. RCI and ADB Strategy 2030
2. Accelerate RCI through Innovation
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5. Conclusions



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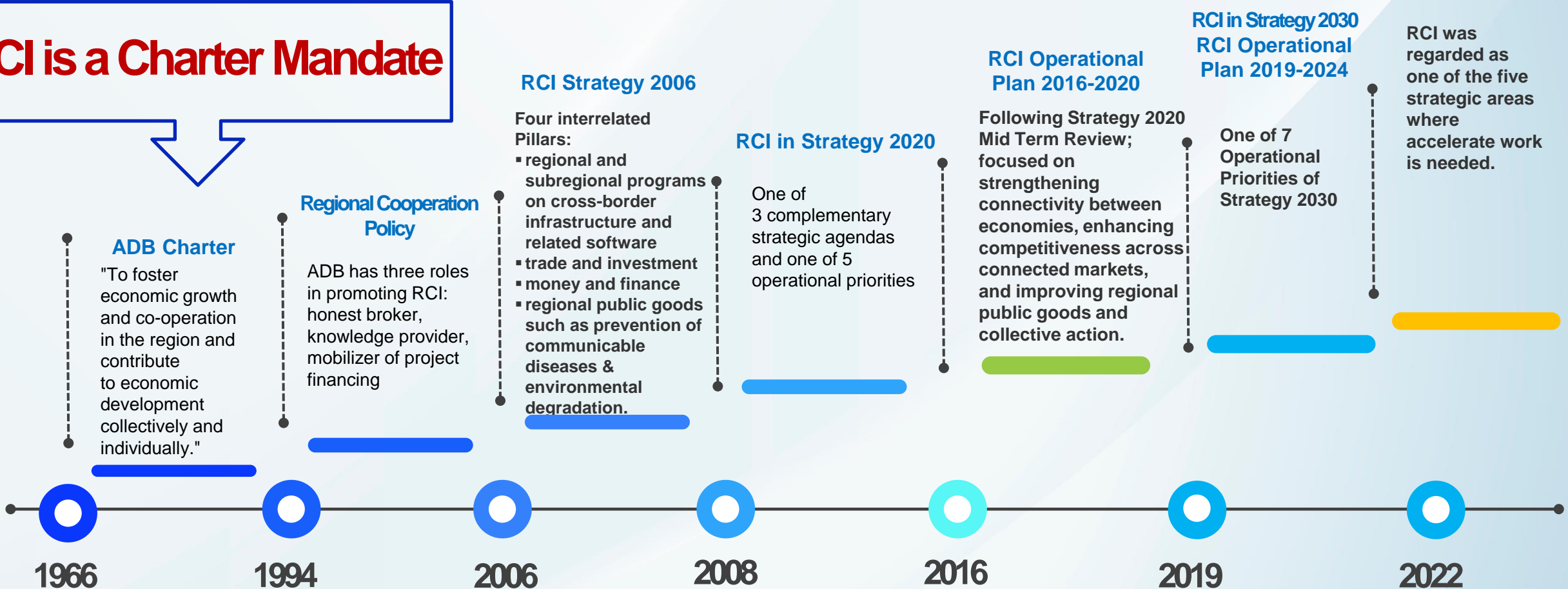


RCI and ADB Strategy 2030



RCI and ADB Strategy 2030

RCI is a Charter Mandate





ADB Subregional RCI Project Commitments



Central Asia Regional Economic Cooperation program

276 regional investment projects amounting to \$51B with ADB financing of \$17.6 B from 2001 – 2023



Greater Mekong Subregion (GMS) program

124 regional investment projects amounting to \$29.95 B with ADB financing of \$14.11 B from 1994 – 2023



South Asia Subregional Economic Cooperation program

86 regional investment projects amounting to \$20.54 B with ADB financing of \$12.63 B from 2001 – 2023



ADB S2030: OP7- Fostering RCI (2019-2024)

S 2030 Operational Priority 7
Regional Cooperation and Integration



OP7 definition of Innovation in RCI

- Nascent sectors / subsectors
- New geographical countries and areas
- New intersubregional RCI
- Non-sovereign/PPP

Strategic Operational Priorities

1 Greater and higher quality connectivity between economies

2 Global and regional trade and investment opportunities expanded

3 Regional public goods increased and diversified

Operational Approaches



Multimodal transport infrastructure connectivity



Renewable energy and sustainable transport



'Soft' infrastructure for implementation of trade and investment agreements

Economic Corridors



Regional financial cooperation



Regional climate change mitigation and adaptation



Environment and sustainable tourism



Regional education and health services



Accelerate RCI through INNOVATION

- Enhance diversification into nascent sectors
- Expand RCI operations into new geographic areas
- Support inter-subregional RCI operations
- Boost private sector/PPP



INNOVATION – Enhance diversification into nascent sectors

Transport: Strengthen Multi Modal Connectivity such as Smart Port and Shipping



Strengthening Multimodal and Integrated Logistics Ecosystem Program (Subprogram 2)

(ADB Financing of \$350 million, Ongoing project for approval in November 2024)

- The program aims to expand India's manufacturing sector and improve resilience of its supply chains through the establishment and operationalization of a comprehensive policy framework.
- Logistics efficiency will be enhanced through (i) strengthening the institutional bases for multimodal logistics infrastructure development at the national, state, and city levels; (ii) standardizing warehousing and other logistics assets to strengthen supply chains and incentivize greater private sector investment; (iii) improving efficiencies in external trade logistics; and (iv) adopting smart systems for efficient and low-emission logistics.



INNOVATION – Expand RCI operations into new geographic areas

Regional Recycling Network in the Pacific



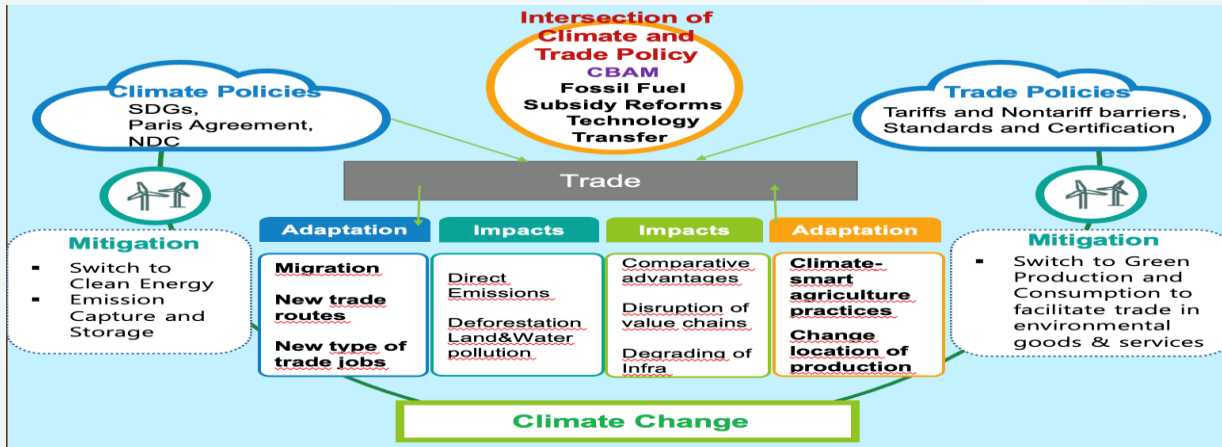
Regional Recycling Network in the Pacific (ADB Financing of \$21 million, proposed project for approval 2024)

- The proposed regional recycling network for solid waste in the Pacific and the establishment of one regional hub that will be supplied by neighboring PICs is an innovative solution to the weak business case for waste recycling in the region.
- The regional cooperation agreement in the solid waste sector that the project will create has not been previously attempted nor achieved on such a scale. The project will bring together 14 governments to find a collective solution to national issues that have transnational impacts.
- The regional recycling network will address cross border environmental issue of recyclable waste going into oceans that impact shared marine resources and marine biodiversity among PICs.



INNOVATION – Support Inter-subregional RCI operations

Trade - Climate Change Nexus



Operationalizing Trade Reforms and Strengthening Trade Climate Linkages in ADB Operations (ADB Financing of \$1.9 million, Approved Aug 2024)

- Operational Priorities:
 - 1) Addressing remaining poverty & reducing inequalities
 - 2) Tackling climate change and disaster resilience and enhancing environmental sustainability
 - 3) Strengthening governance and institutional capacity
 - 4) Fostering regional cooperation and integration

- Main outputs:
 - 1) Policy framework on trade and climate change agenda strengthened
 - 2) Capacity of DMCs to incorporate climate considerations into trade strengthened
 - 3) Pipeline of trade projects incorporating climate considerations developed





INNOVATION – Boost Private Sector/PPP

Increase Non-Sovereign and PPP projects



Lao PDR: Monsoon Wind Power Project

(ADB Financing of \$100 million, Approved in November 2022)

Supports Pillar 1 of RCI on renewable energy:

- The project entails a wind power project with a contracted capacity of 600-megawatt (MW) to be constructed in Lao PDR that will export and sell electricity into neighboring Viet Nam.
- It is the first wind power project in Lao PDR, the largest in Southeast Asia, and the first cross-border in Asia.
- The project will provide a substantial source of clean renewable energy supply to Viet Nam to help meet the country's growing energy demand.
- The project will help unlock Lao PDR's significant untapped wind resource potential and provide social and economic benefits to the country in the form of employment, improved infrastructure, increased regional connectivity, and revenues through collection of royalties, lease payments, and taxes.



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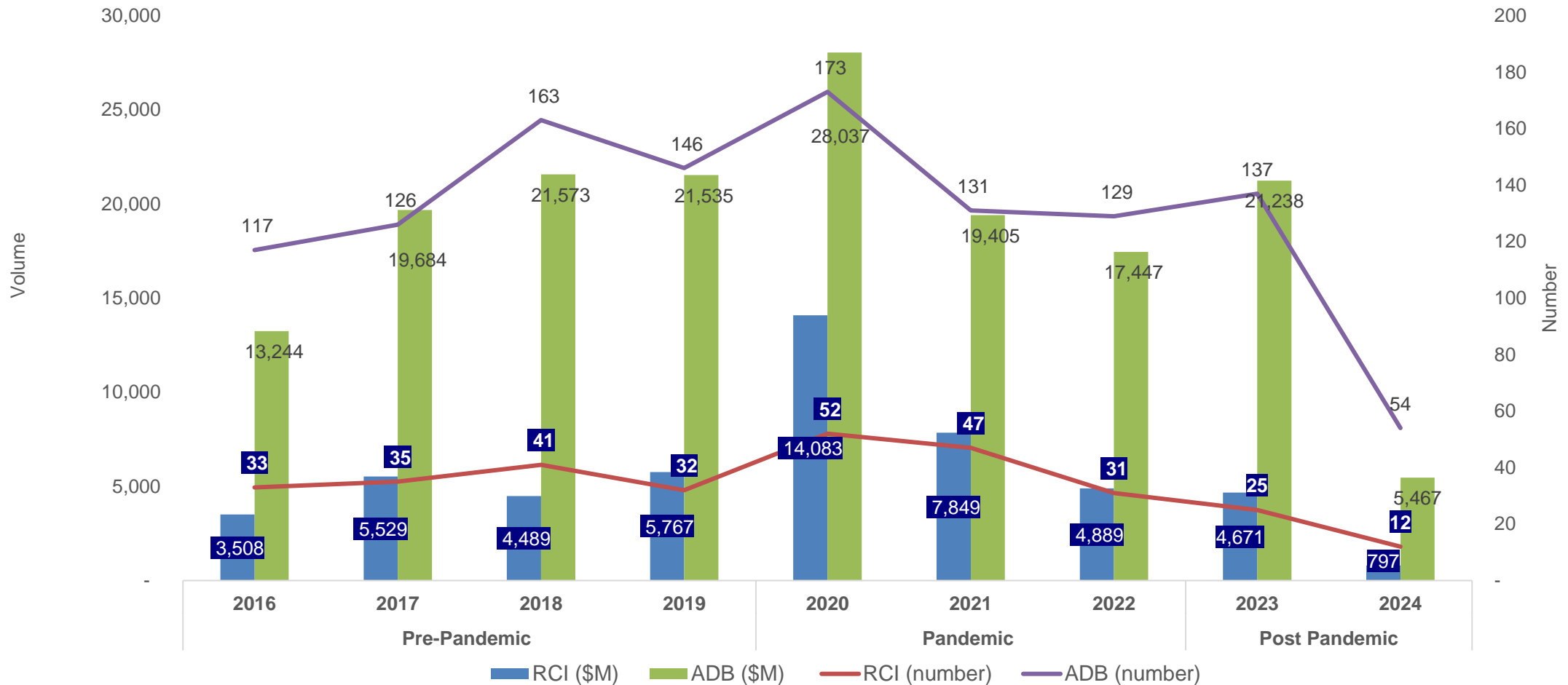


Recent RCI Operations



ADB RCI Portfolio 2016-2024

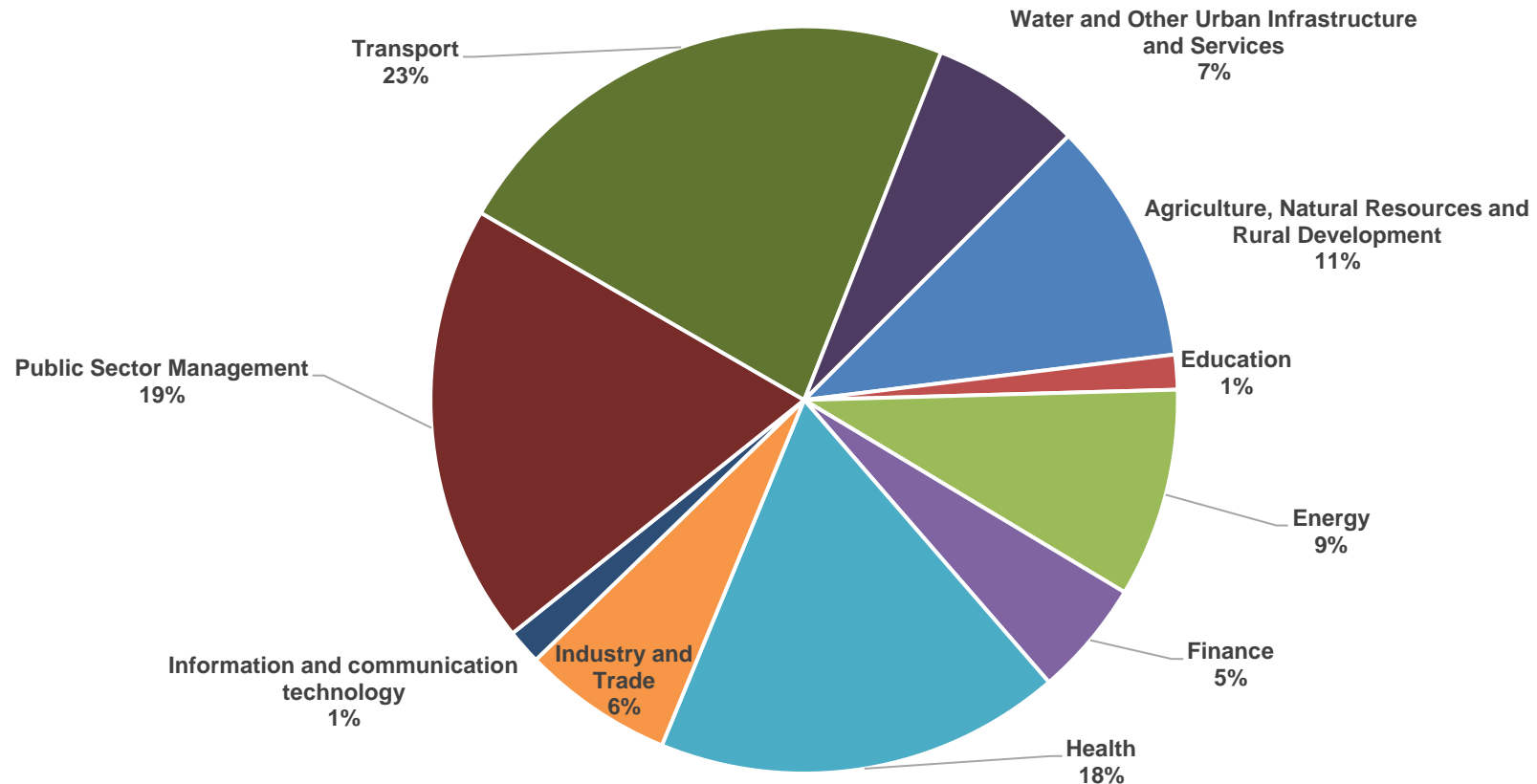
**2016-2024 Regular and Concessional OCR Lending and Asian Development Fund Grants
ADB and RCI Project Commitments 2016 - 2024**





ADB RCI Portfolio 2019-2024

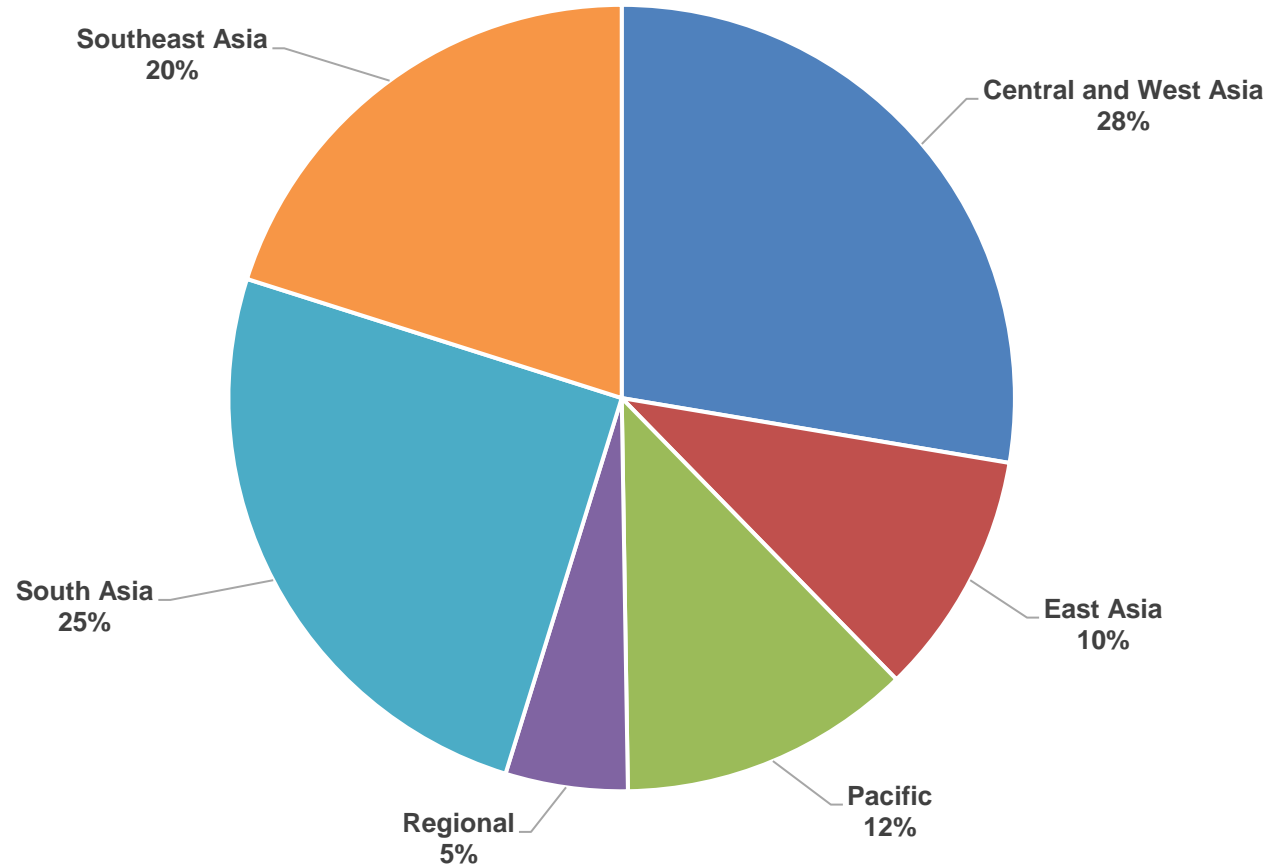
ADB RCI Projects Commitments by Sector, 2019 - 2024





ADB RCI Portfolio 2019-2024

ADB RCI Projects Commitments by Region, 2019 - 2024





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Fostering RCI Operations



Mid Term Review 2030: 5 Focus Areas





★ *ADB's 3 Roles in RCI will be even more Important*

Honest Broker

- Step up secretariat roles in subregional cooperation programs
- Strengthen coordination and catalytic role in addressing shared development issues
- Maximize use of digital technology platform
- Facilitate inter-subregional RCI
- Bring in more development partners

Knowledge Provider and Capacity Builder

- Broaden and deepen RCI knowledge/skills in emerging areas
- Greater innovation in generating and disseminating knowledge
- Mainstream digital innovations

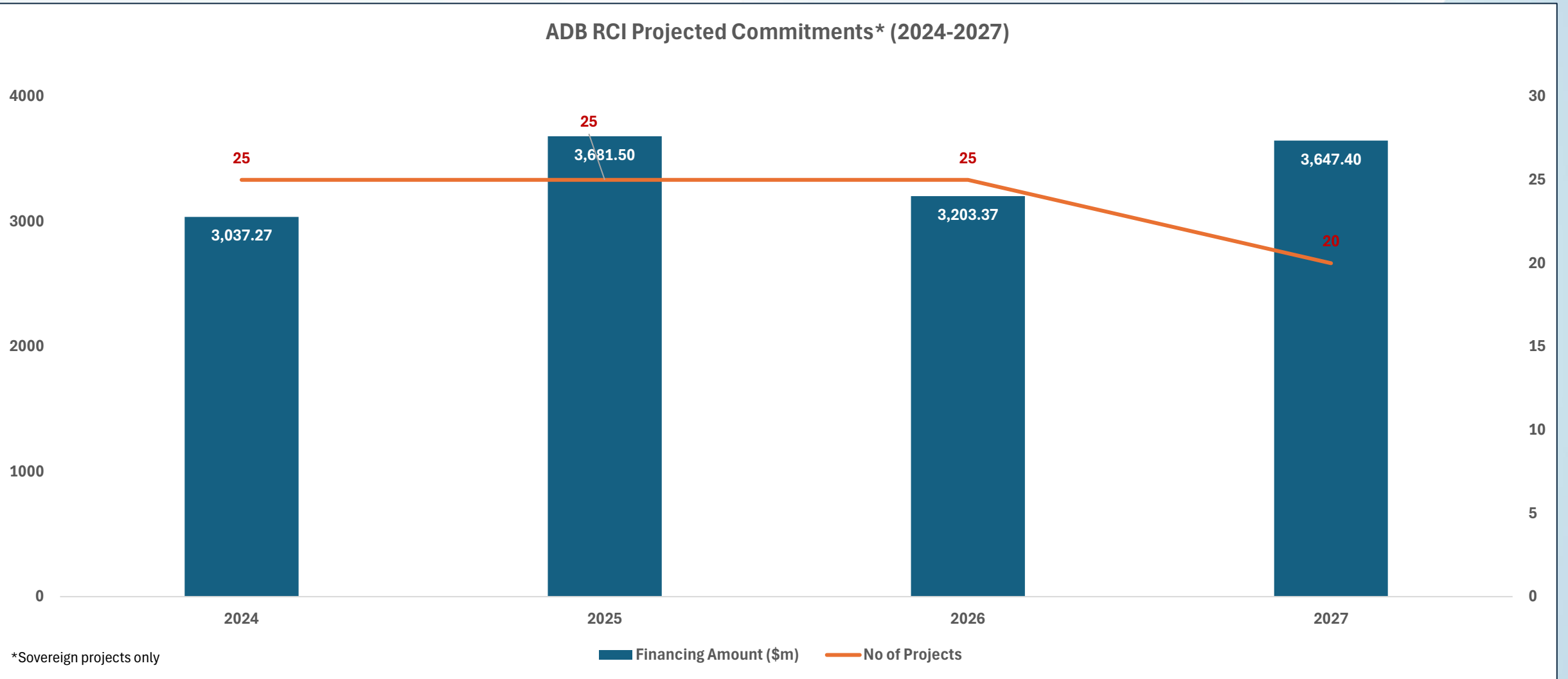
Mobilizer of Project Financing

- Promote domestic resource mobilization for RCI projects
- Encourage higher cost-sharing by higher-income DMCs
- Expand cofinancing to invest in new sectors/subsectors
- Explore new private sector financing for cross-border investments



ADB Future Work: WPBF 2024-2027

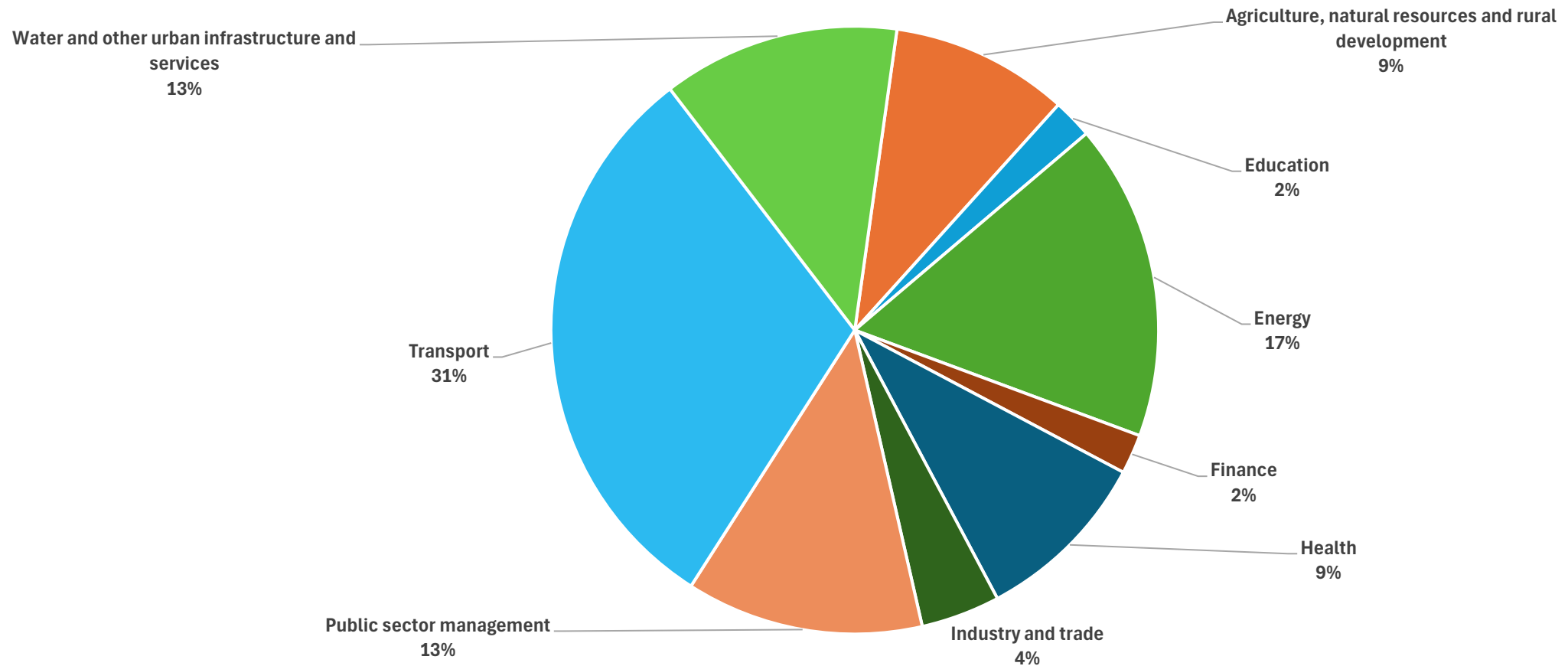
ADB RCI Projected Commitments* (2024-2027)





Future RCI Operational Focus Areas

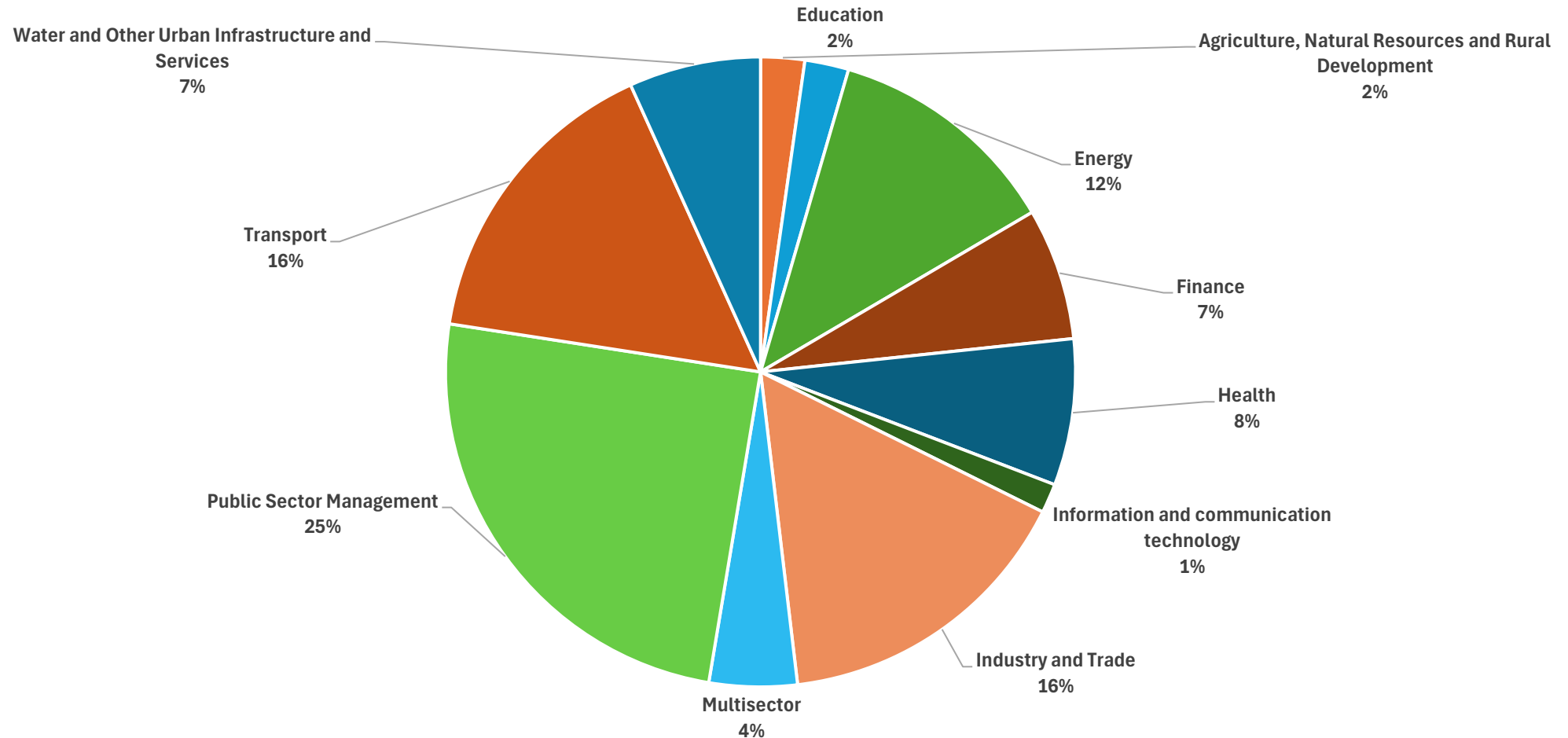
ADB Project Pipeline by Sector, 2024 - 2027





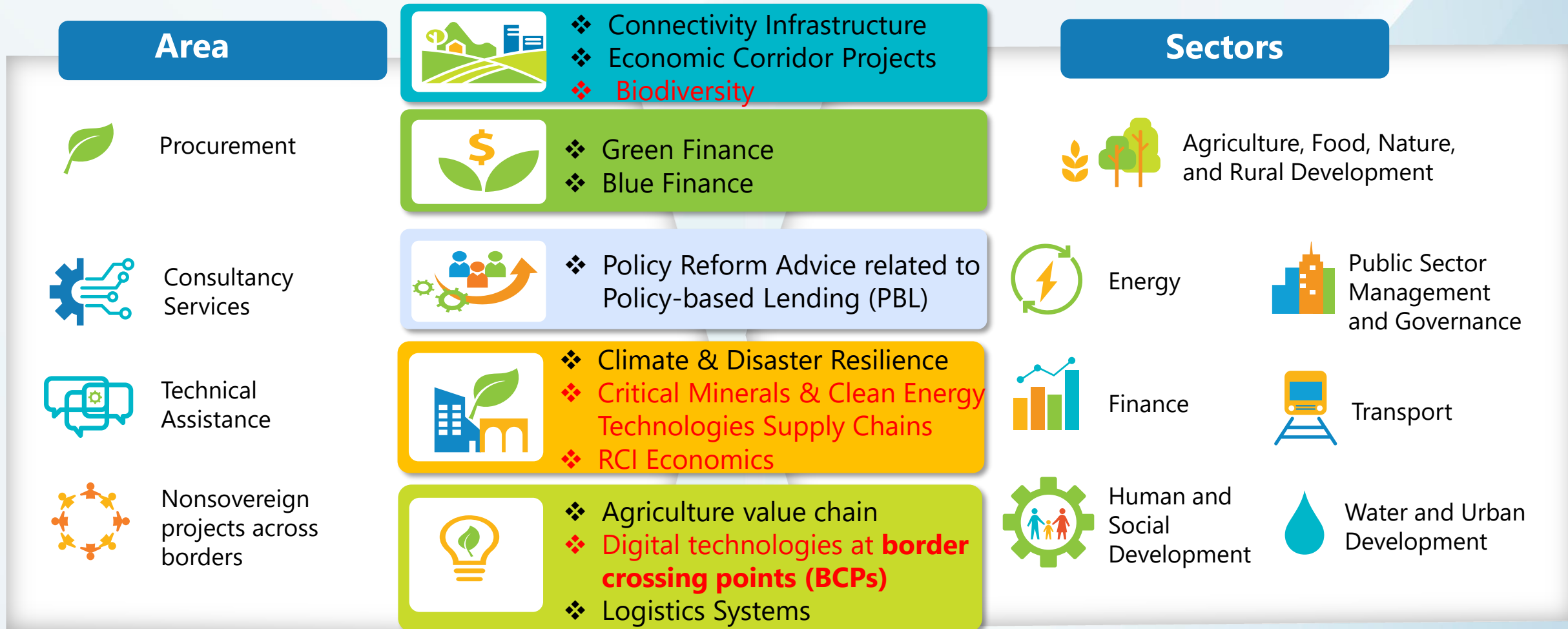
Future RCI Operational Focus Areas

ADB RCI TA Pipeline by Sector, 2024 - 2027





RCI Business Opportunities





Project Examples

Alaoa Multipurpose Dam Project



Alaoa Multipurpose Dam Project

(ADB Financing of \$99.7 million, Approved in July 2024)

- The multipurpose dam is intended to increase flood protection, supply seasonal water, and provide additional hydropower. The project will support Samoa's climate adaptation and mitigation efforts by addressing interrelated development challenges in flood management, sustainable water supply, and energy security.
- **Supports Pillar 3 of RCI: Biodiversity management** One of the main threats for this **biodiversity** is the uncontrolled spread of introduced invasive alien species, which have been introduced mostly through international trade. As part of an overall approach to sustainability, the biodiversity management and monitoring plan, including **the pilot-testing biodiversity fund**, addresses invasive species control and eradication.



Project Examples

Critical Minerals and Clean Energy Technologies Supply Chains



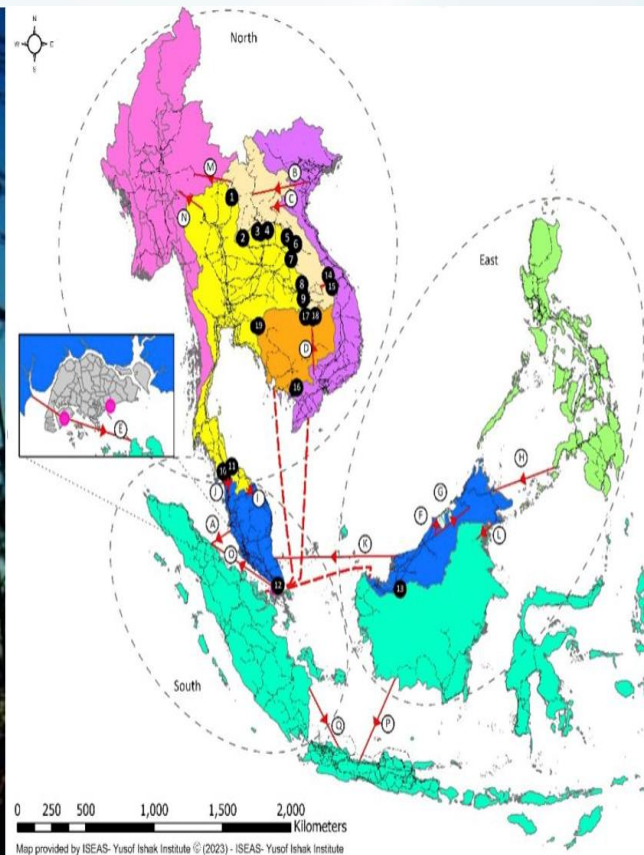
Advance Sustainable Clean Energy Network for Development (\$1.25 million, Approved in June 2024)

- The technical assistance (TA) aims to support the development of diversified and responsible critical mineral (CM) and clean energy technology (CET) manufacturing supply chains by providing knowledge solutions, creating a platform for policy dialogue, and supporting capacity building for the creation of a financing facility.
- **Supports all Pillars of RCI:** It adopts a comprehensive approach encompassing integration of CM production with regional CET supply chains, creating enabling environments for domestic value addition, promoting regional policy dialogues, and catalyzing finance to develop diverse and resilient CM and CET supply chains.



Project Examples

Enhancing Electricity Interconnectedness – ASEAN Power Grid



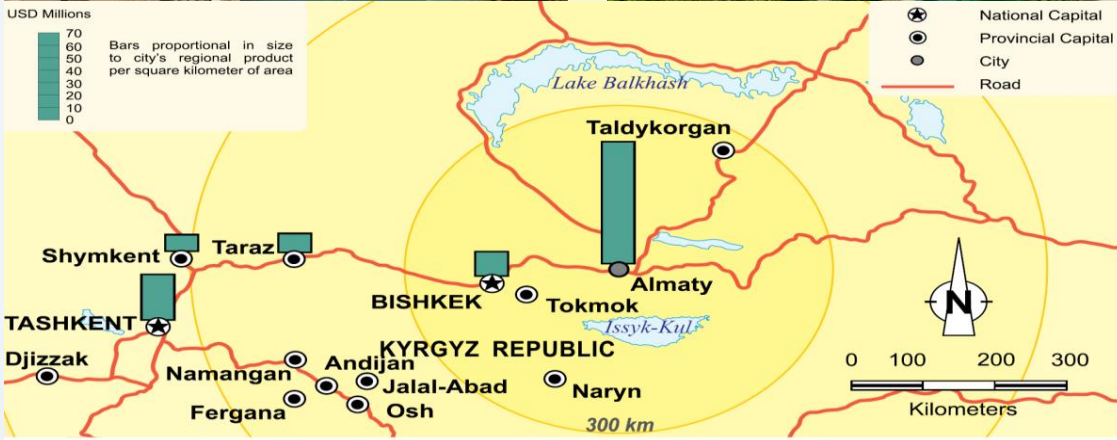
Advancing Energy Transition and Regional Power Trade in the Greater Mekong Subregion and Southeast Asia (\$3.9 million, Proposed TA for approval in 2024)

- The technical assistance (TA) aims to support the Greater Mekong Subregion (GMS) and Association of Southeast Asian Nations (ASEAN) member countries in accelerating their energy transition and enhancing regional power grid and market integration under the ASEAN Power Grid (APG) initiative. This would promote higher penetration of clean energy while providing affordable and reliable electricity.
- ✘ *The ASEAN Power Grid (APG) is an initiative to construct a regional power interconnection to connect the region, first on cross-border bilateral terms, and expand to sub-regional basis, subsequently leading to a total integrated Southeast Asia power grid system.*
- The TA will (i) update the ASEAN interconnection master plan study and APG project pipeline, (ii) design the APG financing facility and assess opportunities for APG-related projects and renewable energy investment, (iii) improve capacities for multilateral power trade and regional power market; and (iv) **strengthen regional cooperation** to accelerate energy transition.



Project Examples

Economic Corridor Development



Almaty-Bishkek Economic Corridor Regional Improvement of Border Services Project

(Proposed project for May 2025, ADB Financing of \$35 million)

- The project was conceptualized around the **modern one-stop process of border control**, enabled by **non-intrusive inspection technologies** (mobile passport scanners, Automatic Number Plate Recognition (ANPR), mobile x-ray control equipment, etc) and **Risk Management Systems**.
- The facilities will rely on green power supplied by solar panels and accumulated by electrical batteries.
- It will reduce GHG emissions and air pollution.
- The project addresses one lingering issue in international trade: the gender blindness of **border crossing points (BCPs)**. This innovative project will demonstrate that BCPs can be women-friendly. This is the first project to engage with the Border Service, and by creating a gender-responsive environment and programs Border Service can provide better protection against human trafficking and create favorable conditions for female entrepreneurs.



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Conclusions



Conclusions

- RCI is a **Charter Mandate** being carried out through 3 inter-related roles: *honest broker, knowledge provider and capacity builder, and mobilizer of project financing.*
- **Wider, Deeper, and More Open** RCI is needed for an inclusive, sustainable, and resilient recovery: OP7 pillars require strengthening.
- ADB will **continue providing adequate financial and human resources** to foster RCI.



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Thank you!

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Annex



ADB's Roles in RCI Platforms




Honest Broker

- Secretariat
- Convening Role & Policy Dialogue




Knowledge Provider and Capacity Builder

- Advocacy for RCI in global fora

Mobilizer of Project Financing

CAREC: 276 projects amounting to \$51 B with ADB financing of \$17.6 B from 2001 – 2023

GMS: 124 projects amounting to \$29.95 B with ADB financing of \$14.11 B from 1994 – 2023

SASEC: 86 projects amounting to \$20.54 B with ADB financing of \$12.63 B from 2001 – 2023





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Strategy 2030 Midterm Review: A Snapshot

ADB's regional development vision

PROSPEROUS INCLUSIVE RESILIENT SUSTAINABLE ASIA AND THE PACIFIC



Organizational vision

Solving challenges together, connecting the region, and empowering people for dynamic economies and a healthy planet

Strategic focus areas



Operational approaches

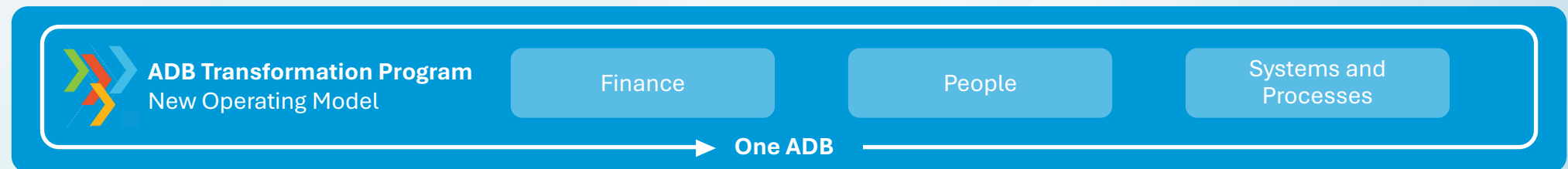


Updated differentiated approach for clients and partners (FCAS and SIDS, UMICs, subnational, private sector, emerging partners)

Guiding principles for operations

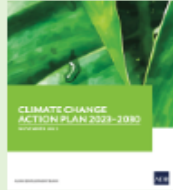


Institutional approaches





ADB's Climate Change Action Plan, 2023-2030 (CCAP)



Safeguard Policy

Energy Policy

Disaster and Emergency Assistance Policy

... among others.

Climate Change Action Plan, 2023-2030

Guiding Principles

- Client-centric
- Bottom-up and iterative
- High impact
- Private Sector participation
- Evidence-based
- Integrated solutions
- Just Transition

Setting the scene

- Global and regional context
- ADB's climate ambitions and commitments
- CCAP objectives

List of actions

How we operate

- Partnerships
- Climate investment and impact
- Knowledge

Sector-specific actions

How we engage

- Upstream
- Midstream
- Downstream

How we deliver

- Integrated climate-smart planning and technology
- Inclusive and climate-smart socioeconomic development
- Climate-smart Infrastructure
- Biodiversity, agrifood systems, nature-based climate solutions
- Green and blue finance

How we improve

- Arrangements
- Monitoring

For more:
[Five Things to Know About ADB's Climate Change Action Plan](#)



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 DOWNLOAD
 THE REPORT



ADB RCI Portfolio 2019-2024

