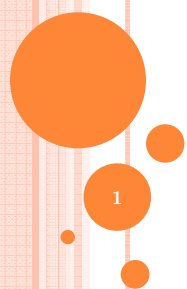


# POLICY LESSONS FROM THE BANGKOK MEETING



## *How to Make Economic Corridors Work in Asia's Regions*

Kislaya Prasad  
University of Maryland

RCI CoP Seminar, Manila, 20 May 2013

## ECONOMIC CORRIDORS

- Potentially critical role in the development of economically lagging regions
- Claimed Benefits
  - Increased connectivity and trade within region and with rest of the world
  - Hubs for entrepreneurship and growth
  - Increase in incomes
  - Reduction in poverty and unemployment
  - Reduction in regional disparities
  - ...

## EVALUATING SUCCESS

- How do we know if benefits have actually materialized?
  - Are things going according to plan?
  - How well are we doing?
  - How should we measure the success of a corridor?
- How should we measure success?
  - Agreed upon criteria for success
    - Incomes, Poverty, Regional Disparity, ...
  - Data used to measure success
    - Traffic volumes, travel times and distances, ...

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## WORKSHOP OUTCOMES

- Examined *lessons learned* (EU, SASEC)
- Developed *framework* for evaluating alternative investments for economic corridor development
- Scoped *data requirements* and developed specifications of an optimal *data resource management system*
- Explored *opportunities* for applying the framework (GMS, CAREC, elsewhere)

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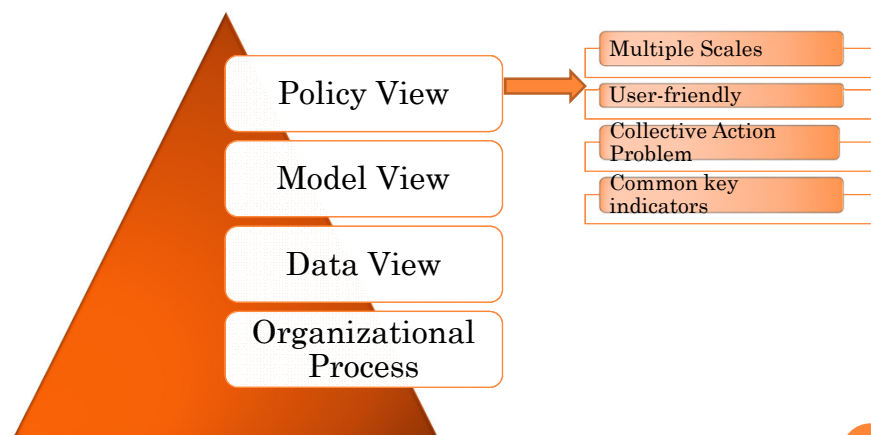
## WHAT IS NEEDED ...

- Need for *improvements* in
  - Data
  - Methodology
  - Decision Tools (digital interfaces)
- Would support rigorous *ex ante* and *ex post* evaluation that can be the basis for *evidence based* policy

*Improvements would only be sustainable if suitable organizational processes support evidence-based policy making*

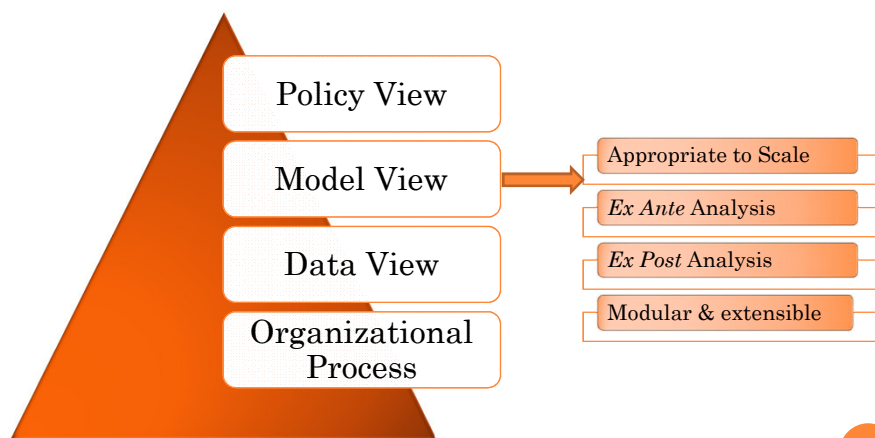
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## EVIDENCE-BASED POLICY



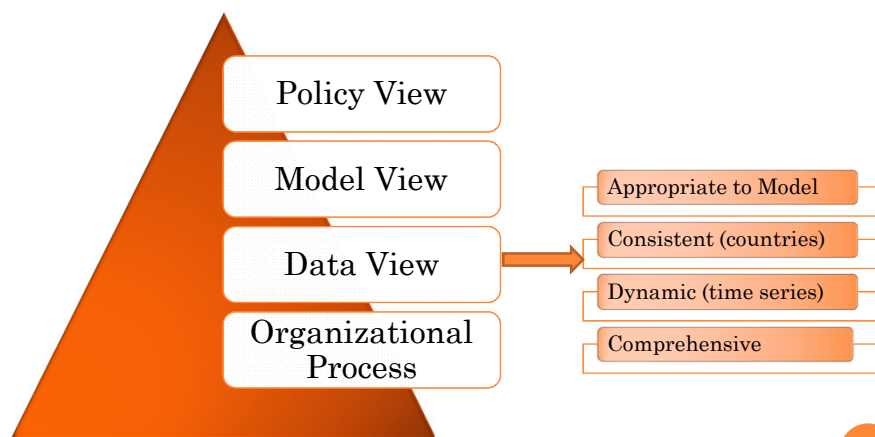
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## EVIDENCE-BASED POLICY



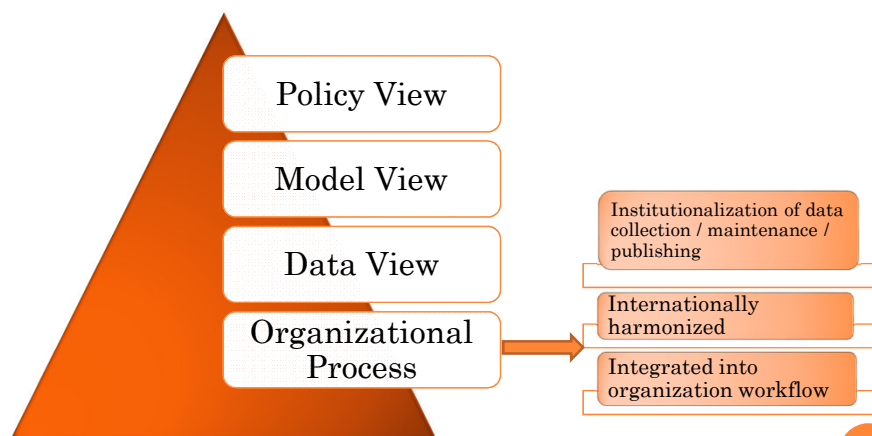
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## EVIDENCE-BASED POLICY



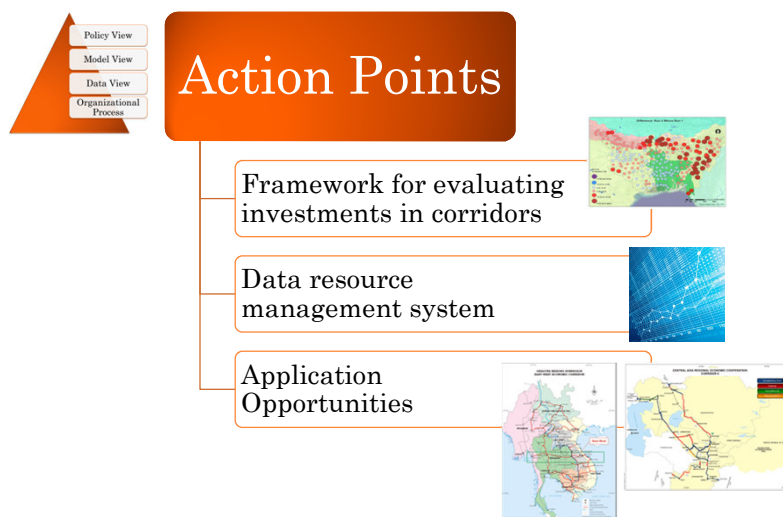
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# EVIDENCE-BASED POLICY



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# HOW CAN WE GET THERE?

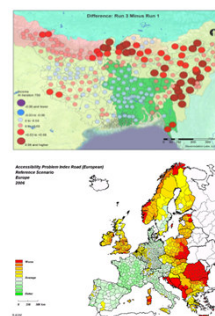


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# LESSONS LEARNED

## ○ SASEC

- At scale relevant for key policy questions
- Highlights regionally inequitable impact
- Design of optimal policy: e.g. compensation or transit fees



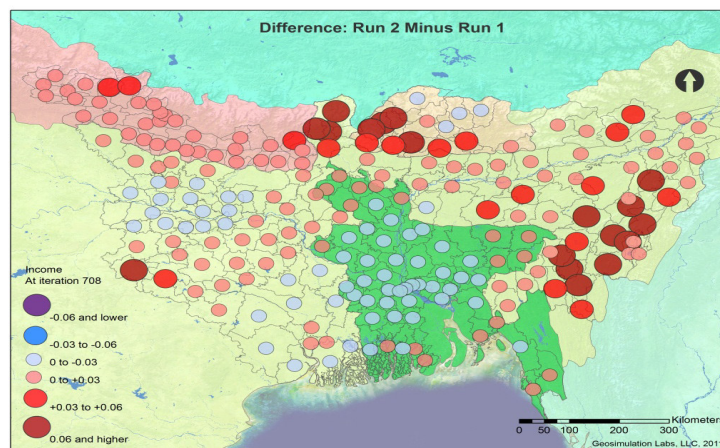
## ○ Baltics in EU (SASI Model)

- Predictive model
- Modular and extensible
- Institutionalized process (spanning decades) using data and models to support policy

## ○ CAREC CGE Model (at national scale)

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# REGIONALLY DISPARATE EFFECTS



**District-income: Income growth above baseline S1, due to S2 investments**  
[\(click to run movie\)](#)

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# LESSONS LEARNED

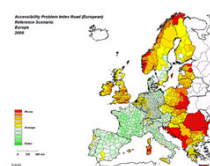
## ○ SASEC

- At scale relevant for key policy questions
- Highlights regionally inequitable impact
- Design of optimal policy: e.g. compensation or transit fees



## ○ Baltics in EU (SASI Model)

- Goal of economic development and regional cohesion
- Modular and extensible
- Institutionalized process (spanning decades) using data and models to support policy



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# BALTICS IN EU (SASI MODEL)

## ○ SASI Model (1330 EU Regions)

- Developed with specific aim to analyse options for investment in transport network
- The model simulates impact of transport on production as well as on population
- Model uses dynamic network database and has six forecasting sub-models

## ○ SETI study (Investment Scenario Simulation)

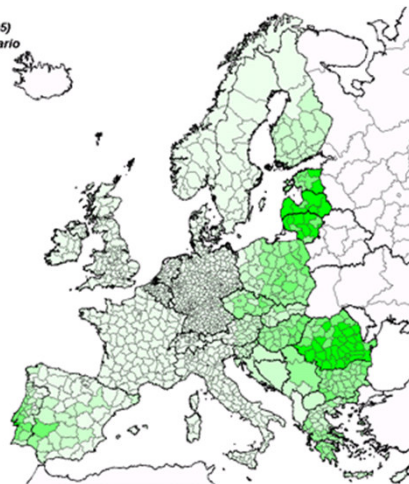
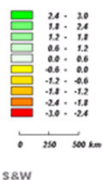
- Relative impact strongest in smaller countries, especially if these investments succeed in connecting countries to the economic core of Europe
- Large European impact of projects outside the country in which the investment takes place – in particular if these investments fit within European transport corridors

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## INVESTMENT SCENARIO SIMULATION

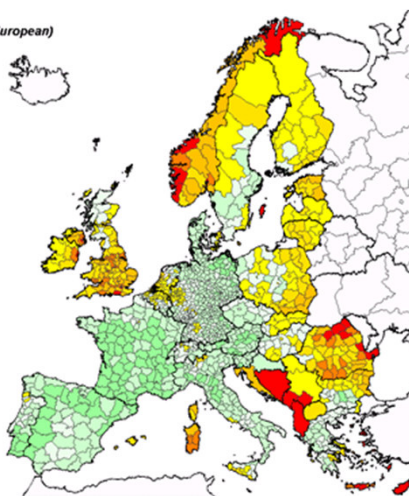
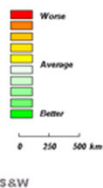
*GDP per capita (in 1,000 Euro of 2005)  
Difference between Maximum Scenario  
and Reference Scenario (%)  
Europe  
2031*



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## ACCESSIBILITY PROBLEM INDEX

*Accessibility Problem Index Road (European)  
Maximum Scenario  
Europe  
2031*



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## OPPORTUNITIES

### ○GMS Economic Corridors

- Spatial data for planning exists (but gaps)
- Models can integrate economic and environmental considerations
- Benefits of corridors not evenly distributed



### ○CAREC Economic Corridors

- Data situation not as good as GMS
- Different politics and policy dialog
- CGE Model of Roland-Holst & Sugiyarto provides good starting point



- Concentrated on the end points
- Often on the coast
- Center largely rural and remote-rural

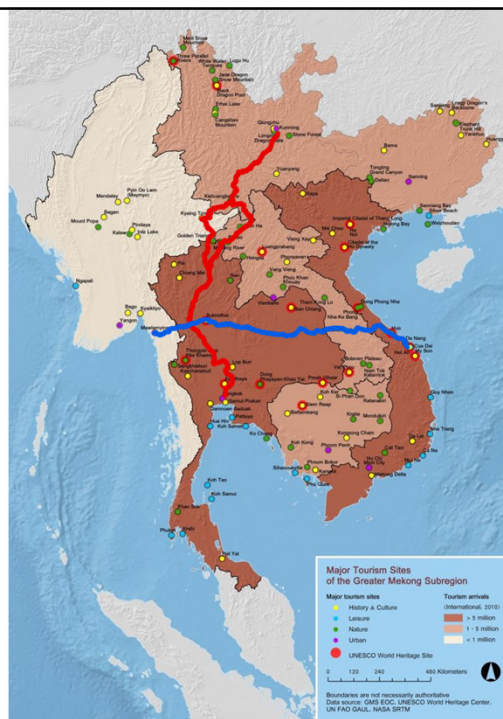
- 
- Population Distribution in the Greater Mekong Subregion, 2010**
- Legend:
- National capital (square symbol)
  - Administrative center (circle symbol)
  - City/Town (dot symbol)
  - National boundary (thick line)
  - Provincial boundary (thin line)
- Population density 2010 (Persons per square kilometer):
- | Color         | Population Density Range (Persons per square kilometer) |
|---------------|---|
| Light Yellow  | 0 - 49  |
| Yellow        | 50 - 99   |
| Orange        | 100 - 149   |
| Red-Orange    | 150 - 199   |
| Red           | 200 - 249   |
| Dark Red      | 250 - 299   |
| Very Dark Red | 300 - 349   |
| Black         | 350 - 399   |
| Dark Purple   | 400 - 449   |
| Black         | 450 - 499   |
| Dark Purple   | 500 - 549   |
| Black         | 550 - 599   |
| Dark Purple   | 600 - 649   |
| Black         | 650 - 699   |
| Dark Purple   | 700 - 749   |
| Black         | 750 - 799   |
| Dark Purple   | 800 - 849   |
| Black         | 850 - 899   |
| Dark Purple   | 900 - 949   |
| Black         | 950 - 999   |
| Dark Purple   | 1,000 - 1,049   |
| Black         | 1,050 - 1,099   |
| Dark Purple   | 1,100 - 1,149   |
| Black         | 1,150 - 1,199   |
| Dark Purple   | 1,200 - 1,249   |
| Black         | 1,250 - 1,299   |
| Dark Purple   | 1,300 - 1,349   |
| Black         | 1,350 - 1,399   |
| Dark Purple   | 1,400 - 1,449   |
| Black         | 1,450 - 1,499   |
| Dark Purple   | 1,500 - 1,549   |
| Black         | 1,550 - 1,599   |
| Dark Purple   | 1,600 - 1,649   |
| Black         | 1,650 - 1,699   |
| Dark Purple   | 1,700 - 1,749   |
| Black         | 1,750 - 1,799   |
| Dark Purple   | 1,800 - 1,849   |
| Black         | 1,850 - 1,899   |
| Dark Purple   | 1,900 - 1,949   |
| Black         | 1,950 - 1,999   |
| Dark Purple   | 2,000 - 2,049   |
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| Dark Purple   | 5,800 - 5,849   |
| Black         | 5,850 - 5,899   |
| Dark Purple   | 5,900 - 5,949   |
| Black         | 5,950 -   |



## Tourism assets

- NSEC: Ethnic and eco-tourism in GQ (comp)
- EWEC: 3 WHS on Vietnam end-point, otherwise little potential

- 
- Compiled by EOC
  - National data fragmented (little GIS, mostly drawings)



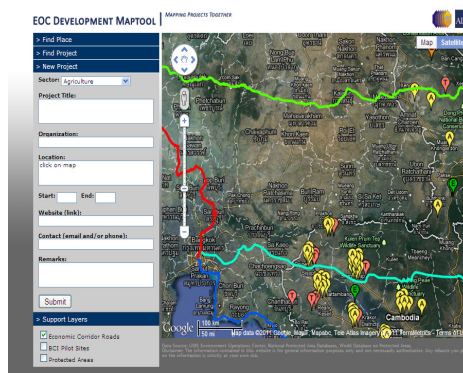
## CONCLUSION

- Policy questions require multiple models at a variety of scales
  - Framework should support regional cost-benefit analysis
  - Can contribute to resolution of collective action problem
  - Benefits can extend to “transit countries”
- What is needed ...
  - A policy decision tool integrated into organizational workflow
  - Action plan to get there
- Opportunities in GMS and CAREC
  - Geo-coded data sources provides a rich resource on which to build valuable policy analysis models



# ACTION PLAN

- Output from Bangkok meeting is an action plan
- End product would be an interactive evidence-based policy analysis tool
- Specify corridor investment scenarios on a map
- The system would utilize the data resources, in conjunction with appropriately scaled models
- Provide results (e.g. income) on a map as well as aggregate outcome indicators



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## KEY ACTION POINTS, 6 TO 12 MONTHS

- |   |   |
|---|---|
| ○ 6 months  | ○ 12 months   |
| ○ Develop and approve study proposal  | ○ Pick pilot region with high-level policy backing                      |
| ○ Interactions at high policy level for opportunity scenarios                               | ○ Get funding and resources in place                                    |
| ○ Scope out an ADB publishing platform to make existing data discoverable for pilot regions | ○ Pilot government data portal in countries within pilot region         |
| ○ Policy meeting for endorsement  | ○ Design a user friendly knowledge tool                                 |
|   | ○ Decide on an institutional framework for ADB data publishing platform |

# Questions?

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