Policy Lessons from the Bangkok Meeting

How to Make Economic Corridors Work in Asia's Regions

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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
  - …

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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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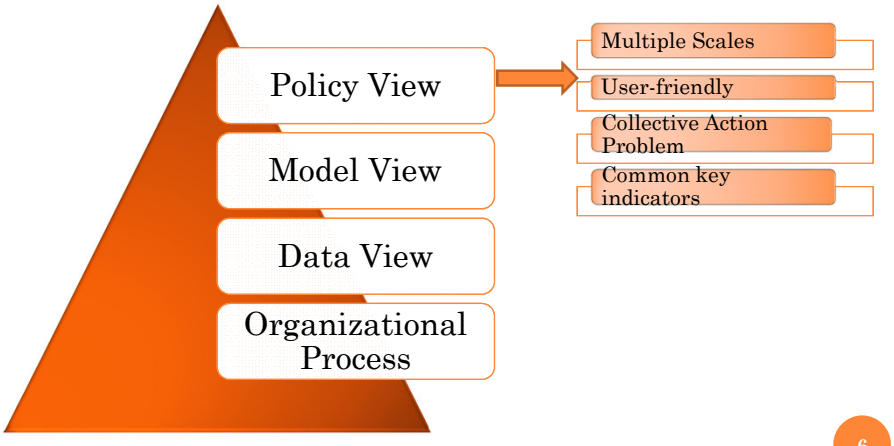
Evidence-Based Policy



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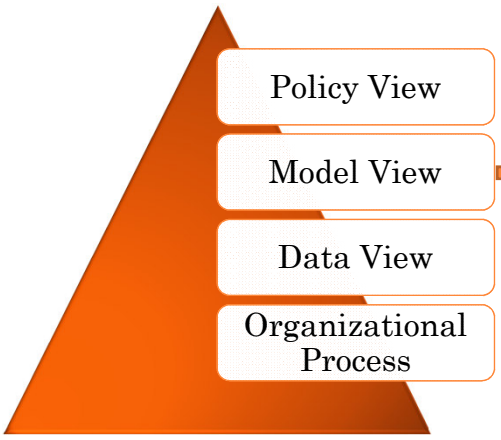
Evidence-Based Policy



- Appropriate to Scale
- *Ex Ante* Analysis
- *Ex Post* Analysis
- Modular & extensible

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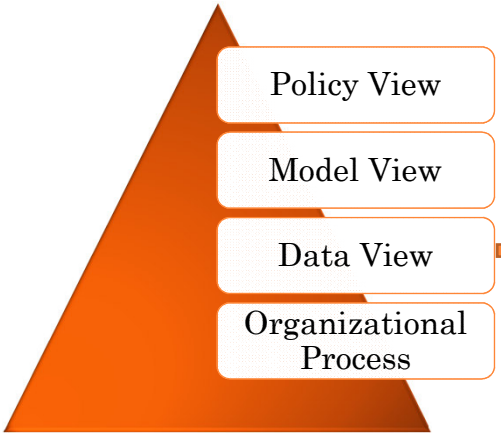
Evidence-Based Policy



- Appropriate to Model
- Consistent (countries)
- Dynamic (time series)
- Comprehensive

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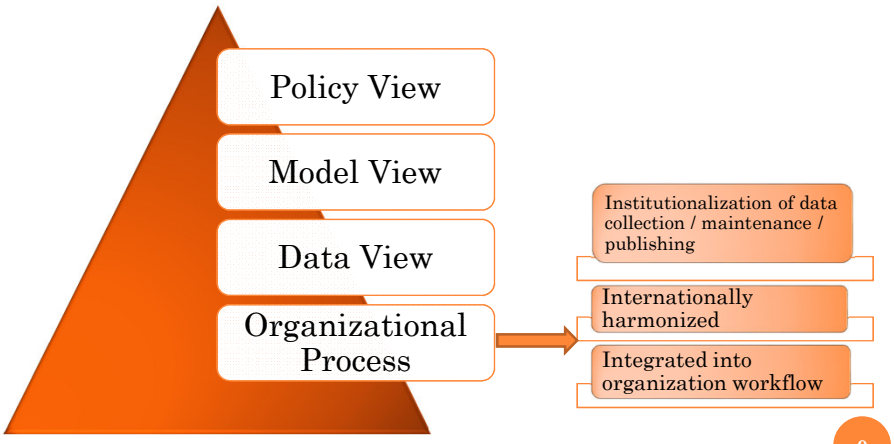
Evidence-Based Policy



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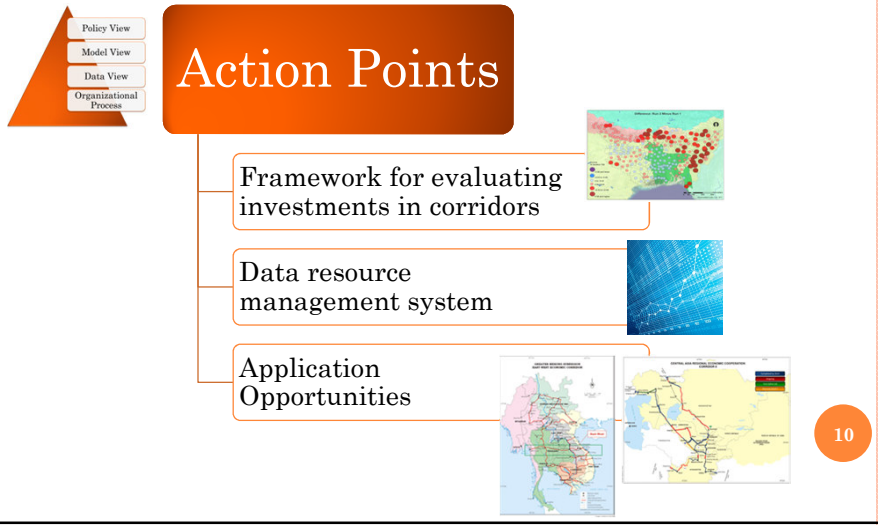
How can we get there?



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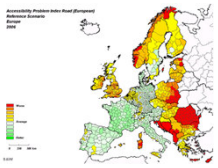
Lessons Learned

- 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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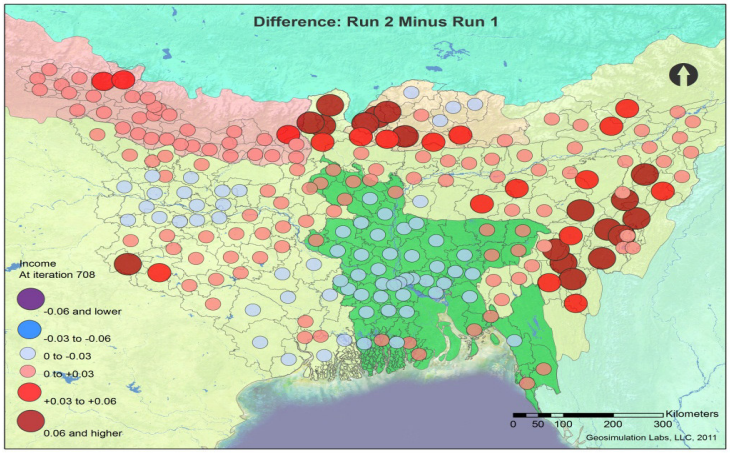
Regionally Disparate Effects



District-income: Income growth above baseline S1, due to S2 investments
(click to run movie)

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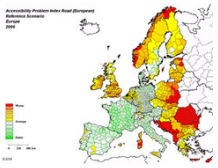
LESSONS LEARNED

- 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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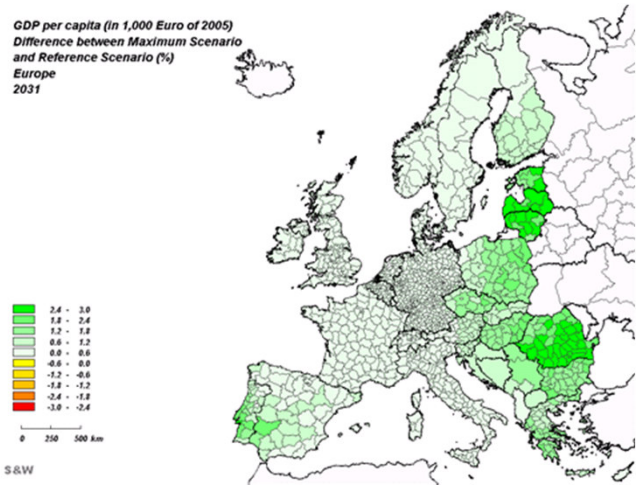
Investment Scenario Simulation



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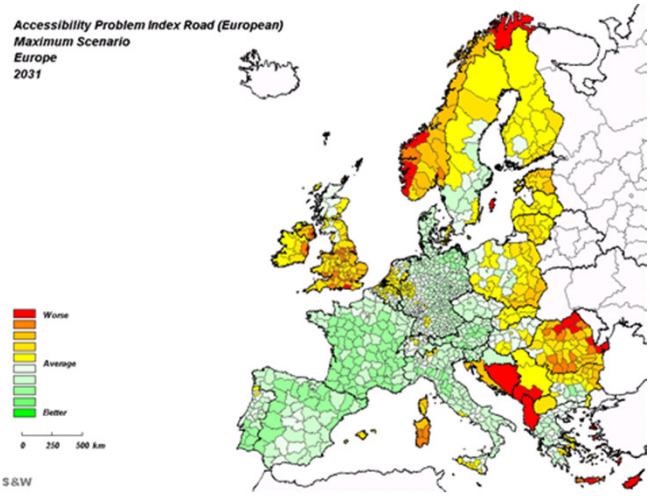
Accessibility Problem Index



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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

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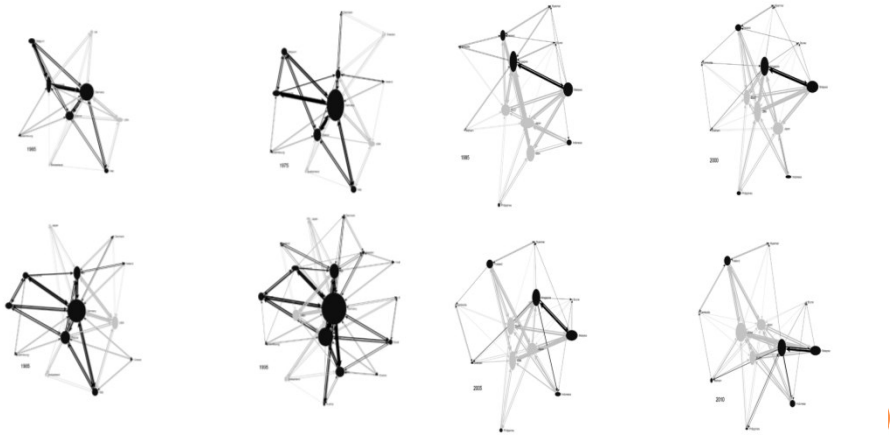
The Web (EU) and the Bagel (GMS-ASEAN)

EC / EU 1965 to 1995

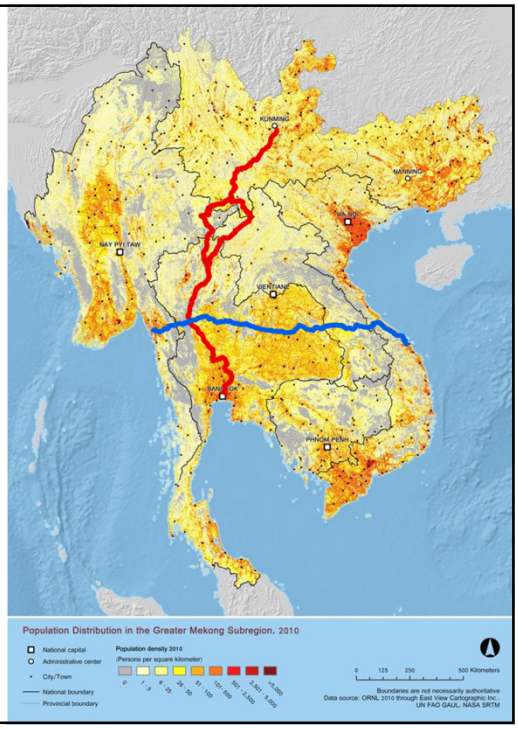
ASEAN 1995 to 2010



Population centers

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

- Gridded population available (global data)
- Annually updated and improved
- National population statistics down to commune level



Forest resources

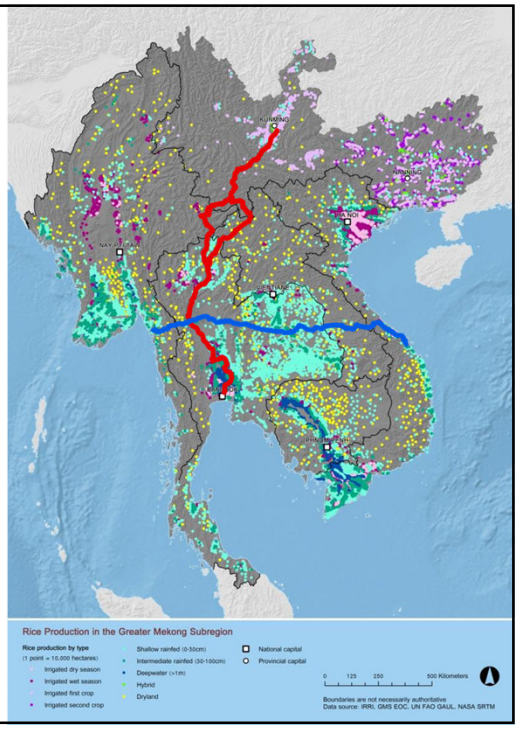
- NSEC: large forest resources in the Golden Quadrangle
- EWEC: Western Forest Complex and Annamites

- GlobCover 2.3
- National data often outdated, thematically inaccurate, and not of common standard

Agriculture hubs

- NSEC: Rice towards end points, increasing diversification
- EWEC: Accesses Isaan rice bowl (Korat Plateau)

- GlobCover V2.3, IRRI
- National land use data similar issues as forest cover data



Tourism assets

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

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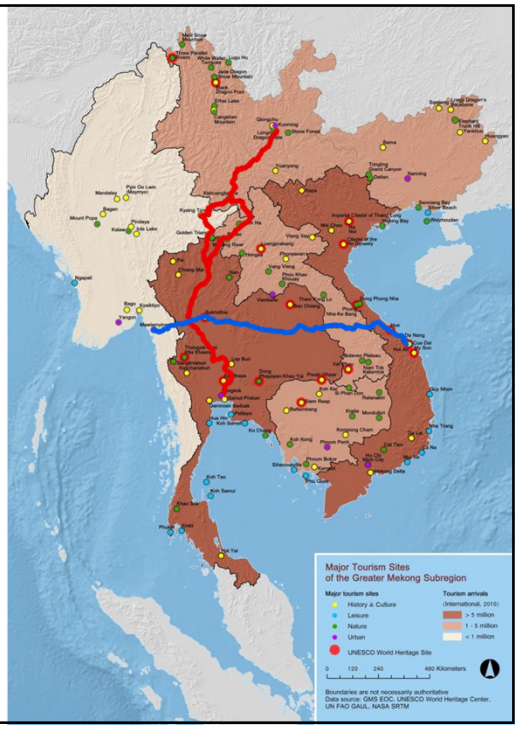
- Compiled by EOC
- National data fragmented (little GIS, mostly drawings)



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

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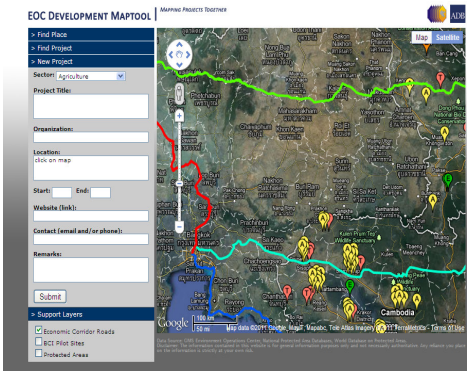
Action Plan

- 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
- Develop and approve study proposal
- Interactions at high policy level for opportunity scenarios
- Scope out an ADB publishing platform to make existing data discoverable for pilot regions
- Policy meeting for endorsement

- 12 months
- Pick pilot region with high-level policy backing
- Get funding and resources in place
- Pilot government data portal in countries within pilot region
- Design a user friendly knowledge tool
- Decide on an institutional framework for ADB data publishing platform

Questions?

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