

## Focus Area: SUSTAINABLE DEVELOPMENT AND INFRASTRUCTURE

### Market Segment: COMMUNITY INFRASTRUCTURE

**ISIC:** 9000 (Cultural Facilities), 9329 (Recreation Facilities)

**Objective:** Improve community infrastructure to enhance amenity, recreational, and cultural values of the coastal environment for local communities

#### Sample Investments:

- *Public/Private:* Fund data/telecoms upgrades for operators of community facilities
- *Public/Private:* Issue blue bonds or establish a government trust for marine parks with recreational pay-for-access
- *Public:* Issue municipal bonds for cultural facilities, with revenues from usage by both residents and visitors

#### 1. Relevance to ADB Ocean Action Plan? (Score: High=3)

- a. Community engagement is critical for the success of blue economy initiatives. Coastal community infrastructure that supports engagement is therefore valuable. Also, resorts and tour operators may provide initial funding and ongoing patronage of cultural and recreational infrastructure. Community and general infrastructure are very inter-connected to each other and the environment (see Appendix, Figure1)
- b. In addition to the virtue of community engagement, sustainable infrastructure projects can help reflect and restore the cultural values, history and solidarity of the local community. All of these values are threatened by industrialisation, mass marketing and disconnected tourism. Coastal communities often have more exposure to travelers who may be ignorant or disrespectful of local values. Culture/recreation centers provide needed education of visitors about local heritage and values.
- c. ADB's report, *Meeting Asia's Infrastructure Needs*, notes the following variations of projected infrastructure investment (2016-2030) across subregions:
  - East Asia (driven by the PRC): 61%
  - South Asia: 25%
  - However, Pacific's needs are highest at 9.1% of GDP,
  - followed by South Asia's at 8.8%.
  - Southeast Asia's economies will need to allocate 5.7% of GDP for infrastructure investment needs through 2030

#### 2. Positive Social Impacts? (Score: High=3)

- a. *Poverty:* Jobs are also created as communities become more self-sufficient for entertainment, recreation and social gatherings. Supporting local artists and artisans requires culture centers and networks that provide consistency and interaction. Public funding can be enhanced by private investments that seek return plus impact measured at the community level.
- b. *Gender:* Women can access affordable, local, empathic support from cultural centers and other community infrastructure. Education, entertainment, recreation, health, child care and social opportunities benefit women and girls of all ages.
- c. *Covid19:* The stress of confinement, similar to that of natural disasters, exacts a heavy toll on both rural and urban populations. Hospitals and disaster relief centers are vital community facilities that become overwhelmed during crises. Developing

contingency facilities for coastal communities will be seen as more important after Covid19. Floating facilities - from hospital boats to dockside and offshore platforms - are being developed in response to rising seas and severe storms.

**3. Positive Environmental Impacts? (Score: High=3)**

- a. The best guardians of the environment are locals. Coastal infrastructure that benefits the local population is essential in order to gain buy-in for conservation and sustainable practices. Managed marine recreation, seaparks, beaches and coastal reserves provide that opportunity.
- b. Materials, siting and ongoing management of community facilities must be genuinely sustainable. Then locals benefit from the opportunity to learn what it means to protect their environment and heritage. Renewable energy, sustainable water and land use, circular economy waste principles - all need to be visible in new or renovated community facilities.

**4. Potential for Market Scalability? (Score: Medium=2)**

- a. As community needs grow, infrastructure of all kinds needs to keep pace: Energy, Water, Waste Treatment, Transportation, Health and Community Services. However, cultural and recreational centers may get lost against these priorities. Lack of finance and skills, plus the pressure of climate and health crises, can defer non-core infrastructure. This is regrettable, given the importance of such infrastructure to coastal communities and the marine environment.
- b. Scalability is best achieved by integrating the needs of visitors with those of the local community. Funding, programming and skill-development is then more feasible.

**5. Capacity for Innovation and Growth? (Score: Medium=2)**

- a. Similar to the points above, this segment is not strictly a business opportunity for its core purposes.
- b. Innovation and Growth, however, may be stimulated when facilities are made available to sustainable maritime enterprises. Accelerators in the blue economy may drive improvements in environmental usage, energy and coastal restoration. Funding may sometimes be linked to community facilities and marine parks.

**6. Benefit from Regional Governance Frameworks? (Score: Medium=2)**

- a. Regional governance needs shared projects that connect with communities. This promotes cooperation, peace and shared stewardship of the marine environment. For these reasons, governance frameworks should reach out and collaborate on facilities that use and educate citizens about their common resource: the sea.

**7. Opportunity for SMEs? (Score: High=3)**

- a. The arts and recreation industries depend on certain types of community and environmental infrastructure. These are generally clean industries: not fossil-fuel dependent, water-intensive or wasteful. Service providers - from food to transport and other community services - also flourish along with community centers. From a practical standpoint, therefore, culture and recreation infrastructure is a catalytic investment favouring local SMEs.

**8. Attract Private Investment? (Score: Medium=3)**

- a. To the extent such infrastructure directly generates revenue from sound business models, this segment will indeed attract private investment. Co-investment alongside municipal or national financing is attractive to private investors.
- b. Taking a wider view, cultural/recreational infrastructure is an enabling condition for so many local enterprises and visitor uses. This makes it especially important and profitable as a blue economy investment.

## **REFERENCES**

[\*Sustaining Tourism and increasing resilience through better planning coastal cities.\*](#)  
[Development.asia/explainer](#)

[\*PEMSEA: State of Oceans & Coasts 2018\*](#)

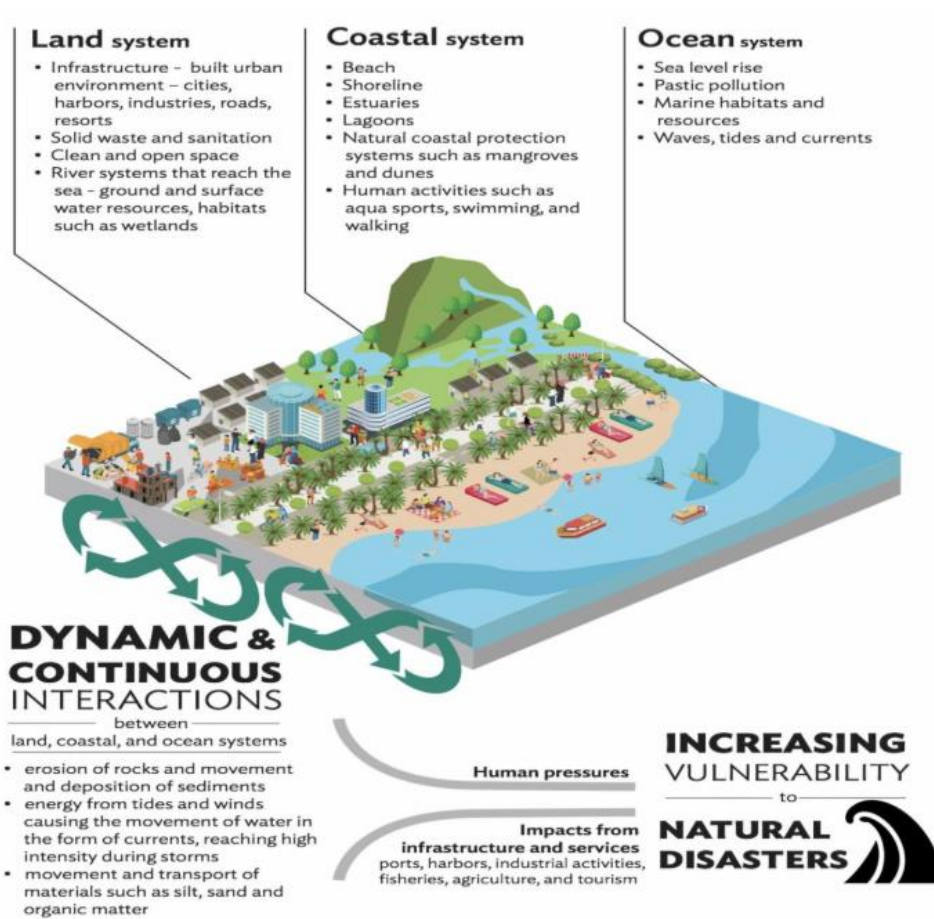
[Asian Infrastructure Investment.](#) AIIB

[Meeting Asia's Infrastructure Needs.](#) ADB

[Closing the Financing Gap in Asian Infrastructure.](#) ADB

## APPENDIX

Figure 1: Interface between Subsystems



Source: Keisuke Taketani.

Figure 2: Conceptual Representation of the Dynamic Interface between Subsystems and