



ASEAN Connectivity and Infrastructure Financing Challenges

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Connectivity in ASEAN has 3 Dimensions: Physical, Institutional and People-to-People

Aspects which improve the regulatory environment which can enhance connectivity within member states

Promoting exchange of culture, tourism, education and know-how



Infrastructure that will support greater connectivity among and within member states

ASEAN Connectivity 2025 will have 5 strategic areas

Vision

ASEAN Connectivity 2025

To achieve a seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater sense of Community

Physical connectivity



Institutional connectivity



People-to-people connectivity



Strategies

Strategic objectives



Sustainable infrastructure

- Increase public and private infrastructure investment across the ASEAN Member States
- Significantly enhance the evaluation and sharing of best practices on infrastructure productivity in ASEAN
- Increase the deployment of smart urbanisation models across ASEAN



Digital innovation

- Establish best practice data-management frameworks across ASEAN Member States
- Support access to financial services through digital technologies
- Increase the adoption of technology by SMEs
- Enhance the impact of open data across ASEAN



Seamless logistics

- Lower supply-chain costs in each ASEAN Member State
- Improve speed of supply chains in each ASEAN Member State



Regulatory excellence

- Lower trade-distorting non-tariff measures across all ASEAN Member States
- Harmonise or mutually recognise product, conformance, and technical standards in key sectors



People mobility

- Support ease of travel throughout ASEAN
- Increase intra-ASEAN mobility of university students
- Reduce the gaps between vocational skills demand and supply across ASEAN

ASEAN Infrastructure Financing Needs

	UNCTAD (2015)	McKinsey Global (2014)	Goldman Sachs (2013)	Bhattachar yay et al. (2012)	ADB-ADBI (2009)
Annual Est. (US\$B)	110	196	69	100	60
Sectors covered	Power, transport, telecoms, WSS	Power, transport, telecoms, WSS	Power, transport	Power, transport, telecoms, WSS	Power, transport, telecom, WSS
Period covered	2015-25	2014-30	2013-30	2010-30	2010-20
AMS Covered	All ASEAN Member States	All ASEAN Member States	Only IND, MAL, PHI and THA	All except BRU and SIN	All except BRU and SIN

Source: ASEAN Secretariat, McKinsey Global Institute, UNCTAD





What are the strategic objectives?

- 1 Increase public and private (both domestic and international) infrastructure investment in each ASEAN Member State, as needed
- 2 Significantly enhance the evaluation and sharing of best practices on infrastructure productivity in ASEAN
- 3 Increase the deployment of smart urbanisation models across ASEAN



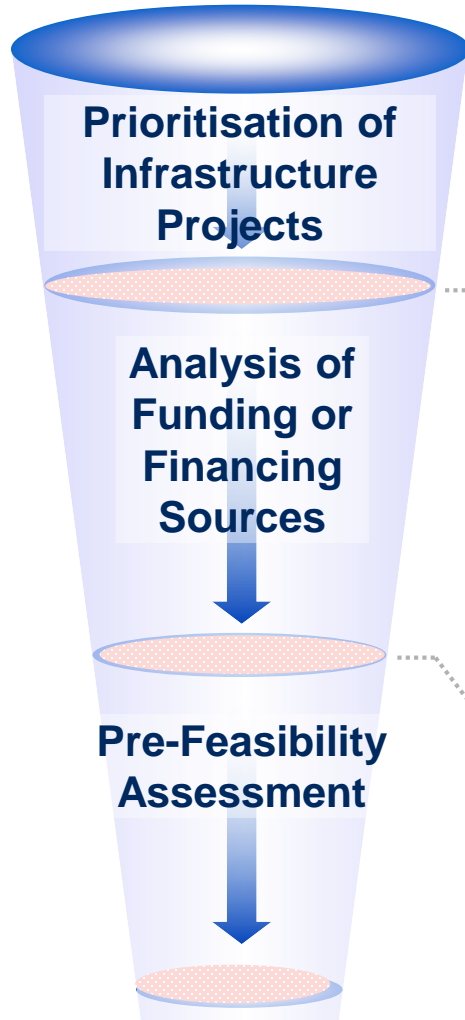
What are the key initiatives?

- 1 Establish a rolling priority pipeline list of potential ASEAN infrastructure projects and sources of funds
- 2 Establish an ASEAN platform to measure and improve infrastructure productivity
- 3 Develop sustainable urbanisation strategies in ASEAN Cities

Establishment of a Rolling Priority Infrastructure Pipeline

EXAMPLE

Steps



- I**
 - develop clear criteria for inclusion in the rolling priority pipeline
 - develop a standardised template
 - support the ASEAN Member States in submitting projects
- II**
 - to assess funding and financing options for each of the infrastructure projects indicate which projects are most likely to be privately financed with little government risk, which ones are more likely to be privately financed with some government risk (such as providing a guarantee or availability payment), and which ones are likely to require all or significant amounts of public funding.
- III**
 - to assess the readiness of projects to be implemented or to be presented to potential investors or to assess the necessity to undertake further full feasibility studies.

Infrastructure Financing Challenges in Implementing MPAC 2025

- Clear and enabling regulations and policies
- Financing large infrastructure requirements
- Capacity for project development, operations and management
- Coordinating the delivery of sustainable infrastructure projects under the MPAC 2025

ASEAN Efforts on Infrastructure Financing and PPP

**ASEAN PPP
Program with
World Bank**

**ASEAN PPP
Guidelines with
ERIA**

**ASEAN Principles
for PPP
Frameworks with
OECD**

**ASEAN Risk
Mitigation
Instruments with
OECD**

**ASEAN
Infrastructure
Fund with ADB**

**ASEAN Investment
Report 2015:
Infrastructure
Investment and
Connectivity with
UNCTAD**

Current ASEAN Efforts on Infrastructure Financing and PPP

Establishment of the Initial List of Rolling Infrastructure Priority Pipeline of ASEAN and Conduct of Pre-Feasibility Assessments

Establishment of the Lead Implementing Body for the MPAC 2025 Strategic Area on Sustainable Infrastructure

Engagement with various ASEAN Dialogue Partners and External Parties



Connecting Today Connected Tomorrow

