



# The Advisory Group on APEC Financial System Capacity-Building

**A Public-Private Sector Initiative**

Document: AGFSCB 27-024 Draft: <b>FIRST</b> Source: ADB Institute Date: 25 May 2007 Meeting: Tokyo, Japan
---

**Second Meeting 2007**  
30 May 2007, 4:00 – 6:00 pm  
Sakura (B2 Floor), The Prince Park Tower  
Tokyo, Japan

## **AGENDA ITEM 5**

### **PAPER 5-A**

#### **Infrastructure and Regional Cooperation Summary Outline for an ADBI Flagship Study**

*Asian Development Bank Institute*

## **Infrastructure and Regional Cooperation**

### **Summary Outline for an ADBI Flagship Study**

#### **I. Objectives of the Study**

The objective of the study is to examine the key issues and challenges facing infrastructure in Asia in its ongoing efforts to enhance regional cooperation. The study will focus on both software and hardware issues affecting infrastructure and regional cooperation.<sup>1</sup> Studies have indicated that physical infrastructure linkages are only a part of the overall determinants of the smooth movement of goods and people: trade facilitation, harmonization of documentation, and simplification of procedures are very important as well.

#### **II. Proposed Themes**

A study on infrastructure and regional cooperation will have to combine several fields of analysis — the economics of transport and other infrastructure networks, new economic geography covering spatial issues of trade and agglomeration economies, and regional science. The proposed study will be organized thematically and will include four major focus areas:

- (i) Trade and logistics aspects as they influence agglomeration and economies of scale across Asia.
- (ii) Governance and institutions as they define the overall environment where physical infrastructure is operated.
- (iii) Financing issues are increasingly important given the presence of a large pool of Asian savings.
- (iv) A framework for transnational infrastructure networks needs to be developed to support Asia's future growth.

The proposed flagship study will be presented in two volumes: (i) the first volume will aim at the policy makers and development experts, and (ii) second volume will include background papers underpinning the rigorous scientific analytics of the policy agenda.

#### **IV. Report Outline**

The Report will be derived from the themes and will be as given below:

**Chapter 1:** Introduction

**Chapter 2:** Asia's Logistical Challenges

**Chapter 3:** Governance and Institutions

**Chapter 4:** Infrastructure Financing

**Chapter 5:** Transnational Infrastructure Networks

**Chapter 6:** The Way Forward: Seamless Asia

---

<sup>1</sup> “Software” aspects referred to here include legal, regulatory, procedural, and other supporting policy frameworks as well as human and institutional capacities, whereas “hardware” refers to physical infrastructure components that facilitate physical connectivity.