ADB’s Approach: Promoting Connectivity for Inclusive Development

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Key Messages

- Aid for trade flows account for about 40% of total official development assistance to Asia in 2015. Globally, Asia is amongst the largest recipients of AfT.

- Promoting connectivity is a priority to expand trade in services and achieve inclusive growth in geographically challenged economies of Asia and the Pacific.
  - Fast growing e-commerce presents abundant growth opportunities for the region.
  - Aid targeted at tradable services sectors can be an important catalyst in promoting inclusive economic growth and structural transformation.

- AfT should target further improving infrastructure, building an enabling policy and regulatory environment to advance growth in services trade, and promote the integration of geographically challenged economies into regional and global markets.
Aid for trade enhances trade performance and helps reduce the burden of trade costs
Reducing trade costs remains a priority

Distance to ‘Best Performer Frontier’ in Trading Across Borders by Region and Asia’s Subregions, 2014 and 2016

Note: Asia includes developing economies only.
AfT flows to Asia and the Pacific have been growing steadily

Official Development Assistance and Aid for Trade, 2002–2015 ($ million, %)

ODA = Official Development Assistance.
Note: Total aid for trade (AfT) is the sum of INF (aid for infrastructure), BPC (aid for building productive capacity) and TPR (trade policy and regulations and trade-related adjustment).
ADB's Aid-for-Trade Contribution by Subregion, 2002–2016

ADB's Aid-for-Trade Contribution by Category, 2002–2016 ($ billion)

ADB’s support for trade-related infrastructure

Hairatan (Northern Uzbekistan) to Mazar-e-Sharif (Afghanistan) Railway Project

Cambodia: Greater Mekong Subregion Transmission Project

Instituting e-Government Procurement in Nepal

Tonga’s High-Speed Revolution (via the Southern Cross Cable Network)
ADB’s support for trade facilitation

Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)

Central Asia Regional Economic Cooperation program (CAREC)
**Targeted aid interventions can promote inclusive growth**
Thank you!