

ADB's Regional Cooperation and Integration Today

By Myo Thant

- **At present, ADB leads the promotion of regional cooperation among the multilateral development banks.**
- **Increased lending for regional cooperation will require greater financial resources, technical expertise, and investment in knowledge products.**

Regional cooperation and integration (RCI) is one of the three complementary strategic agendas in Strategy 2020, which envisions that RCI activities will increase in all operational areas, and lending will reach at least 30% by 2020. The heightened importance of RCI in ADB operations requires the strengthening of interdepartmental collaboration in supporting RCI, and highlights the importance of upgrading staff skills.

The RCI Community of Practice, with support from ADB's Learning and Development Unit, organized the Workshop on Regional Cooperation and Integration on 13 November 2008 as an initial step to facilitate cross-fertilization of ideas within ADB through the exchange of experiences and knowledge on RCI, and networking among staff.

Lessons Learned During the Workshop

ADB has promoted many RCI programs since 1992. ADB plays many different roles in each of these programs but the weight given to these roles differs by program. New demands are also being made on ADB as development challenges change and issues emerge.

Key factors which contribute to success include the existence of economic complementarity, political support for cooperation in each country, depoliticization of regional issues, and continuous support by ADB.

Key factors which contribute to limited progress include: lack of financial resources for regional projects, limited capacity to implement regional policies and ensure internal coordination, real or perceived dominance of one country within a grouping, political conflict and security issues, difficulty in implementing "soft" infrastructure projects, and limited understanding and ownership of the RCI strategy.

At present, ADB leads the promotion of RCI among the multilateral development banks. To remain relevant, it must lend to middle income countries, and for infrastructure projects, which will facilitate greater trade and investment flows.

Increased lending for RCI will require greater resources within ADB. These include financial resources for technical assistance, grants, and projects—financing from the private



Managing Director General Rajat M. Nag speaking on the importance of RCI in ADB operations

sector is also critical for the long-term success of RCI programs; technical expertise, which has to be embedded within ADB—the skills of existing staff have to be built up, including skills in areas which have not attracted much attention in recent years, e.g., airports and ports; and research and knowledge products which have regional public good characteristics.

The year 2020 is not far off in terms of meeting Strategy 2020 goals. To achieve the targets, ADB needs to address the following specific issues

- There should be a clear "driver" of the RCI strategy within ADB to ensure that the entire organization is moving towards the same goals, and internal synergies are maximized.
- Coordination across departments and sectors needs to be improved through an institutionalized system for sharing information, a stronger community of practice for RCI, better use of in-house experience, and provision of incentives to motivate staff to work on RCI activities.
- There should be greater engagement with external partners, such as local government, academia, and civil society to increase ownership and inclusion, and maximize the resources available for RCI.
- Quantification of benefits and costs is critical both for objective evaluation of RCI programs, and ensuring that the net benefits of cooperation are equitably distributed to ensure sustainability of cooperation programs.
- RCI programs need to find a way of working effectively with non-member and non-borrowing countries.

For further information

Contact Myo Thant, Principal Regional Cooperation Specialist, Asian Development Bank (mthant@adb.org)

Asian Development Bank is dedicated to reducing poverty in the Asia and Pacific region.

www.adb.org/knowledgeshowcases

The Knowledge Showcases highlight innovative ideas from ADB technical assistance and other knowledge products to promote further discussion and research.

The views expressed in this publication are those of the author(s) and do not necessarily reflect the views and policies of ADB or its Board of Governors or the governments they represent.