



Regional: Asia Regional Integration Center, Phase V

Project Name	Asia Regional Integration Center, Phase V		
Project Number	47328-001		
Country	Regional		
Project Status	Closed		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 8533-REG: Asia Regional Integration Center, Phase V		
	Technical Assistance Special Fund		US\$ 1.00 million
	Regional Cooperation and Integration Fund		US\$ 500,000.00
Strategic Agendas	Inclusive economic growth Regional integration		
Drivers of Change	Partnerships		
Sector / Subsector	Finance - Finance sector development Industry and trade - Trade and services Public sector management - Economic affairs management		
Gender Equity and Mainstreaming			

Description

The Strategy 2020 has identified nine leading challenges facing Asia; two of them are RCI related. First, while intraregional trade accounts for 56% of the region's total trade, much of this is confined to East Asia, with other subregions South Asia and the Pacific island countries in particular only starting to develop their trade and investment ties with Asia. Second, the region's savings are also not intermediated in the region, limiting the amount of capital invested in long-term projects such as infrastructure. Therefore, more RCI is needed to address these development challenges. By expanding trade and investment, strengthening capital market development and linkages, and investing in transportation and information connectivity, RCI can raise a country's growth potential. It can also reduce development gaps by allowing smaller and low-growth countries to tap regional supply chains and financial markets. Strategy 2020 has also identified RCI as one of its key development agenda. In turn, it has raised the importance of exploiting the potential benefit of RCI activities for accelerating economic growth, raising productivity and employment, reducing economic disparities, and achieving closer policy coordination and collaboration. ADB continues to support RCI work by providing financial assistance to RCI-related programs and projects, producing and disseminating RCI knowledge products, working with regional and international institutions to foster greater cooperation and consultation, and extending technical assistance to implement RCI programs.

Since 2006, the ADB has financially supported a regional Technical Assistance (TA) for the Asia Regional Integration Center (ARIC) to enhance the capacity of key RCI stakeholders to promote greater regional integration by: (i) providing access to timely and relevant knowledge and information on RCI; (ii) facilitating regional economic monitoring and policy dialogues; and (iii) supporting research and publication work on RCI. Over the past six years, ARIC has become a reliable source of knowledge and information on RCI. Its key publications—the Asia Recovery Report, Asia Economic Monitor (AEM), and Asian Economic Integration Monitor (AEIM)—have assisted ADB DMC policymakers increase their awareness and knowledge on RCI trends and issues. They have also been recognized by top-tier media like Reuters, Financial Times, BBC, CNBC, and Bloomberg as reliable source of economic and RCI information. In particular, the AEIM is the only publication in Asia that tracks the progress of regional integration in the region. It also discusses key issues such as infrastructure connectivity, labor mobility, the cost and benefit of integration, and approaches to unraveling the Asian “noodle bowl”. ARIC has also supported the ASEAN+3 economic monitoring and policy dialogue process through its report on Economic Prospects, Risks, and Policy Issues for the informal meeting of ASEAN+3 Finance and Central Bank Deputies. ARIC has trained DMC policymakers on the early warning system, which have strengthened the capacities of member countries to spot, assess and mitigate economic and financial vulnerabilities emanating from global shocks. Its databases—Macroeconomic and Financial, FTA and Integration Indicators—have become authoritative data source on regional economic integration. Its RCI seminar, RCI Working Paper Series and collaboration with other regional institutions (ASEAN, APEC, and AMRO) has fostered greater knowledge sharing and collaboration.

Today, the ARIC website attracts around 95,000 unique visitors with over 700,000 page views. Over 440 organizations ranging from multilateral, regional, academic, government, media and the private institutions have embedded links to the ARIC website. These include the ASEAN, World Bank, OECD, WTO, ILO, UN, Harvard, Monash, Berkely, National University of Singapore, Bloomberg, Reuters, Wall Street Online, India Times, US Treasury, Korean Development Institute, Thailand Department of Trade Negotiations, East Asia Forum, among others. The ARIC website has also been accessed in over 170 countries in 2012, with an average of 4,500 visits from the top 10 countries—the Philippines, India, United States, Singapore, Republic of Korea, Thailand, Japan, Indonesia, Malaysia, and Russia.

To further promote greater RCI in the region, this TA will continue to produce knowledge and information products to track recent trends and thinking regarding salient RCI trends and issues. A key priority of the TA is to further improve the Asian Economic Integration Monitor by improving the online RCI indicator system that will track the progress of regional integration. It will also support a number of RCI-related research on infrastructure connectivity, labor mobility, crisis and regionalism, drivers and derailleurs of RCI, and RCI and South-South cooperation. The TA will also incorporate infrastructure indicators in its database so as to track the degree of physical connectivity in the region. To promote greater knowledge sharing and policy dialogue, the TA will also organize RCI seminars (policy consultations and round-table) in various parts of the region. Given that the risk from the global financial and Eurozone crises continues, the TA will continue to monitor macroeconomic interdependence in the region.

Project Rationale and Linkage to Country/Regional Strategy

The model of regional cooperation and integration (RCI) adopted in developing Asia (the region) has several unique characteristics compared to regional cooperation in Europe or other parts of the world. The region has made solid progress based on its pragmatic, bottom-up, institution light and private sector led approaches. Following the 2008/09 global financial crisis, advanced economies are expected to undergo a prolonged period of structural reform—a “new normal”—due to weak economic fundamentals. This means that the region needs to rely more on itself to find new sources of growth. RCI could play a more critical role than in the past, by facilitating greater trade flows, promoting deeper financial market integration, and creating seamless logistics and infrastructure. Sustained regional cooperation may also result in better coordinated macroeconomic, financial, and trade policies which would help drive a more efficient and welfare-oriented Asia and the Pacific. While there are costs arising from integration, effective cooperation can help maximize the net benefits and lay the foundation for a more inclusive growth.

However, while early work on RCI has achieved several “low hanging fruits” in the region, there are many complex RCI issues today such as risk sharing, trade in services, labor mobility, and proliferation of bilateral and regional free trade agreements; and these are further exacerbated by regional conflicts. After the global financial crisis, the region and the world have become more inter-connected and multi polar; with Asia standing to gain from this by strengthening its regional ties. In particular, greater regional cooperation will help Asian economies develop unified positions and policy options vis-à-vis advanced and developing economies outside of the region.

Impact

Enhanced implementation of existing RCI initiatives and development of new ones by key stakeholders

Project Outcome

Description of Outcome	Increased utilization of ARIC's RCI-related knowledge products by key stakeholders.
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	Online and print version of the AEIM published Online and print version of other RCI-related knowledge products_ including the RCI information pack and RCI working paper series disseminated. Timely and accurate RCI databases with expanded country coverage A more informative and updated ARIC website disseminated RCI seminars, roundtable and policy consultations conducted A knowledge bridge to link RCI work in ADB
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	

Business Opportunities

Consulting Services	international consultants: Regional Cooperation Economists (total 6 person-months total); Economics and Copyeditor (15 person-months); national consultants: Team Leader (total 18 person-months); Senior Economic Analysts (total 72 person-months); Economic Analysts (total 180 person-months); Web Administrator and Programmers (total 18 person-months); Multimedia Designer and Developer (total 18 person-months); System and Database Developer (total 18 person-months); Typesetter (total 4 person-months); Project Specialist (total 18 person-months) Resource Persons (total 3 person-month)
Procurement	Database, equipment, and computer software

Responsible Staff

Responsible ADB Officer	Kang, Jong Woo
Responsible ADB Department	Economic Research and Regional Cooperation Department
Responsible ADB Division	ERCI
Executing Agencies	<i>Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines</i>

Timetable

Concept Clearance	31 May 2013
Fact Finding	29 May 2013 to 29 May 2013
MRM	-
Approval	06 Dec 2013
Last Review Mission	-
Last PDS Update	06 Nov 2013

TA 8533-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
06 Dec 2013	-	06 Dec 2013	31 May 2015	31 Aug 2016	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
1,500,000.00	0.00	0.00	0.00	0.00	0.00	1,500,000.00	06 Dec 2013	1,329,977.05

Project Page

<https://www.adb.org/projects/47328-001/main>

Request for Information

<http://www.adb.org/forms/request-information-form?subject=47328-001>

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