2017 International Aid Business Opportunity Seminar

Asian Development Bank (ADB) Sectoral Session: Transport

10 October 2017
AGENDA

• 2.00 pm – 2.10 pm  WELCOME
  Ms Elodie Journet, Senior Trade and Investment Commissioner to the Philippines & Micronesia, Austrade Manila
  Mr Phillip Bourke, Trade Adviser
  Austrade Melbourne

• 2.10 pm – 2.40 pm  ADB SECTORAL PRESENTATION
  Mr Gil-Hong Kim, Senior Director concurrently Chief Sector Officer, Sustainable Development and Climate Change Dept,
  Asian Development Bank
  Sector Overview
  Opportunities
  Countries of Focus

• 2.40 pm – 2.55 pm  Q&A

• 2.55 pm – 3.00 pm  NEXT STEPS & CONTACT DETAILS
HOW TO ASK QUESTIONS

1. Select “Chat” function

2. Select “Host & Presenter”

3. Type your question here

3. Press ‘Send’
GIL-HONG KIM
SENIOR DIRECTOR CONCURRENTLY CHIEF SECTOR OFFICER
SUSTAINABLE DEVELOPMENT AND CLIMATE CHANGE DEPT
ASIAN DEVELOPMENT BANK
Gil-Hong Kim is Senior Director concurrently Chief Sector Officer for Sector Advisory Service Cluster of the Sustainable Development & Climate Change Department, ADB. His portfolio of initiatives includes clean energy and energy efficiency, sustainable transport, water supply and sanitation, urban development, education, health and finance. He is responsible to develop and implement ADB's sector policies and operational plans, facilitate cross-sector collaboration and multi-sector solution, develop innovative approaches and new business models, and work as ADB's anchor for internal knowledge management and external knowledge partnership with the support of 7 Sector Group Secretariat.
International Aid Business Opportunities
2017

ADB Sectoral Session: Transport

Gil-Hong Kim
Senior Director concurrently Chief Sector Officer, ADB
10 October 2017
Transport is largest sector for ADB lending

**Transport lending ($ B)**

- 2010: 4.5
- 2011: 4.0
- 2012: 3.5
- 2013: 3.0
- 2014: 2.5
- 2015: 2.0
- 2016: 3.0
- 2017p: 5.5

**Share of ADB lending**

- 2010: 45%
- 2011: 40%
- 2012: 35%
- 2013: 30%
- 2014: 25%
- 2015: 20%
- 2016: 15%
- 2017p: 40%
Sustainable transport is...

- accessible
- affordable
- environment friendly
- safe
The good and the bad...

- Transport **enables** economic & social activity, provides access to opportunities, services
- **But** has **negative effects** too - congestion, emissions, environment impacts, accidents
Massive investment needs

• $2.5 trillion for transport in developing Asia, 2010-20
• Poor countries need basic access
• Others face capacity bottlenecks
• Asia’s rapidly growing cities need urban transport
Extending access, connectivity
Problem of rapid motorization

Source: ADB and IEA, 2011
Congestion

2-5% of GDP
Air pollution

2-4% of GDP
Rising GHG emissions

- Transport is **23%** of global energy-related GHG emissions
- Land transport is \( \frac{3}{4} \) of transport GHG emissions
- Land transport GHG emissions to **double by 2050** based on current trend
Unsafe roads

• 645,000 annual road deaths and 30 million injuries in developing Asia
• Leading cause of death for 15-44 year olds, 2nd leading cause for 6-14 year olds
• Vulnerable users are 50–75% of deaths
• Costs 2-5% of GDP
Avoid-Shift-Improve Paradigm

Avoid the need to travel

Shift to sustainable modes

Improve efficiency of all modes

Lower congestion, emissions, air pollution, road accidents, respiratory & health problems
ADB’s Sustainable Transport Initiative

- STI approved in 2010 (with Mid-Term Review in 2016)
- Aims to transform ADB transport operations
- Covers a 10 year period, 2010-20
STI priorities and targets

Sustainable transport systems

Accessible  Affordable  Environment friendly  Safe

STI lending directions

- Mainstream sustainability in roads
- Scale up 4 areas

- Urban transport
- Addressing climate change
- Cross-border transport & logistics
- Road safety & social sustainability
Progress and STI lending targets

![Bar chart showing the share of transport lending amount for different years and categories.]

- **2000-09 Actual**:
  - Urban Transport: 79%
  - Water, Air & Other: 4%
  - Rail: 2%
  - Road: 15%

- **2010-16 Actual**:
  - Urban Transport: 67%
  - Water, Air & Other: 15%
  - Rail: 9%
  - Road: 9%

- **2020 Revised Target**:
  - Urban Transport: 52%
  - Water, Air & Other: 20%
  - Rail: 10%
  - Road: 15%

- **2025 New Target**:
  - Urban Transport: 40%
  - Water, Air & Other: 27%
  - Rail: 18%
  - Road: 10%
ADB transport operations: 2016 in numbers

Total of 41 loans and grants and 27 technical assistance projects approved.

Projects represented a total of $4.09 billion in ADB investment, 23% of total ADB.

Serving 30 countries.
Transport approvals by subregion, 2016

South Asia: 44%
Central and West Asia: 26%
East Asia: 8%
Pacific: 11%
South East Asia: 11%
Private Sector: 0%
Road transport

Remains largest ADB transport sub-sector

- Performance-based contracting
- Climate resilient infrastructure
- Cross-border regional networks
- Road safety initiatives
Examples of road transport projects

India

Madhya Pradesh District Roads II Sector Project
$300 million

Uttar Pradesh Major District Roads Improvement Project
$300 million

Bihar New Ganga Bridge Project
$500 million
### Examples of road transport projects

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nepal</td>
<td>South Asia Subregional Economic Cooperation Roads Improvement Project</td>
<td>$186.8 million</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>Kashkadarya Regional Roads Project</td>
<td>$198 million</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>CAREC Corridors 1 and 6 Connector Road (Aktobe-Makat) Reconstruction Project</td>
<td>$240.3 million</td>
</tr>
</tbody>
</table>
Examples of road transport projects

**PRC**
- Ningxia Liupanshan Poverty Reduction Rural Roads Development Project $100 million

**Timor Leste**
- Dili Baucau Highway Project $49.65 million

**Papua New Guinea**
- Highlands Region Roads Improvement Investment Program – Tranche 3 $106.99 million
Examples of road transport projects

**Tajikistan**
CAREC Corridors 2, 5, and 6 Road Project (Dushanbe-Kurgonteppa) Road Project **$65.2 million**

**Solomon Islands**
Sustainable Transport Infrastructure Improvement Program **$15.75 million**

**Viet Nam**
Support to Border Areas Development project **$104.12 million**
India: Bihar New Ganga Bridge Project
Water transport projects

**PRC**
- Chongqing Integrated Logistics Demonstration Project
  - $9.9 million

**Maldives**
- Kulhudhuffushi Harbor Project
  - $9.69 million

**Tuvalu**
- Outer Island Maritime Infrastructure Project
  - $11.3 million
Railway projects

Bangladesh

South Asia Subregional Economic Cooperation

Chittagong-Cox’s Bazar Railway Project, Phase 1 (Tranche 1)

$300 million
Urban transport projects

**Armenia**

Infrastructure Sustainability Support Program (Phase 2)

$10.5 million

**PRC**

Air Quality Improvement in the Greater Beijing-Tianjin-Hebei Region-China National Investment and Guaranty Corporation’s Green Financing Platform

$59.8 million
Urban transport projects

Viet Nam
- Greater Mekong Subregion
- Ben Luc-Long Thanh Expressway Project – Tranche 2
- $639.82 million

Solomon Islands
- Sustainable Transport Infrastructure Improvement Program
- $2.1 million

Pakistan
- Karachi Bus Rapid Transit
- $7 million
## Transport lending pipeline, 2017-19

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Projects in 2017-19 pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads (non-urban)</td>
<td>Av. annual lending of $0.6–1.2B in each of Central &amp; West, South, SE Asia regions; lower in East Asia, Pacific. In many DMCs, large programs in IND, SRI, KAZ, VIE</td>
</tr>
<tr>
<td>Rail (non-urban)</td>
<td>Expanded lending especially in South Asia in 2018, 2019. Major projects include BAN, and IND, with new rail lending in PAK, TKM, UZB, AZE, SRI, PRC, MON</td>
</tr>
<tr>
<td>Water transport</td>
<td>Small but important support for ports and shipping, mainly in Pacific: TUV, TIM, PNG, NAU, SAM, also IND and BAN</td>
</tr>
<tr>
<td>Air transport</td>
<td>Airports and related support mostly in small DMCs: NEP and PNG</td>
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<tr>
<td>Urban public transport</td>
<td>In 2017 and 2018 more support for metro in VIE, BAN, IND, THA, BRTs in several PAK cities, PRC, MON, PHI, GEO mass transit</td>
</tr>
<tr>
<td>Urban roads and traffic mgt</td>
<td>Often as part of urban development projects. ARM, GEO, MLD, KIR, BAN, LAO, PRC, IND, MON</td>
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<tr>
<td>Multimodal logistics</td>
<td>Infrastructure for inclusive growth in VIE</td>
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Emerging types of ADB transport operations

• **Mass transit** – metro, bus rapid transit

• **Intelligent transport systems** – e.g. electronic fare collection, bus info systems, travel info systems

• **Electric vehicles** – charging infrastructure

• **Energy efficient technologies** e.g. for railways, vehicles

• **Multimodal transport hubs** e.g. rail/metro/bus

• **Scaled-up structured financing** for railways and mass transit e.g. combining domestic bonds, syndicated loans, guarantees, ADB sovereign financing
THANK YOU!

ANY QUESTIONS?
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PROCUREMENT AND USEFUL LINKS


• ADB Focus Areas: Opportunities - www.adb.org/focus-areas

• ADB project details - www.adb.org/projects

• ADB’s Procurement Guidelines - www.adb.org/documents/procurement-guidelines

• Business intelligence can be collected through consultancy recruitment notices, country partnership strategies and operations business plans. Register in ADB’s Consultant Management System – www.cms.adb.org

International Aid Business Opportunities Procurement Info Seminars

• Wednesday 11 October, Melbourne, 8.30-12.30, Level 46, 55 Collins St

• Friday 13 October, Sydney, 8.30 – 12.30, Karstens, Level 1, 111 Harrington St

www.austrade.gov.au/events
2018 AUSTRALIAN CONSULTING SERVICES MISSION TO THE ADB BUSINESS OPPORTUNITIES FAIR, MANILA – MARCH 2018

- ADB BOF 2-day Educational conference and networking forum - ADB funded projects and procurement opportunities
- Over 600 international consultants, contractors, manufacturers and suppliers
- Additional Austrade sessions:
  - pre-departure briefing with ADB Executive Directors - Australian Constituency
  - one-on-one meetings and knowledge-sharing sessions with ADB officers
  - networking reception
  - briefings with other multilateral banks and aid agencies (e.g. World Bank, UN, USAID, GIZ, DFAT, Development platforms, executing agencies, local contractors)

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