

INFRASTRUCTURE

ERIA follows up the implementation of the Master Plan on ASEAN Connectivity and the Comprehensive Asia Development Plan in various countries. It also examines appropriate risk sharing for Public-Private Partnership projects.



ASEAN PPP Guidelines

By Fauziah Zen and Michael Regan

Infrastructure is vital and in increasing demand, especially in emerging economies with rapid rates of economic and population growth. There is no dispute that when an infrastructure project is selected correctly and the process to develop it is conducted efficiently, it can significantly impact on growth.

If public-private partnership (PPP) is based on a good governance process, it should be implemented in the right way, providing additional sources for infrastructure finance and supporting economic growth. Efficiency, innovation, and quality are among the key advantages sought by PPP projects. Yet, setting up and launching a PPP is no easy task.

This publication is designed to provide a common set of policy principles for member countries of ASEAN. It offers a broad framework based on best practice standards that will help government departments manage and implement PPP projects.



Financing ASEAN Connectivity

By Fauziah Zen and Michael Regan
ERIA Research Project Report 2013-15

This report gives deeper insights on how infrastructure development is being funded in different ASEAN Member States (AMSs) for ASEAN connectivity. In this regard, the Public-Private Partnership (PPP) programme is also seen as a way to help build infrastructure in ASEAN.

The AMSs have different levels of infrastructure policy, financing method, and financial capacity. The PPP programme has been significantly developed and utilised in Malaysia, Indonesia, Thailand, the Philippines, and Singapore. Whilst Cambodia and Viet Nam have not yet formalised the PPP, private sector participation has become increasingly important in infrastructure development. Lao PDR and Myanmar have potentials, but are facing multiple challenges from lack of fiscal sources for fiscal sustainability. PPP still takes a less significant role in Brunei Darussalam that has abundant public financial resources to build infrastructure.

The differences amongst ASEAN countries mentioned above are seen in many ways. The issues discussed in this report consist of the country's fiscal situation, regulatory framework, potential financial sources, the PPP in ASEAN, and the PPP in an ASEAN way. This publication will hopefully give a broader and better picture of the financing situation in ASEAN's infrastructure development and help both academics and policymakers in making recommendations and policies regarding infrastructure development in ASEAN for ASEAN connectivity.

Infrastructure Investment for Power Trade and Transmission in ASEAN+2: Costs, Benefits, Long-Term Contracts, and Prioritised Development

By Yanfei Li and Youngho Chang
ERIA Discussion Paper 2014-21

This study establishes a system approach in assessing the financial viability of power infrastructure investment for the Greater Mekong Subregion (GMS) and ASEAN Power Grid (APG) in the ASEAN+2 (ASEAN plus China and India) region. It aims to identify the financial and finance-related institutional barriers in implementing such regional power interconnectivity. A whole-grid/system simulation model is built to assess both their financial and commercial viability, which implies profitability for investors and bankability for financiers of new transmission projects with the optimised pattern of power trade. The study also determines the optimised planning of new transmission capacities. Results show that the existing planning of power transmission infrastructure in the region, so-called APG+, stands as a commercially and financially viable plan. However, planning in terms of timing, routes, and capacity of the cross-border transmission lines can be improved. The study also recommends that GMS-related projects be prioritised.