
Appendix 2

Activities of Major Donors in the Transportation Sector

The recent activities of major donors in the transportation sector have been organized in the following manner:

Region-specific activities: Asia (Mekong Subregion Development, Asian Highway, East Asia Infrastructure Studies), Africa (Regional Organizations, NEPAD and the African Development Bank, Road Improvement Activities), Central and South America

Issue-specific activities: Poverty Reduction (POVNET), Traffic Safety (GRSP), Promotion of Employment (ASIST)

Activities of Individual Donors (World Bank, Asian Development Bank, Department for International Development (U.K.))

2-1 Region-specific Activities

Activities in Asia

2-1-1 Asia

(1) Mekong Subregion Development

The Mekong River basin (extending into six countries: Cambodia, Laos, Thailand, Myanmar, Viet Nam, and China's Yunnan Province), home to a population of 250 million, has experienced rapid growth due to modernization and industrialization. However, economic disparities within the region between urban and rural areas are still large. In 1992, the Asian Development Bank (ADB) began the Greater Mekong Subregion (GMS) program with the objectives of (i) enhancing economic relations among the six countries in order to promote their developmental growth, (ii) achieving sustainable economic growth and improvements in living standards, and (iii) reducing poverty in the region. US \$1.2 billion worth of financing from the ADB, and an overall total of US \$30.9 billion from cooperating sources have thus far been invested in the GMS program.

With a view to promoting pro-poor economic growth, the ADB is treating transportation as a sector of highest priority. Emphasis is being placed on increasing roads in strategic corridors within the region, and in particular on enhancing roads that cross national borders. The development and enhancement of inland water routes and ports are also progressing. As part of the GMS transportation sector project, the ADB is undertaking "hard," or physical activities such as the upgrading of roads in the Southern Economic Corridor (Bangkok-Phnom Penh-Ho Chi Minh City-Vung Tau), the upgrading of roads and construction of bridges in the East-West Corridor (Thailand-Laos-Viet Nam), and a project for upgrading roads in Cambodia, as well as "soft" activities such as the facilitation of cross-border transportation for people and goods.

Japan sees the significance of Mekong subregion development in (i) achieving development of a wide area (enhancing relations among countries in

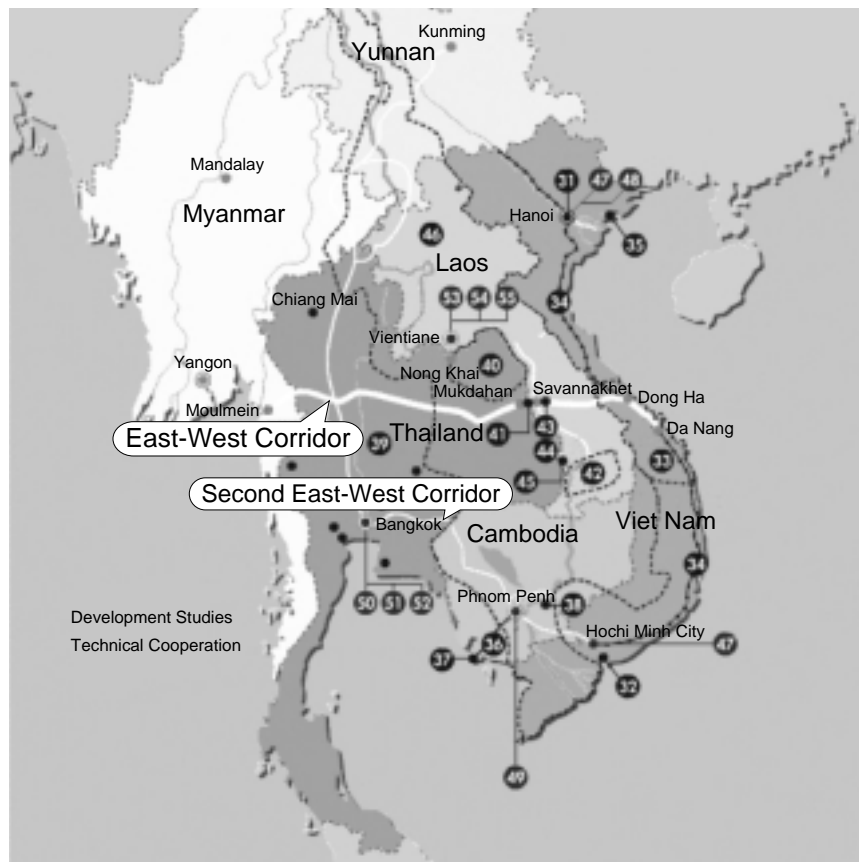
The Asian Development Bank plays a central role in the Greater Mekong Subregion (GMS) program, providing support aimed at poverty reduction and promoting economic growth.

the Mekong River basin) and (ii) correcting disparities among ASEAN members (further ASEAN integration). Japan also actively provides support for activities that meet the following conditions from both “hard” (infrastructure development) and “soft” (development studies, etc.) perspectives:

- (1) Activities that extend across national borders within the region (genuinely wide area activities, for example, the Second Mekong International Bridge)
- (2) Activities that form one part of greater plans extending across national borders within the region (activities that are in themselves domestic), for example, improvement of National Route 9 in Laos and construction of the Hai Van Tunnel in Viet Nam (part of the East-West Corridor)
- (3) Activities for which the effects of assistance can be expected to flow over to nearby countries within the region (activities that are in themselves domestic), for example, airport related activities and wide area training

While there are many international organizations and frameworks in place in relation to Mekong subregion development, to ensure that activities are carried out in an efficient and effective manner, it is essential that mutual

**Figure A 2-1 Mekong Subregion Development
(Development Studies and Technical Cooperation)**



Source: The Japanese Ministry of Foreign Affairs website: “*Mekon chiiki kaihatsu Kaihatsu chosa, Gijutsu kyoryoku*” [Mekong Subregion Development Development Studies, Technical Cooperation]

Note: Please refer to Table A 2-1 on the following page for the names of activities.

Table A 2-1 Mekong Subregion Development (Japanese Development Studies and Technical Cooperation)

Sector	Name of Activity	Cambodia	Laos	Viet Nam	Thailand	Mekong River Commission
General	33. Total Project for Social and Economic Development Focused on the Central Regions					
	36. Project Study on Total Development of the Capital/Sihanoukville Growth Corridor Region					
	40. Total Regional Development Project for the Northeastern Border Region					
	43. Total Regional Development Plan for Savannakhet					
	44. Special Economic Zone Development Plan in the Laos Border Area					
	46. Study on Hydraulic Monitoring in the Mekong River Basin					
Roads	4. Project for Restoration of National Route 6A (Phase I, II)					
	6. Project for Restoration of National Routes 6/7 (Phase I, II)					
	8. Project for Upgrading the Kampong Cham Section of National Route 7					
	10. Project for Providing Construction Materials for National Route 8					
	16. Project for Improvement of National Route 9 (Phase I, II)					
	17. The Second Project for Improvement of National Route 9					
	19. Project for Improving National Route 5 (Phase I, II, III)					
	23. Hai Van Tunnel Construction Project (Phase I, II)					
	26. Construction Work for Enhancing the Rural Arterial Roads Network (Phase I, II)					
Bridges	42. Study on the Improvement of Regional Roads in Southern Laos					
	3. Project for Restoration of the Chrouy Changva Bridge (Phase I, II)					
	5. Project for Construction of a Bridge over the Mekong River					
	7. Project for Improving Bridges on National Route 6A (Phase I, II)					
	11. Project for Upgrading Bridges on National Route 13 (Phase I, II)					
	14. The Second Project for Upgrading Bridges on National Route 13 (Phase I, II)					
	15. Pakse Bridge Construction Project					
	20. Project for Restoration of Bridges on the North-South Railway Line (Phase I, II, III)					
	28. Second Mekong International Bridge Construction Project					
Railways	30. Second Mekong International Bridge Construction Project					
	38. Basic Design Study on the Project for Construction of a Bridge over the Mekong River					
	41. Study on the Detailed Design of the Second Mekong International Bridge Construction Project					
	45. Study on the Laos Pakse Bridge Construction Project					
	34. Project for Improving the North-South Railway Line					
Airports	13. Project for Upgrading Vientiane International Airport (Phase I, II)					
	27. Construction Work on the Second Bangkok International Airport (Phase I, II, III, IV)					
	31. New Development Plan of Hanoi International Airport					
Ports	21. Project for Rehabilitation of Haiphong Port (Phase I, II)					
	22. Project for Expansion of Cai Lan Port					
	24. Project for Improvement of Da Nang Port					
	25. Emergency Rehabilitation Work for Sihanoukville Port					
	32. Project for the Development of Ports in Southern Regions					
	35. Project for Expansion of Cai Lan Port					
	37. Project for Improvement of Sihanoukville Port					
Capacity Development	1. Japan-Viet Nam Human Resources Cooperation Center (VJCC) (Hanoi)					
	2. Japan-Viet Nam Human Resources Cooperation Center (VJCC) (Ho Chi Minh City)					
	18. Establishment of the National University of Laos and the Lao-Japan Human Resource Cooperation Center (Phase I, II)					
	47. Japanese Human Resources Development Centers (Hanoi, Ho Chi Minh City)					
	48. Dispatch of Third Nation Experts					
	49. Dispatch of Third Nation Experts					
	50. Project for the Asian Center for International Parasite Control in Thailand					
	51. ASEAN Engineering Higher Education Network (Proposed)					
	52. Training in a Third Nation					
	53. Program for the Acquisition of Degrees by Diploma Level Teachers at the Faculty of Engineering, National University of Laos					
	54. Japanese Human Resources Development Center					
55. Dispatch of Third Nation Experts						

Source: The Japanese Ministry of Foreign Affairs website: “*Mekon chiiki kaihatsu Bun-yabetsu ichiran*” [Mekong Subregion Development List of activities by sector]

cooperation and coordination be promoted. Therefore, the GMS program framework, which has demonstrated tangible outcomes, is being utilized to the maximum extent possible.

UNESCAP plays a central role in moving the Asian Highway forward. It currently spans 32 countries with a total length of approximately 140,000 km.

(2) The Asian Highway Project

The Asian Land Transport Infrastructure Development (ALTID) project was launched by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in 1992. The project's focus is on the three main components of the Asian Highway, the Trans-Asian Railway, and the facilitation of land transportation. In fiscal 2004-2005 (Phase VI), cooperation among various nations is advancing with a view to actual planning and implementation.

The Asian Highway consists of 55 routes in 32 countries, with an overall length of approximately 140,000 km (as of 2004). The initial objective of the Trans-Asian Railway was to link Singapore and Turkey, with possible onward connections to Europe and Africa. And currently, there are further plans for subregional railway corridors and regional railway networks. Issues requiring examination include the problem of incompatible gauges, and the construction of 'missing links' on some routes. The Intergovernmental Agreement on the Asian Highway Network (IGA) was adopted in November 2003, with Japan signing in April 2004. Future issues moving forward include conformity with international design standards, the simplification of cross-border transportation, and the creation of a total transportation system.

Figure A 2-2 The Asian Highway Network



Source: UNESCAP website: "Map of the AH Network"

(3) South Asia

While South Asia is home to 1.28 billion people, around 22% of the world's population, it accounts for only 1.8% of total world GDP, and no more than 1% of world trade. This region is one of the world's slowest growing regions. And around 40% of the world's poor live here. Based on the increasing need for a Regional Trade Agreement (RTA) among the various adjacent countries in South Asia, the South Asian Association for Regional Cooperation (SAARC) was established in 1985.

However, given that trade and economic growth within the SAARC region is sluggish, the concept of a growth quadrangle, comprising northeastern India, Bangladesh, Nepal, and Bhutan, aimed at accelerating economic integration has been proposed in place of SAARC. The South Asian Subregional Economic Cooperation (SASEC) development program is aimed at promoting economic cooperation at the subregional level among the four countries that make up the South Asia Growth Quadrangle (SAGQ)-Bangladesh, India, Nepal, and Bhutan. With the aim of achieving growth and poverty reduction in regions suffering severe poverty due to low growth, five priority sectors have been defined: (i) transportation and communication, (ii) energy and power, (iii) tourism, (iv) environment, and (v) trade, investment and private sector cooperation. Work that spans international boundaries is proceeding in these areas.

Under the support of the Asian Development Bank (ADB), programs being planned in the transportation sector include a transportation grid of east-west railways and highways linking the eastern Indian hill states with West Bengal through Bangladesh, as well as north-south transportation corridors linking Nepal, Bhutan, and the hill states of eastern India to ports on the Bay of Bengal. This grid could also be connected to the rest of India at Calcutta through the Golden Quadrilateral.

(4) Central Asia

The objective of the Central Asia Regional Economic Cooperation (CAREC) development program is to promote economic growth and to raise living standards in Azerbaijan, China, Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan, with a focus on financing infrastructure projects and improving the region's policy environment in the priority areas of transportation, energy, trade policy, and trade facilitation. Since its inception in 1997, six technical assistance projects have been undertaken, representing US \$5.16 million invested (US \$3.26 million of which has come from the Japan Special Fund). In order to avoid economic isolation with areas outside the region, in particular East Asia, and to meet the increasing demand for cargo transportation, strategic development of the transportation system is being pursued. This involves the strategic improvement and repair of cross-border roads and railways (in particular the corridor connecting the former-Soviet-Union countries with China) that were limited due to historical and geographic factors. Activities on the policy-environment side include the prevention of corruption, capacity development, and the streamlining of border-crossing procedures.

(5) East Asia Infrastructure Development Studies

Many countries in East Asia have actively participated, through trade for example, in the globalizing international economy, and have achieved high economic growth. Furthermore, there has been a significant fall in poverty along with this growth, with the number of people living on less than US \$2 a day falling by about one third, or 250 million between 1999 and 2003. Infrastructure has played a considerable role in achieving such economic growth and poverty reduction in East Asia.

In order to determine the ideal state of infrastructure in East Asia, three organizations, the Japan Bank for International Cooperation (JBIC), the World Bank, and the Asian Development Bank (ADB) launched a joint study entitled “Connecting East Asia: A New Framework for Infrastructure” in September 2003. It is stated herein that “*Higashi ajia no tojokoku dewa, kysoku ni kakudai suru toshi, fuetsuzukeru jinko, minkan sekuta kara no juyo zodai ni taio suru tame, kongo go nenkan de doro, mizu, tsushin, denryoku nado no infura seibi ni iccho bei doru ijo no shishutsu ga hitsuyo ni naru*” [to meet the demand of rapidly expanding cities, continuously increasing populations, and rising demand from the private sector, more than US \$1 trillion of outflows will be required over the next five years for infrastructure development for roads, water, communications, electricity, and so forth], and of this around US \$30 billion will be required in the road sector.

Activities in Africa

2-1-2 Africa

(1) Regional Organizations in Africa

While there are many regional organizations in Africa, the major bodies are the East African Community (EAC), the Economic Community of West African States (ECOWAS), and the Southern African Development Community (SADC). Merits of regional integration include (i) greater economies of scale, (ii) increasing intraregional trade and the creation of new trade, and (iii) more vibrant relations with neighboring countries. On the other hand, demerits include (i) widening income disparities among countries and unemployment due to reorganization and streamlining of production within the region, and (ii) failure to achieve economic effects due to the small scale of economies.

(2) NEPAD and the African Development Bank

The New Partnership for Africa’s Development (NEPAD) is a development strategy of the African Union (AU) aimed at eradicating poverty in Africa, achieving sustainable development and growth, and integrating with the world economy and political scene. Infrastructure development has been identified as one priority area for development, and activities in this area are being pursued in accordance with the Infrastructure Short-Term Action Plan (STAP). This plan defines infrastructure development as a way of promoting regional integration, and examines road development projects and the like in cooperation with regional economic organizations in Africa.

The African Development Bank (AfDB), one of the international

NEPAD defines infrastructure development as one way of promoting regional integration. The African Development Bank implements these projects.

development financial institutes, provides support for these blueprints drawn up by NEPAD. The AfDB, in conjunction with the African Development Fund (AfDF), which conducts lending under fairly lenient conditions, and in continuous cooperation with NGOs, has recently been providing priority support for agricultural development, human development, and private sector development. Since NEPAD has no material funding of its own, the AfDB acts to implement the infrastructure projects advocated by NEPAD.

(3) Road Enhancement Activities

Road transportation is one of the most important means of transportation in Sub-Saharan Africa. Although it accounts for more than 90% of travel and cargo transportation, and connects with rural areas where 70% of the population live, only 15% of roads are paved.

Improvement and construction of international arterial roads in Sub-Saharan Africa are progressing. However, the inability of many roads to function properly as paved surfaces due to poor management and maintenance is becoming an issue.

The Trans African Highway, made up of roads commonly known as Corridors, contributes to progress and revitalization of economic zones within Africa. It runs from the Indian Ocean at the Port of Dar Es Salaam in Tanzania, and Mombasa Port in Kenya, connecting with inland countries such as Uganda, Rwanda, Burundi, and Sudan. A current issue is the inability of many roads to function properly as paved roads. Reasons for this include (i) inadequate financing, (ii) inadequate capacity for planning, implementation, and management, (iii) poor management of construction materials and equipment, and (iv) limited technical skills and materials of private sector entities.

The Sub-Saharan Africa Transport Policy Program (SSATP) is an international partnership that aims to develop and implement policies for the transportation sector in Sub-Saharan Africa. The program was conceived jointly by the World Bank and the United Nations Economic Commission for Africa (UNECA) in 1987, and currently has 17 participating member countries. SSATP is comprised of the five components of the Road Management Initiative (RMI), the Rural Travel and Transportation Program (RTTP), Urban Mobility (UM), Trade and Transportation (T&T), and Railway Reform (RR). The SSATP program tackles issues through the cooperation of countries in Sub-Saharan Africa, UNECA, the World Bank, the European Commission (EC), several European Union (EU) countries, various donor countries and private sector entities, and private society.

With regard to the area of road management and maintenance, the Road Management Initiative (RMI) of the SSATP has been carrying out activities since 1989 with the aims of achieving the system reforms and policy-making required for healthy road management, and the financing of public road services. Currently, nine donor organizations provide financing, with the World Bank as central body, giving the RMI an annual budget of around US \$1 million.

The RMI proposed the commercialization of road management by charging for road use on a fee-for-service basis and managing roads as a business enterprise. Since roads fall under the jurisdiction of government, sustainable and commercially viable road management is being pursued through four types of reforms with regard to (i) road ownership structure, (ii) a stable supply of

financing, (iii) the clarification of organizational responsibilities, and (iv) the introduction of commercial management methods. Capacity development aimed at policy reforms, the supply of information, and the development of tools are also among the various initiatives.

Currently, through the cooperation of the various donors, debate continues regarding the optimal course for road infrastructure development based on an awareness of the relationships between regional development plans and development plans for Africa as a whole, between the relative priority of economic efficiency and human security, and between regional integration and free trade.

Activities in Central and South America

2-1-3 Central and South America

(1) Plan Puebla Panama

Regional integration is being sought among small countries in Central America and the Caribbean due to the potential advantages posed by the common languages, cultures, and issues requiring resolution shared by these countries, and the rationalization that cooperation would bring. Starting with a regionalization initiative known as the Central American Common Market (CACM) that began in 1960, the Central American Integration System (Sistema de la Integración Centroamericana: SICA) has worked towards cooperation in various sectors since 1991. MERCOSUR (Common Market of the South), an agreement on customs and tariffs, was founded in 1995. With the aim of international economic and trade cooperation, it promotes economic policy cooperation in various sectors including transportation and communications, and the abolishment of tariffs. In December 2000, Plan Puebla Panama (PPP) was announced. This is an effort to promote cooperation between Mexico and Central American countries, and advocates development through the integration of infrastructure from the southern areas of Mexico all the way to Panama. An Economic Partnership Agreement (EPA) between Japan and Mexico came into effect in April 2005, further advancing coordination and cooperation between the two countries in the transportation and tourism sectors.

(2) Regional Infrastructure Integration in South America

The Initiative for the Integration of Regional Infrastructure in South America (IIRSA) seeks to improve the integration of infrastructure within the South American region. IIRSA selects transportation routes to act as axes for the integration of logistics in South America, and sectoral processes being tackled which include the facilitation of border-crossings, the standardization of logistics systems, the promotion of multimodal transportation operating systems, increased utilization of air transportation, the securing of financing for wide-area logistics projects, and the standardization of systems related to regional energy interconnections.

2-2 Issue-specific Activities

2-2-1 Poverty Reduction

The Network on Poverty Reduction (POVNET) was established in June 1998 by the Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) to discuss and develop effective development cooperation strategies for poverty reduction. The DAC's Poverty Reduction Guidelines were formulated in May 2001. From 2003, Task Forces in the three areas of private sector development, agriculture, and infrastructure were established, and they have worked together to advance debate on the issues, focused on the relation between economic growth and poverty reduction.

2-2-2 Traffic Safety

The Global Road Safety Partnership (GRSP) was initiated by the World Bank in February 1999. GRSP is based on a partnership among business, civil society, and governmental organizations, and aims to raise awareness for traffic safety, and improve safety in developing countries. Projects include educating drivers, creation of various manuals, campaigns aimed at eradicating driving while drunk, campaigns aimed at children, and strategies for infrastructure.

2-2-3 Promotion of Employment

Through the Employment Intensive Investment Programme (EIIP), the International Labour Organization (ILO) aims to facilitate employment for the poor that provides a suitable level of remuneration. The Advisory Support, Information Services and Training (ASIST) program is under operation in Asian and African countries, and works to advance development projects that meet local needs in the four areas of roads, rural infrastructure, improvement of urban living standards, and preservation of water and soil quality. The ILO advocates Labor-Based Technology (LBT). This is being implemented in countries like Kenya, Tanzania, and Cambodia where the labor force in farm villages and excess urban labor forces play an important role in the construction and maintenance of roads. Rural roads are essential for communities that lack other means of access. And not only is access being improved by the creation of soil-pavement roads with human labor, but road construction and maintenance work also provide opportunities for employment and cash income, thereby producing local benefits. Advantages also include high cost-benefit ratios and low environmental impacts.

Small-scale contracting in the ASIST program allows parts of the infrastructure development programs of governments and donor organizations to be subcontracted to the community, and this is done with the objective of maximizing the utilization of locally provided labor. This contributes to the expansion of opportunities for community capacity development and local private sector participation in the market.

2-3 Activities of Individual Donors

2-3-1 The World Bank

(1) Characteristics of Fundamental Policies and Support regarding Cooperation in the Transportation Sector

The World Bank provides a high level of support for transportation infrastructure development, which is indispensable in improving access to work, education, health, and domestic and international trade. Meanwhile, due to the rise of private sector infrastructure investment in developing countries that began in the 1990s, the World Bank's own contributions in this area fell approximately 50% between 1993 and 2002. However, following a peak in 1997, private sector investment in infrastructure has fallen, and it is unlikely that the private sector can be relied on in the future for infrastructure development. Furthermore, global debates regarding development at international conferences such as the United Nations Millennium Summit, the New Partnership for Africa's Development (NEPAD), and the World Summit on Sustainable Development (WSSD) have identified the importance of infrastructure service provision aimed at poverty reduction and economic growth. In response to this, the World Bank has begun to reevaluate its position on support in the infrastructure sector.

The Infrastructure Action Plan, which lays out a new strategy for the World Bank's infrastructure business, was approved by the Board of the World Bank in July 2003. The plan identifies infrastructure development as "*seicho no tame no hitotsu no kagi to naru hashira*" [one key factor in achieving growth], and indicates that "*MDGs tassei no tame ni infura ga kagi to naru yakuwari wo hatasu koto ga kaihatsu komyuniti no aida dewa tsuyoku ninshiki sareteiru*" [there is a high level of recognition amongst the development community that infrastructure plays a key role in achieving the Millennium Development Goals (MDGs)], clarifying the Bank's enhanced position on assistance for infrastructure.

(2) Transportation Sector Issues and the Role of the World Bank

Transportation sector issues identified by the World Bank include (i) the globalization of trade and the advancement of international logistics (multimodal transportation technology, the digitization of documents, the rationalization of customs procedures, etc.), (ii) increasing environmental pollution and traffic accidents due to traffic congestion particularly in urban areas (especially in relation to pedestrians), (iii) pressure on public financing due to inadequate management of public transportation services, (iv) financing required for improvement, and management and maintenance of existing transportation infrastructure, and (v) the sharp drop in private financing flows.

Among the roles identified for the World Bank in the transportation sector are (i) the improvement of access to markets, employment, and services with the objective of promoting social and economic development, (ii) support for public and private sector participation in the provision of transportation services, and (iii) the promotion of systems for sustainable management and funds procurement in the transportation sector.

(3) Transportation Sector Policies

As part of the World Bank's policies in the transportation sector, a document entitled "Sustainable Transport: Priorities for Policy Reform" was formulated in 1996. This document details the World Bank's experience and lessons learned in the transportation sector, and defines its role as follows:

- **Necessity for transportation sector policy:** The expansion of production and trade on a global scale, and increasing desires for higher living standards have led to the requirement for transportation sector policies that facilitate more sustainable development from both environmental and social perspectives, and also from economic and financial perspectives.
- **Economic and financial sustainability:** Cost efficiency and competition are essential in the transportation sector. Therefore, the establishment of a transportation sector based on market forces, the commercialization (privatization) of public services, and the examination of charges for the use of infrastructure (benefit principle) are required.
- **Environmental sustainability:** Transportation cost reductions that correspond with environmental considerations, charges for traffic congestion and pollution, public transportation fees and service policies, demand management, the incorporation of non-motorized transportation into land use and transportation plans, modal balance, the reduction of health-threatening impacts, and road safety are required.
- **Social sustainability:** Transportation policies for the poor (improvement of physical access), community participation in local transportation planning, transportation programs to promote employment, the reduction of occupational and spatial dislocation through the impact of transportation are needed.
- **Redefining the role of governments in the transportation sector:** There should be a shift in the role of governments from suppliers to coordinators, the creation of institutional frameworks for fair competition, the stipulation of charges for the use of publicly provided infrastructure, the creation of systems to act as a basis for increasing private sector participation, the optimum allocation of scarce public resources, and the increase of community participation in decision-making.
- **The World Bank's roles:** These are (i) Technical support for governments with regard to systems, policies, and capacity development, (ii) continuous implementation of lending programs, and (iii) establishment of partnerships at the regional, national, and international level.

(4) Poverty Reduction and Transportation

The World Bank identifies the impacts of transportation on three core dimensions of poverty: (i) economic opportunities, (ii) security and empowerment, and (iii) the spread of cooperation among sectors. It also identifies three targets for policies and strategies: (i) systems reforms with regard to transportation facilities, (ii) the creation of policies and strategies for rural transportation, and (iii) the creation of policies and strategies for urban transportation.

2-3-2 The Asian Development Bank (ADB)

(1) Characteristics of Fundamental Policies and Support regarding Cooperation in the Transportation Sector

The long-term strategy announced by the Asian Development Bank in 2001 entitled “Moving the Poverty Reduction Agenda Forward in Asia and the Pacific (2001-2015)” recognizes the important linkages between poverty reduction and the provision of infrastructure, and outlines strategies for expanding both physical and social infrastructure. In particular, emphasis is placed on expanding financing for education, health, water supply, sanitation, and shelter. And it is indicated that support should also be provided for improving governance in the infrastructure sector. The ADB is moving forward with its activities based on the objective of “*chokiteki jiritsu hatten to hinkonso no empawamento wo takameru infura no kyokyu*” [the supply of infrastructure that increases long-term independent development and the empowerment of the poor]. It is also indicated that partnerships between government and the private sector, and an appropriate regulatory environment that utilizes the principles of competition in the infrastructure sector is important for the supply of infrastructure.

Although there is no policy regarding the transportation sector at present, policies regarding other related issues, such as poverty reduction strategy and urban sector strategy, detail the roles and policies of the transportation sector.

(2) Poverty Reduction Strategy

The ADB formally adopted poverty reduction as its overarching role in 1999. The Poverty Reduction Strategy (PRS) approved in November of the same year identifies the three key elements of (i) pro-poor, sustainable economic growth, (ii) social development, and (iii) good governance. And it outlines a strategy for developing a policy framework in order to enhance these elements. Additionally, the current priority issues defined by the PRS are the environment, gender equality, private sector development, and regional cooperation.

The PRS analyzes the relationship between infrastructure and poverty reduction from the perspectives of (i) investment and services (market efficiency and promotion of employment for the poor), (ii) sustainable development, (iii) social development (provision of access and social services), (iv) governance, and (v) regional cooperation (cooperation among countries). The transportation and energy sectors are identified as making a large contribution to poverty reduction by improving access to and providing services for the poor, and promoting employment.

(3) Urban Sector Strategy

The Urban Sector Strategy formulated in 2003 identifies the following five areas for urban infrastructure and services: (i) institutional strengthening and capacity building, (ii) water supply, sanitation, and solid waste management, (iii) urban traffic, (iv) urban housing, and (v) urban land management.

Investment in the urban traffic sector is low when compared with other sectors. There are many problems to be faced when investing in traffic

infrastructure, such as a lengthy project preparation period, difficult and costly property expropriation, and vague relationships among various organizations. One useful lesson is to expand the view of approaches in urban traffic, for example, partnerships with the private sector such as BOT (build-operate-transfer), BOO (build-operate-own), pricing policies, traffic management, etc.

Urban traffic policy must support urban spaces and economic growth, and contribute to urban sustainability. The ADB has defined the following policies of high priority: (i) maximizing the benefits of traffic infrastructure, (ii) establishing clear roles for the public and private sectors, (iii) generating competitive markets, and (iv) developing public transportation alternatives.

(4) Support for Regional Cooperation

The ADB considers regional cooperation to be an important factor towards achieving poverty reduction, and provides support for the following regional cooperation efforts:

- Greater Mekong Subregion Program (GMS, 1993)
- Indonesia, Malaysia, Thailand Growth Triangle (IMT-GT, 1993)
- Brunei, Indonesia, Malaysia, Philippines East ASEAN Growth Area (BIMP-EAGA, 1995)
- Central Asian Republics (CARs, 1997)
- South Asia Subregional Economic Cooperation (SASEC, 2000)

All of these frameworks place emphasis on the role of physical infrastructure, and the improvement of work procedures (streamlining customs procedures, etc.). Issues moving forward include the extension of corridors, the procurement of finance, and the establishment of systems and institutions.

2-3-3 Department for International Development (DFID)

(1) Characteristics of Fundamental Policies and Support

The DFID, established in 1997, is responsible for Britain's support policies, from proposal to implementation in an integrated way. The objectives of the DFID's activities are based on two white papers, "Eliminating World Poverty: A Challenge for the 21st Century (1997)," and "Eliminating World Poverty: Making Globalization Work for the Poor (2000)," with the ultimate objectives of poverty reduction and achieving the Millennium Development Goals (MDGs). The DFID regards poverty reduction as a major issue, and the work focuses on "the poorest people in the poorest countries." As an approach, the DFID promises long-term financial support so that beneficiary countries are able to produce budget plans. Support is likewise provided for poverty reduction strategies that developing countries themselves control.

The DFID's activities fall under seven main themes. These are education, health and population, engineering (infrastructure and urban development), rural life and environment, social development, governance, and economics/statistics/business development, with transportation allocated to the Engineering Division of the Infrastructure and Urban Development Department (IUDD). The IUDD deals with seven sectors (energy, geoscience, transportation,

water and sanitation, urban development, environmental engineering, and information and communications technology).

(2) Support for Road Transportation

The DFID emphasizes support on the land-based transportation sector, in particular on road transportation (including transportation by foot). Two objectives can be given for the road transportation sector: (i) cost reductions in the supply and maintenance of transportation infrastructure, including the effective utilization of charges for road transportation use; and (ii) support for increased community living standards and relief from poverty through improvements of transportation services that meet the requirements of the poor.

The objectives of the transportation research program are: (i) the promotion of traffic safety to reduce accidents, (ii) ensuring reasonable road charges through the reduction of road construction, maintenance, and repair costs, (iii) the provision of cost-efficient means of transportation to the poor living in urban and other areas, such as public transportation and non-motorized transportation, and (iv) increased efficiency of national and regional transportation systems.

Furthermore, with regard to policy and program implementation, the DFID actively cooperates with other international organizations, promoting activities such as institutional strengthening and capacity building, and private sector participation. The Department works together with the World Bank, the African Development Bank, and other organizations on transportation policies for the poor.