



Scope of Initiative Infrastructure for Growth Initiative

The *Infrastructure for Growth* initiative aims to support growth, increased productivity and employment in the Asia-Pacific region by helping address infrastructure constraints through:

- High return investments in economic infrastructure: transport, utilities, and information and communication technologies; and
- More effective governance (improved policy and regulatory environments) and management of infrastructure projects.

The *Infrastructure for Growth* initiative will comprise a mix of:

- Financing for basic physical infrastructure projects (e.g. to facilitate market access and trade, including in lagging regions);
- Activities designed to improve infrastructure governance/management in specific countries or sub-sectors (e.g. to improve infrastructure policy and regulations, reduce corruption and improve the effectiveness of partner government investment in infrastructure); and
- Contributions to selected global facilities trialling innovative approaches, financing global public goods or undertaking important analytical research (e.g. in areas of public-private partnerships, output-based aid, energy sector management, climate change adaptation and clean energy use).

The *Infrastructure for Growth* initiative will invest \$505.8 million over four years. This will include \$85.1 million in 2007-08, \$119.0 million in 2008-09, \$142.3 million in 2009-10 and \$159.4 million in 2010-11.

As part of this investment, AusAID will undertake a range of activities to address priorities identified in key partner countries or through key partner organisations. Major activities planned include:

Indonesia	<ul style="list-style-type: none"> • Improving the regulation and policy that govern the provision and management of infrastructure in Indonesia to enable more reliable and efficient infrastructure through national and sub-national governments. • Provision of key physical economic infrastructure in eastern Indonesia. • Supporting the implementation of key water and sanitation policy (at both national government and community levels).
Philippines	<ul style="list-style-type: none"> • Improving the regulation and policy that govern the provision and management of infrastructure in the Philippines to enable more reliable and efficient infrastructure through national and sub-national governments. • Investing in road maintenance and rehabilitation of core road networks.
Mekong	<ul style="list-style-type: none"> • Providing and upgrading subregion transport linkages and strengthening partner government capacity to maintain key economic infrastructure. • Improving the management and efficiency of energy utilities and access to energy services. • Improving subregional border control through provision of physical infrastructure and improved management systems.
East Timor	<ul style="list-style-type: none"> • Improving capital budget execution in infrastructure, through provision of technical assistance to support infrastructure project management.
PNG/Pacific	<ul style="list-style-type: none"> • Supporting the rehabilitation and maintenance of transport infrastructure. • Supporting improved service delivery by public utilities.

Global/Regional Partnerships	<ul style="list-style-type: none"> • Supporting an agreed work program of infrastructure initiatives with the World Bank's East Asia and Pacific Division, and South Asia Division. • Contributing to World Bank and ADB facilities in key infrastructure sub-sectors.
Research	<ul style="list-style-type: none"> • Sponsoring a World Bank flagship study on the energy sector in East Asia and World Bank studies on regional development and urbanisation in East Asia.

AusAID will monitor the effectiveness of the activities under the *Infrastructure for Growth* initiative by assessing activity and initiative contribution to: economic growth through improved policy environments that encourage quality investment and management of infrastructure; improved partner government capacity to plan, manage and invest in infrastructure; and strengthened physical infrastructure.