



Australian Government

Department of Foreign Affairs and Trade

# CONNECTING TRANSPORT INFRASTRUCTURE FOR ECONOMIC DEVELOPMENT (CONNECTED)

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# OUTLINE OF PRESENTATION

- Australia's aid program in the Philippines
- Issues and Challenges of the Philippines Transport Infrastructure Sector
- Australia's proposed engagement: Connecting Transport Infrastructure for Economic Development (CONNECTED)



# AUSTRALIA'S AID PROGRAM IN THE PHILIPPINES

- Australia's Aid Investment Plan (2015-2018):
  - Goal: accelerate inclusive economic growth and political stability
  - Objective 1: enhancing foundations for economic growth including targeted investments in **infrastructure development with emphasis on transport.**
- Supports the 10-point agenda of the government particularly its target to **accelerate annual infrastructure spending to 7% of GDP by 2022**

## WHY TRANSPORT INFRASTRUCTURE ?

- Continued and sustained investment in quality and efficient public transport infrastructure as a **driver** for national economic growth



# PHILIPPINES TRANSPORT INFRASTRUCTURE: ISSUES AND CHALLENGES

- Philippines faces the challenge of inadequate transport infrastructure connectivity
  - Inadequate stock infrastructure
  - Insufficient quality of existing infrastructure
  - Inefficient management of the transport sector as a whole

# PHILIPPINES TRANSPORT INFRASTRUCTURE: ISSUES AND CHALLENGES

- Allocations for transport and other infrastructure have been increased but actual expenditure remains below allocated budget

– Fragmented transport planning

↓ National level

- poor **horizontal** coordination and communication across oversight and spending agencies
- weak **vertical** coordination across national and subnational levels of national government agencies

↓ Subnational

- Projects funded by line agencies sometimes do not reflect regional priorities (and vice versa)



# PHILIPPINES TRANSPORT INFRASTRUCTURE: ISSUES AND CHALLENGES

- Weak institutional capacities for both planning and execution:
  - ↓ policy development and planning
  - ↓ technical aspects of project preparation
  - ↓ procurement
  - ↓ resolving right of way issues

# AUSTRALIA'S PROPOSED INTERVENTION:

## Connecting Transport Infrastructure for Economic Development (CONNECTED)

### THE GOAL

Increasing economic activity for inclusive social and economic development by improving transport infrastructure connectivity

### EXPECTED OUTCOMES

- Improving coordination of national government agencies to better manage the transport infrastructure sector
- Improved planning of transport infrastructure in specific geographic locations

### IMPLEMENTATION PERIOD

Six years from July 2017 to June 2023



## PROPOSED APPROACH

- Capacity building and technical assistance
- Engagement with stakeholders
- Facility approach to implementation
  - Flexibility in engaging with new opportunities
  - Adaptive to changing situations

## INDICATIVE TIMELINES LEADING TO TENDER

- DFAT Approval of Design by November 2016
- Approach to Market in early 2017



## Question and Answer (20 minutes)



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