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ADVANCING SUSTAINABLE INFRASTRUCTURE

The Infrastructure Transaction and Assistance Network (ITAN) is a whole-of-government initiative to advance sustainable, transparent, high-quality infrastructure across the Indo-Pacific region.

Launched in 2018, ITAN advances a free and open, connected, prosperous, resilient, and secure Indo-Pacific, the goal of the [2022 Indo-Pacific Strategy](#). Under ITAN, USAID plays a leading role helping its Indo-Pacific partners to catalyze private sector investment—including from the United States—by strengthening their ability to implement and manage sustainable, transparent, and high-quality infrastructure projects.

UNPRECEDENTED INFRASTRUCTURE NEED

Spanning the California coast to the western shores of India, the Indo-Pacific is home to the world's fastest growing markets and offers unprecedented potential to strengthen the U.S. economy while improving lives in Asia and around the world. The region's rapid expansion has resulted in tremendous demand for infrastructure, for which the financing shortfall is massive. By Asian Development Bank estimates, Asia needs \$1.7 trillion in infrastructure investment each year for the foreseeable future to maintain growth. Today, Asia invests \$881 billion annually—barely half of what is needed.

The availability of seemingly quick and non-transparent financing has resulted in unsustainable debt for some countries. Furthermore, infrastructure deals without best-value analysis or appropriate environmental and social safeguards have led to irresponsible infrastructure development that threatens the livelihoods of vulnerable populations and erodes natural resources vital to the long-term growth of partner countries. This consequently compromises country sovereignty and sustainable growth. Improved enabling environments and increased capacity to attract—and maintain—private sector investment for infrastructure development are crucial to helping Asia overcome this key constraint.

PHOTO CREDIT: USAID VIETNAM

ADVANCING SUSTAINABLE INFRASTRUCTURE IN THE INDO-PACIFIC

USAID is leveraging its technical expertise, enduring in-country presence, and convening power to help the Indo-Pacific region overcome its infrastructure constraints to long-term growth. To unlock access to sustainable, transparent high-quality infrastructure, USAID helps advance reforms to laws, regulations, and policies to ensure fair and open market competition and level the playing field for legitimate players—including the U.S. private sector. In addition to creating an enabling environment for infrastructure development, we focus on assisting our partner countries in effectively planning for, pursuing, and managing their infrastructure needs.

We build on significant success and experience in this area. For example, in the Philippines, USAID assisted the government to formulate the market study, engineering design, cost estimates, and economic analyses for expansion of the country's seventh-busiest port. With port traffic ballooning 8% each year, growing congestion has stifled travel and trade connectivity while increasing bribery and extortion. As a result of USAID's analysis and recommendations for the port's expansion, the Government of the Philippines allocated \$11 million for the project, which will increase the port's capacity by 62%, reduce shipping times, slash freight and ferry costs by one-third, and introduce new trade and tourism routes that will expand regional market access.

Under ITAN, USAID is launching new programs and expanding efforts that help countries to:

- foster open and transparent procurement processes;
- build capacity of countries to conduct feasibility studies and bid documents;
- prioritize public-private partnerships in infrastructure development to reduce dependence on predatory credit financing arrangements;
- allocate government resources on infrastructure projects with the highest returns in order to optimize use of fiscal resources;
- implement robust infrastructure-related environmental and social safeguards; and,
- enhance government revenue through measures that make tax administration more efficient and public financial management more effective in order to improve countries' sovereign credit ratings necessary to attract more legitimate investors and creditors.

For example, at the request of the Government of Maldives, USAID conducted a financial cost benefit analysis of the Greater Malé connectivity projects procurement process to ensure only high quality, commercially viable projects are pursued. The connectivity projects are currently one of the largest infrastructure projects in Maldives and will connect four islands in the capital region.

ITAN'S TRANSACTION ADVISORY FUND: To supplement the above activities, USAID is implementing ITAN's Transaction Advisory Fund (TAF), which provides partner countries with access to legal and technical assistance needed to ensure sustainable, transparent, and high-quality infrastructure development. This includes advisory services to help boost partner countries' capacity to evaluate contracts and assess the financial and environmental impacts of potential infrastructure projects. TAF services range from legal services, to offering pre-feasibility studies, debt sustainability analyses, and bid/proposal evaluation.