The Transport Sector Directional Guide (TSDG) provides strategic direction for support by the Asian Development Bank (ADB) to the transport sector through 2030. It describes priorities guiding the bank’s partnerships with developing member countries (DMCs) through financing, knowledge sharing, and technical assistance, to promote the efficacy of ADB’s transport-related investments.

Given its role as an enabler of development, the sector has traditionally been a large part of ADB’s technical and financial assistance to DMCs. The support is based firmly in the sector’s role in enabling development; responding to clients’ emerging needs; supporting international agreements; and achieving ADB’s corporate objectives to deliver programmatic support for network infrastructure development, enhanced transport operations, and mitigation of the sector’s negative externalities. The use of financial and technical support, combined with knowledge support to DMCs and nonsovereign operations, will ensure the integrated requirements of transport infrastructure, transport activities, and transport sector externalities. Promoting inclusive development and reducing inequalities are fundamental in the transport’s overarching objective to provide access and improved connectivity. The support to operational priority 1 (OP1) to address remaining poverty and inequalities will require comprehensive transport systems that serve all, be they be in rural areas (OP5), in urban areas (OP4), or for regional connectivity (OP7). The need to get transport on a cleaner course is of utmost importance. Transport can also address gender inequality by providing suitable access and mobility options. Gender-based violence is pervasive in public spaces and in mobility systems in Asia and the Pacific. The broad range of development needs across the region will require differentiated approaches in ADB assistance, tailored to better support clients.
Where We Are

Economies across the region have a profound deficit in transport infrastructure and activity, and thus must continue to build, manage, and improve transport infrastructure and services that facilitate the movement of both people and goods. It is the provision and use of transport infrastructure and services that is fundamental in meeting the growing demand for travel and in the sector’s role to support equitable growth.

Increasingly, ADB clients are looking to ADB for support in areas that pose the greatest challenges, such as aging infrastructure, urbanization, institutional reform, and environmental pressures. Clients are becoming increasingly advanced, and ADB’s transport sector support must adapt to provide the expertise, knowledge, partnership, and insight to support them.

The TSDG assesses the status of transport systems across Asia and the Pacific, the emerging challenges, and how ADB can best position itself to add value in its assistance to the sector. In alignment with ADB’s Strategy 2030, the bank’s TSDG outlines its key priorities and evolving approaches to provide the most relevant transport sector assistance through 2030.

What We Will Do

This guide details ADB’s vision for transport as part of the bank’s Strategy 2030—to drive development across Asia and the Pacific toward a prosperous, inclusive, and sustainable future. ADB’s assistance will target DMCs’ transport needs, adding value, and tackling the sector’s increasing complexities.

Where We Want to Be

Support for stand-alone infrastructure projects is still required to meet the large transport infrastructure gap across the region. Considerable investments are still required to fill this infrastructure deficit, which impacts network coverage, accessibility, and cost of transportation. Broader policy and programmatic support is being sought for integrated, multisector, cross-cutting transport systems and services. This shift to programmatic assistance allows ADB to help DMCs address their transport challenges by delivering infrastructure, improving operational efficiencies, and minimizing externalities—all on a scale that will have a meaningful impact.

A differentiated approach will be required for the range of ADB DMC clients. There is no one-size-fits-all solution, and ADB must ensure its assistance is relevant and adds value on a case-by-case basis. Also, given the important role that the private sector plays in the transport sector, nonsovereign operations will have an increasingly important role to play in establishing the enabling environment to support capital inflows to deliver financial needs.

ADB’s transport sector assistance will focus on the following goals:

• Integrated transport systems. Developments will include (i) integrated, multimodal transport systems providing equitable access through rural, urban, and regional connectivity; (ii) transformational, new infrastructure; and (iii) the maintenance, operation, and management of assets.
• **Improved accessibility.** To manage rising demands for moving passengers and goods domestically and internationally, ADB will encourage inclusive and affordable solutions, increasing its support for transport policy, operations, and institutional reform.

• **Reduced negative externalities.** ADB will address these by supporting the regional transport sector’s compliance with international agreements such as the Sustainable Development Goals, the Paris Agreement, and the United Nations Decade of Action for Road Safety; all activities will be aligned with ADB’s Strategy 2030 and its seven operational priorities.

**Focus Areas**

The figure demonstrates how the complex sector components come together, and how the TSDG is formulated to realize three future transport sector focus areas. ADB’s support is based firmly in the sector’s role in enabling development; responding to clients’ emerging needs; supporting international agreements; and achieving ADB’s corporate objectives to deliver programmatic support for network infrastructure development, enhanced transport operations, and mitigation of negative externalities.

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**Figure: Transport Sector Directional Guide Development**

- **Future Assistance Focus**
  - **Integrated transport systems**
    - Urban transport
    - Regional connectivity
    - Asset management
  - **Inclusive and affordable transport activity**
    - Inclusive and affordable
    - Institutional capacity development
    - Monitoring and/or reporting
  - **Reduced transport sector negative externalities**
    - SDGs
    - Climate change
    - Road safety

- **ADB Strategy 2030**
  - OP1. Poverty eradicated and inequalities reduced
  - OP2. Accelerate progress in gender equality
  - OP3. Climate change, disaster resilience, enhancing environmental sustainability
  - OP4. Making cities more livable
  - OP5. Promoting rural development and food security
  - OP6. Strengthen governance and institutional capacity
  - OP7. Regional cooperation and integration

- **International Agreements**
  - Sustainable Development Goals
  - Paris Agreement
  - United Nations Decade of Action for Road Safety
  - Aichi Declaration

- **Emerging Needs, Challenges, and Opportunities**
  - Aging infrastructure and asset management
  - Life cycle assessment of design and operations
  - Policy and programmatic approach
  - Innovation and big data (Asian Transport Outlook)
  - Advanced technologies and enhanced operations
  - Targeted knowledge products and dissemination
  - Sovereign and nonsovereign support
  - Partnerships leveraged for knowledge and finance

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ADB = Asian Development Bank, ATO = Asian Transport Outlook, OP = operational priority, SDG = Sustainable Development Goal. Source: ADB (Sustainable Development and Climate Change Department).
**Integrated transport systems.** Transport systems must be integrated, interconnected, and provide full coverage. ADB assistance should resolve missing transport links to complete networks for equitable accessibility across rural, urban, and regional areas. Such developed systems should incorporate the best complementary modes of transport for freight and passengers. The bank will promote multimodal transport solutions—with carrying capacity, growth, value, and equitable access the key considerations in critical infrastructure investments. Where ADB provides infrastructure assistance, connections to wider transport systems should be included whenever possible in broader financial and technical support, alongside assessments of project impacts.

**Improved accessibility.** Accessibility is relevant at many levels and applicable to SDGs for rural and urban access. A key focus of regional cooperation is a well-functioning regional multimodal transport connectivity, for which ADB will continue its support to cross-border transport systems, including addressing nonphysical barriers to the cross-border movement of goods and people. Transport activity should be an increased focus of sector assistance, and more understanding is required of the demand for travel and travel options. ADB should increase its focus on supporting transport operations and transport system management, and accommodating a greater role for the private sector. ADB should support the development of policy assistance and channel support to transport system operations.

ADB’s support for DMCs in the development of transport sector policy can help to achieve the greatest impacts. It is vital to see clearly how transport systems can improve access and economic growth, as well as building institutional structures for planning, implementing, and managing the movement of people and freight. Linked to such policy development and implementation is the need to foster transport operations, including transnational services for passengers and cargo. Strengthening institutional capacities, while focusing on policy and programmatic support, will be crucial for DMCs—so ADB will encourage reforms to nurture the environment and governance that can enable sustainable transport systems.

**Reduced negative externalities.** For greater impacts, ADB will deliver programmatic assistance to the transport sector. This will focus on establishing sustainable transport systems—with the policies and institutional environments, monitoring mechanisms, and governance needed for long-term development. Beyond deliveries of infrastructure, more emphasis will be given to improving transport management and operating systems. Innovative infrastructure that is new to DMCs will also be supported, to consolidate quality demonstration projects, such as urban mass transit and long-distance railways.

Full-scale decarbonization of the transport sector should be the aim, and ADB will provide policy and financial support to DMCs to meet such an objective. Approving the Disaster and Emergency Assistance Policy in 2021, ADB increased its role in improving post-disaster reconstruction. The bank supports the G20 Principles for Quality Infrastructure Investment. ADB will also augment its promotion of road safety across the region, in line with the United Nations Decade of Action for Road Safety. ADB will make full use of the emerging big data sources and digitization technologies that will allow for the wide-scale, multimodal monitoring, and management of transport activity. Greater emphasis will be given to the collection and analysis of transport activity data for both people and freight.

**Future Assistance**

Identifying potential areas for assistance and aiming to facilitate optimized, sustainable outcomes, the TSDG highlights specific actions that ADB will take in the transport sector to align such support with the operational priorities of its Strategy 2030.

ADB assistance will be needed to resolve missing transport links, fostering equitable accessibility and completing networks across rural, urban, and regional areas—which should form part of integrated, multimodal transport solutions. A key focus of such support will be increasing the overall value of infrastructure and operations through an effective transport network.

**Roads.** Roads will continue to form the most important transport network in nearly all DMCs, due to their flexibility and lower costs. As a trusted partner in road network development, ADB’s support should focus on resolving key missing links and fostering equitable access, to secure sustainable assets and manage negative externalities—such as local and global emissions—while also promoting road safety. Decarbonizing road transport should be a major plank of the bank’s policy support.

**Railways.** Railways can carry larger volumes and should be considered as the best solution to meet passenger-carrying capacity on the highest-demand sections of an integrated transport system. Railway operations are as important as the physical infrastructure, and increased focus on institutional structures, operations, and business practices should be included alongside any physical infrastructure support.
Aviation. Demand for air travel is growing rapidly across Asia and the Pacific following the pandemic. The aviation sector is a potential growth area in sovereign and nonsovereign operations.

Maritime. The maritime subsector, internationally and nationally, should be an area of increased focus for ADB assistance. ADB support in the maritime subsector should focus on international trade routes and connectivity, as well as coastal, interisland shipping, and inland water transport.

Urban transport. Cities across the region are struggling to meet increasing demands for travel. ADB should continue to support major infrastructure investments such as rail-based mass transit systems, as well as bus and paratransit services in public transport modernization programs.

Asset management. Effectively managing assets is a highly cost-efficient strategy that brings substantial returns on investments. ADB will encourage better asset management, and build capacities within DMCs’ institutions to deliver routine and periodic maintenance programs.

Policy development. In strengthening DMCs’ transport sectors, ADB can facilitate the greatest impacts by supporting policy development and implementation—which will be critical for sustainable transport systems. Through results- and policy-based lending, ADB will consolidate a new, significant line of support for DMCs. Institutional capacity building, with greater focus on policy and programmatic support, can benefit members. The bank will boost reform programs to create the environment and governance needed for sustainable transport systems and services. ADB will also help DMCs develop transport operations and large-scale, complex infrastructure projects, with asset management. Knowledge will be shared where required in targeted support, including areas with particular regional elements.

The first full evaluation of Strategy 2030 will cover 2020–2024. A midterm assessment of the TSDG will be scheduled for 2027, then recommendations will be prepared to guide its further implementation.

Read the Transport Sector Directional Guide in full here:


On the cover:
ADB works across Asia and the Pacific to promote safe, accessible, and green transport infrastructure and services in countries such as Maldives, the People’s Republic of China, the Philippines, and Thailand.
All photos are by ADB.

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