GREEN CITIES INITIATIVE

Green Cities:
RETA 8314 - SEUW
Towards a Sustainable Urban Future in Southeast Asia

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Asian Development Bank
Economic growth
Growing cities, growing waste…. 
....diminishing natural resources
time for CHANGE
Green Cities
bridging urban planning and environment management
SEUW Green Cities Initiative

Global Institutions

ADB

National Government + Cities

Urban Management Partnership

Private Sector
ADB
Civil Society
Global Institutions
Government

Green City Action Plans

Urban Infrastructure & Services
Energy Efficiency
Climate Resilience
Sustainable Transport

Knowledge Sharing

Green Finance

Projects
I. Green City Action Plans
– Vision, goals and a time based plan
– spatial development plan, socio-economic and environmental co-benefits,
– investment program, leading to environment quality improvements, climate resilience, and revenues
– performance monitoring indicators for green targets,
– institutional mechanisms
– innovative financial modalities
– citizen’s feedback system to ensure accountability
II. Urban Management Partnerships

Peer-to-Peer learning for urban transformation

- Engage “mentors” from “transformed cities”, municipalities, utilities, academia, private sector, local government
- Sharing knowledge, practices and processes of change
- Improving competency in integrated urban & environmental planning, climate resilience, energy efficiency and project management
- Skill development and vocational training
- Innovative financing mechanisms for urban infrastructure

The partnership will be replicated to other countries in the region.
Green Financing for Cities

**National Government**
- Viability Gap for PPPs
- Tax Incentives
- Enabling Laws & Regulations
- FX Cover

**ADB + Global Funds**
- Debt / Equity
  - Longer Tenor Funding
  - Project Financing ➔ Refinanced with Private Sector
- Credit enhancement
  - Partial Loss Guarantee
  - Political Risk Guarantee

**Co-Financing from Private Investors:**
- Local private sector banks
- Pension funds
- Insurance funds
- Islamic investors

**Specialist Green Investors / Donors**
- Social impact investors
- NGOs
- Corporations (CSR)

**Asian Green Infrastructure Fund**

Attractive Financing for Cities’ Green Infrastructure Projects
Hue – UNESCO Heritage City
Vinh Yen – Competitive Green City
• **ADB Interventions in IMT-GT**
  – Melaka Green City Action Plan (GCAP)
  – Songkhla, Thailand
  – Medan, Indonesia proposed under TA for Green Cities in Indonesia
  – Investment projects
Malaysia, Melaka - Green City – (in progress)

To become a green city, Melaka will:

**Increase climate resilience***
- Increase protection of communities from flood risks
- Assess construction standards for storm events
- Reduce heat island effect

**Improve natural resource efficiency and management***
- Reduce surface/groundwater pollution
- Enhance ambient air quality
- Minimize urban land pollution
- Address degradation of ecosystems

**Upgrade infrastructure for low carbon growth***
- Promote energy efficiency / renewables
- Pursue zero waste targets
- Promote alternative modes of transportation

*Note: Increasing climate resilience, improving natural resource management, and upgrading infrastructure are not mutually exclusive directives. The actions proposed under one may also benefit concerns related to the other two.

Community consultations and stakeholder engagement
Upgrade Infrastructure for Low Carbon Growth – Promote Alt Modes of Transportation

Potential Actions - Melaka

**Potential Institutional / policy change**

- Pedestrianization of historic centre
- Integrated transportation planning and regulatory body
- Promote urban density that supports a walkable environment

**Potential Projects**

- Increase connectivity and extent of ‘safe’ pedestrian and bicycle network
- Promote rail and buses connectivity between Melaka and the region
- Promote the use of River Melaka for transportation

Pedestrianized street in Beijing

Promote use of fuel efficient boats
Result

• Green Cities
  – Livable
  – Drivers of economic growth
  – Low carbon footprint
  – Ecological approach to urban planning
  – Climate resilient
Implementation challenges ….. will require

- Coordination between multiple government agencies, private sector, community organizations and citizens
- Adaptive management approach where the actions can be modified if needed (based on monitoring, evaluation of baseline data, and citizen feedback)
- Capacity building and project management efforts
- Knowledge of funding sources and facility to raise capital
- Tools and database to monitor plan implementation
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• Concept only
• Aligned with plans and activities of government (Bappenas & MPW)
  – Green City Development Program (*Program Pengembangan Kota Hijau-P2KH*)
• Based on ADB’s strategy
• Focus on 4 cities
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Issues to be addressed:

• High urbanization rate
  – Between 1990 and 2010, the urban population has more than doubled from 56 million to around 128 million

• Lack of infrastructure
  – chronic underinvestment
  – US$ 150 billion of investment in infrastructure is necessary to keep pace with urban demand
Issues to be addressed:

• **Climate change vulnerability**
  – extremely vulnerable to climate change – sea water rise
  – 42 million people living less than 10 meters above sea level

• **Need for integrated planning**
  – integrate economic growth and environmental sustainability to improve the quality of life
  – knowledge sharing, capacity development, and multi-sector coordination.
Main activities

• green city action plan
• identification of innovative financing mechanisms
• development of urban management partnerships
• small scale pilot project in two cities
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Green city action plan

• mainstreaming an integrated urban planning and development process (environmental criteria, social inclusiveness and climate change adaptation)

• create a pipeline of projects and key investments for green cities
Innovative financing mechanisms

- public financial constraints
- new financing sources and partnerships (private sector, charges & fees, loans & bonds, carbon finance, etc)
- green financing; capacity building
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Urban management partnerships
• Capacity development: national and local governments, civil society, and the private sector
• Linkage with national strategies
• Knowledge sharing – linkage with regional knowledge hub
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Small scale pilot project
• to be implemented through the Learning and Action Alliances (LAA) approach, supported by UNESCO-IHE (IHE)
• develop a concrete plan for a clearly identified urban area
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Result (outcome):
- improved city management’s capacity in integrated planning and management of urban infrastructure

Objective (impact):
- integrated urban planning and management system adopted by the relevant departments in the project cities
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How:

• Coordination: ADB, BAPPENAS (Directorate of Urban and Rural Affairs, EA), MPW (Directorate General of Spatial Planning of the Ministry of Public Works), Tim Koordinasi Strategis Pembangunan Perkotaan Nasional

• Implementation: City working groups (local governments, private sector, academia, industry, nongovernment organizations, and community-based organizations), consultants and UNESCO-IHE (inception phase: detailed implementation arrangements, may differ for each city)
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- Finalize concept based on workshop results
- Circulate for comments to Bappenas, MPW, cities.
- Finalize and approve concept
- Start TA in 2014 (2.5 years)
Look forward to a strong partnership for Green Cities

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