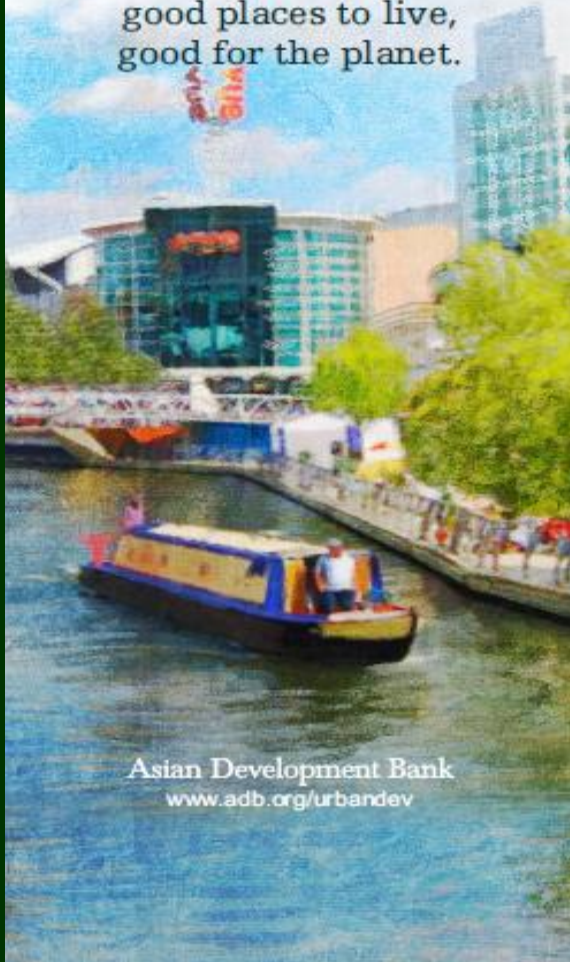




ADB

**Green Cities:**  
good places to live,  
good for the planet.



Asian Development Bank  
[www.adb.org/urbandev](http://www.adb.org/urbandev)

# GREEN CITIES INITIATIVE

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

Siti Hasanah

Sr. Project Officer

Indonesia Resident Mission

South East Asia Regional Department

Asian Development Bank



ADB

# Economic growth





# Growing cities, growing waste.... ....diminishing natural resources

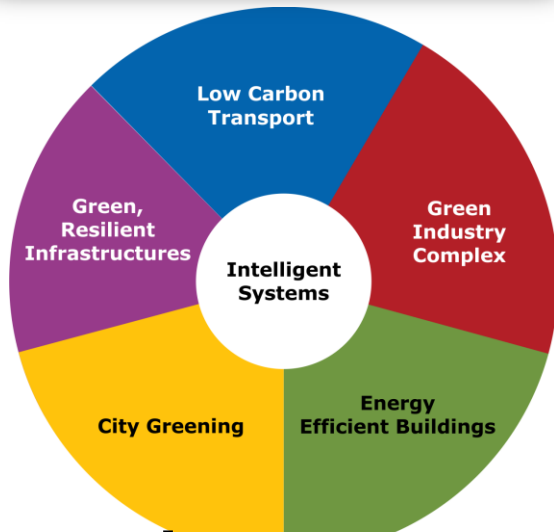






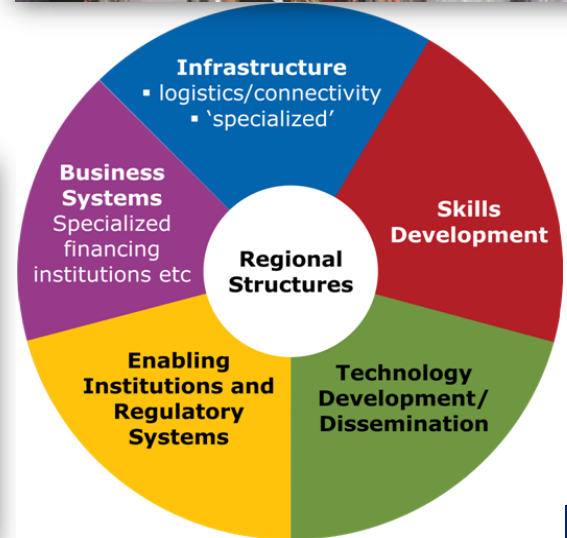
# Green Cities

bridging urban planning and environment management



**Environment**  
**green**

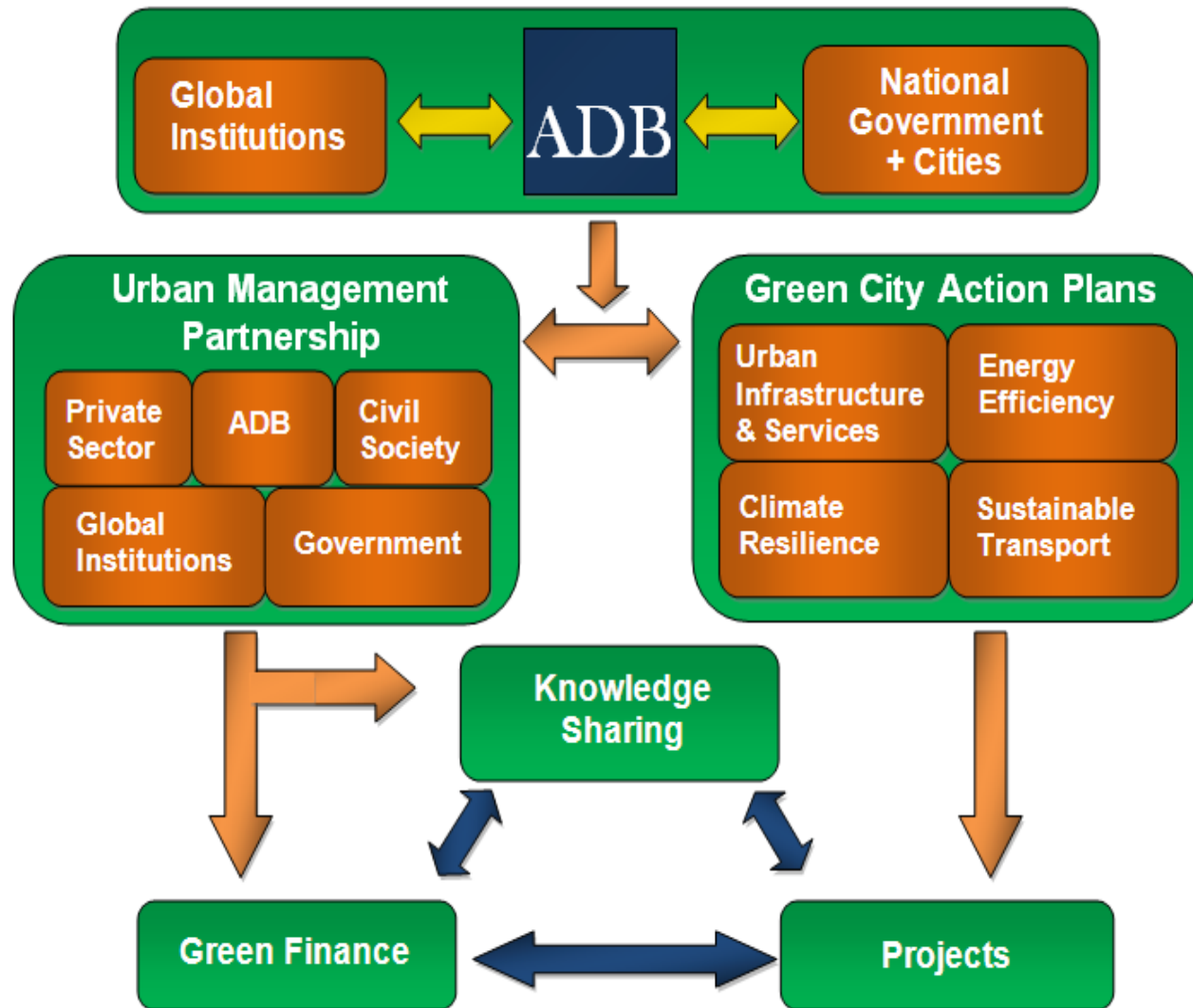
**Equity**  
**inclusive**



**Economics**  
**competitive**



# SEUW Green Cities Initiative



# RETA – 8314 – outputs

## 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



# RETA – 8314 – outputs

## 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:

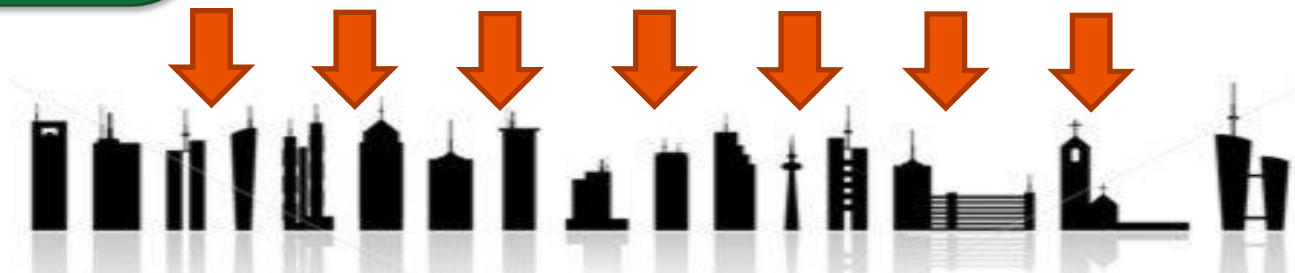
- Local private sector banks
- Pension funds
- Insurance funds
- Islamic investors

## 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

## Community consultations and stakeholder engagement

# 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

# Green Cities Indonesia

- Concept only
- Aligned with plans and activities of government (Bappenas & MPW)
  - National Urban Development Policy and Strategy (*Kebijakan dan Strategi Pembangunan Perkotaan Nasional* – KSPPN)
  - Green City Development Program (*Program Pengembangan Kota Hijau-P2KH*)
- Based on ADB's strategy
- Focus on 4 cities





# Green Cities Indonesia

## 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



# Green Cities Indonesia

## 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.



# Green Cities Indonesia

## Main activities

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





# Green Cities Indonesia

## 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



# Green Cities Indonesia

## Innovative financing mechanisms

- public financial constraints
- new financing sources and partnerships (private sector, charges & fees, loans & bonds, carbon finance, etc)
- green financing; capacity building



# Green Cities Indonesia

## 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



# Green Cities Indonesia

## 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





# Green Cities Indonesia

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



# Green Cities Indonesia

## 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)



# Green Cities Indonesia

- 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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