Linking Resilience Planning to Infrastructure Financing

Session A3: Resilience

Joris van Etten 28 February 2014
Financing Asia’s urban challenge

Estimated urban environmental infrastructure investment requirement $100 billion/year

Current Annual Investments
US$ 40 billion

- 20% Private Sector
- 10% ODA
- 70% Public Sector

60% Investment “Gap”
US$ 60 billion/year

?
Securing financing for infrastructure investments which increase resilience
What is CDIA?

FROM PLANS TO IMPLEMENTATION:
LINKING ASIAN CITIES TO INFRASTRUCTURE FINANCE

CDIA is a regional initiative established in 2007 by the Asian Development Bank and the Government of Germany, with additional support of the governments of Sweden and Austria and the Shanghai People’s Municipal Government.

The Initiative provides assistance to medium-sized Asian cities to bridge the gap between their development plans and the implementation of their infrastructure investments.
CDIA: Supporting cities with:

- Setting Priorities
- Making Projects Bankable
- Linking Projects to Financing
City Interventions

53 Cities → Pre-Feasibility Studies 80

Sectors
- Energy Efficiency, 5, 6%
- Slum Upgrading, 3, 4%
- Water Supply, 7, 9%
- Solid Waste Management, 10, 13%
- Urban Transport, 21, 26%
- Flood & Drainage Management, 15, 19%
- Urban Renewal, 10, 12%
- Wastewater Management, 9, 11%

PFS projects status
- Ongoing, 31
- Completed, 44
- Deferred, 5
CDIA City Interventions

38 PFS linked to finance

57 Cities
85 PFS
59 PFS completed
Infrastructure Investment Value

7.3 USD billion

CDIA Investment (55.115 million)

Infrastructure Investment Value

100 $ Million

1 $ Billion
Infrastructure Investment Value (Expected)

7.3 USD billion

CDIA Investment (55 US million)

Infrastructure Investment Value

100 $ Million

1 $ Billion
Options for financing actions

- **National Climate Financing**
  - NAMA, NAP, Trust fund
  - Special Funds/Grants/Programs

- **Local funding sources**
  - Taxes, Fees, Charges

- **National Budget Systems**
- **Capital Markets**
- **Private Sector Involvement**
  - PPP, Contracting

- **International**
  - ODA
  - Carbon Market
  - CDM, TC/FC Projects (Loans, Grants)
  - Opportunity for direct access to new green climate fund?

- **Local**
Initial contributing donors will be the Government of the United Kingdom through the Department for International Development (DFID) and the Rockefeller Foundation. ADB administers the fund.

Initial focus will be given to six Asian countries:

- Bangladesh
- India
- Indonesia
- Pakistan
- Philippines
- Vietnam
Selected City Interventions

Pakse, Laos

CDIA Support: US$ 439,000

Sector Interventions

1. **Drainage, Flood Protection and Sanitation**
   Investment Value: US$ 25.6 million

2. **Solid Waste Management**
   Investment Value: US$ 1.8 million

3. **Green Infrastructure**
   Investment Value: US$ 6.2 million

Linking to Finance

ADB Pakse Urban Environmental Improvement Project
Selected City Interventions

Semarang, Indonesia

Climate Proofing and Revitalization of Pasar Johar in Semarang

CDIA Support: US$ 220,000

Key questions

1. Technical challenges related to flooding
2. How to address social issues (sellers and buyers at the market)
3. How to finance the project?

Linking to Finance

- Central government,
- Public-Private Partnership
- ADB green cities program
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