Supporting Environmentally Sustainable Urban Development in Asia

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Challenges for Sustainable urbanization

- Rapid urban growth
- Multiple agencies/ divided mandates in the urban sector
- Financing gap- a quantitative annual gap of USD 60 billion in urban infrastructure investments
- Weak project administration capacity of governments
- Vulnerability to Climate Change related disasters
- Poor solid waste and wastewater disposal
- Lack of Integrated planning
Finance ++ at ADB

• Operations will average at $22 billion annually in 2014-2016

• Co-financing is $8.7 billion (average)

• Technical Assistance is $300 million (average)
ADB’s Private Sector Operations

- Finance private transactions in sector investments
- Mobilize third-party capital
- Fund investments
- Portfolio Management
Developing GrEEEN cities (Economy, Equity, Environment):
- First GrEEEN cities project to be approved in Vietnam, 2016 (Hue, Vinh Yen, Ha Giang)
- Sponge cities in China

Integrated approaches to Urban Development:
- Promoting cross-sectoral work in program design
- Sustainable urban transport projects in Vietnam (Hanoi, Ho Chi Minh) and Pakistan
- Visakhapatnam-Chennai Industrial (Economic) Corridor in India

Strategic Partnerships:
- Leveraging co-financing for innovative projects (through GEF, GCF etc)
- Managing trust funds with contributions from various development partners (eg UFPF).

Enhancing Urban Climate Change Resilience:
- Projects incorporating climate change adaptation and mitigation measures
- Special grants available for project development and TA
- Doubling climate finance by 2030

Monitoring using the Sustainable Development Goals (Goal 11):
- Results Framework being aligned with SDGs
- ADBs strategy 2030 currently under development

Integrating Environmental Sustainability into ADB urban operations
Leveraging Support for Environmentally Sustainable Cities

Green Cities in Viet Nam & Sri Lanka - GEF
- Global partnerships on integrated cities approaches
- Climate change mitigation / adaptation & ecosystem-based approaches

Urban Climate Change Resilience trust fund
- Multi-donor trust fund to support medium sized cities in making climate change a central element of city planning
- Will support 6 transactions including PAK, IND, BAN, MYA, VIE

Cities Development Initiative of Asia
- Provides technical support to develop feasible project planning.
- Supporting 13 transactions including in GEO, PAK, IND, BAN, CAM, VIE, PRC, MON
Leveraging Support for Environmentally Sustainable Cities

**Urban Financing Partnerships Facility (UFPF)**
- Pools funds from development partners for supporting urban development activities that benefit especially the urban poor.
- Supports Prefeasibility and investment grants

**Japan Fund for Joint Crediting Mechanism**
- Provides financial incentives for the adoption of advanced low-carbon technologies in projects financed by the ADB.
- Pipeline: projects Waterworks and wastewater projects in Cambodia and Viet Nam

**Future Cities Program**
- Technical assistance for providing integrated planning and support to cities.
- Tbilisi, Colombo, Mandalay, Ho Chi Minh City, Bandung, Ulaanbaatar and Suva
- Centers of Excellence: WRI, CRCWSC, ETH-Zurich
Climate resilient infrastructure

- Create a Climate Finance Tracking Team
- Undertake Urban development projects with climate resiliency features (VIE: Secondary Cities Development Program-Green Cities project)

Use of high-level technology

- Use of desalination (reverse osmosis) technology in upcoming projects (Jaffna, Pacific)
Thank You

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2015 Spotlight Projects

VIE: Urban Environmental & Climate Change Adaptation Project
- $100 million
- Investments to reduce coastal flooding through dune stabilization
- Capacity building on climate resilience
- Supported by the UCCRTF

GEO: Urban Services Improvement Investment Program
- Introducing operational efficiency through design-build-operate contracts
- Engaging a private company to improve institutional effectiveness of the Water Company
- Applying geospatial technologies to WSS utility operations

BAN: Dhaka Environmentally Sustainable Water Supply Project
- Ongoing support to Dhaka for non-revenue water reduction
- $250 million design-build-operate contract for water intake, treatment and transmission – largest in the urban water space

PRC: Western Counties Water & Wastewater Management Project
- Private sector participation
- Multisector concessions to improve resource efficiencies
- Use of cost competitive technologies

(Reference)
Knowledge Products

- Green City Development Toolkit
- Greenhouse Gas Inventories for Urban Operations in Southeast Asia: Challenges and Opportunities
- Strengthening City Disaster Risk Financing in Vietnam
- HUE Green City Action Plan

Upcoming Knowledge Products

- “On the Road to Somewhere” – 3rd GMS Corridor Towns Project
- Toolkit for Inclusive Urban Development Projects
- Manual for National Urban Assessments
- Diagnostic Reports for the Future Cities Program
Climate resilient infrastructure

- Create a Climate Finance Tracking Team
- Urban development projects with climate resiliency features:
  - VIE: Secondary Cities Development Development Program
  - IND: Kolkata Environmental Improvement Investment Program (T2)
- Urban water projects with climate resiliency features:
  - BAN: Dhaka Water Network Improvement Project
  - FIJ: Urban Water Supply and Wastewater Project

Upcoming Initiatives