

ADB's Strategic Approach for the SDGs

Herath Gunatilake, Director
Environment and Safeguards Division,
Sustainable Development and Climate Change Department



The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.

ADB Strategy: Relevance to the SDGs



ADB, IED 2017. Topical Paper Knowledge, Finance, and the Quality of Growth.

Environment Operational Directions 2013 - 2020



Promoting a shift
to sustainable
infrastructure



Investing in
natural capital



Strengthening
environmental
governance and
management
capacity

← Responding to the climate change imperative →

Shift to Sustainable Infrastructure

Sustainable infrastructure: designed, constructed and operated to optimize long-term environmental, social and economic outcomes

Rationale: ensuring that infrastructure investments especially in the energy, transport, urban development, and water sectors contribute to environmental sustainability



Solar – battery storage
Tonga



Water and pollution control
Myanmar



Energy efficiency
India



Sponge city
PRC

Green Bond Framework

1. **Project eligibility:** ADB's Green Bond Framework defines eligible projects to support developing member countries seeking to adapt to and mitigate the consequences of climate change
2. **Project Selection:** The project selection criteria will be implemented by sector specialists in coordination with the treasury department
3. **Proceeds:** Green bond proceeds will be allocated to a subportfolio and tracked against disbursement of eligible projects
4. **Reporting:** ADB will make available eligible project list and green bond annual newsletter online



Investment in Natural Capital



Natural capital: provides natural resources and ecosystem services that are essential human well being



Rationale: scaling up investments to protect, maintain, and improve the productive potential and performance of land, forests, and water resources needed for sustaining inclusive, economic growth

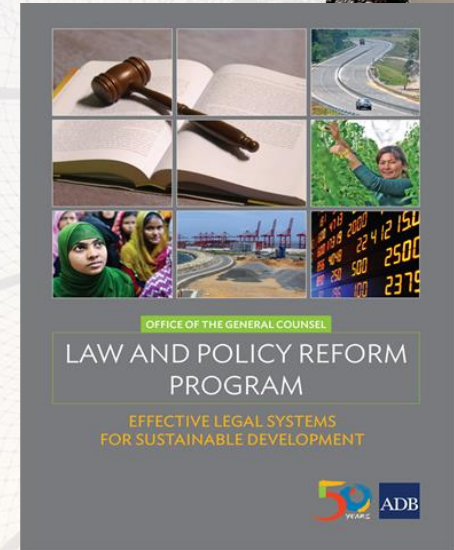


- Sustainable land and water resources management
- Ecosystem-based adaptation
- Eco-compensation

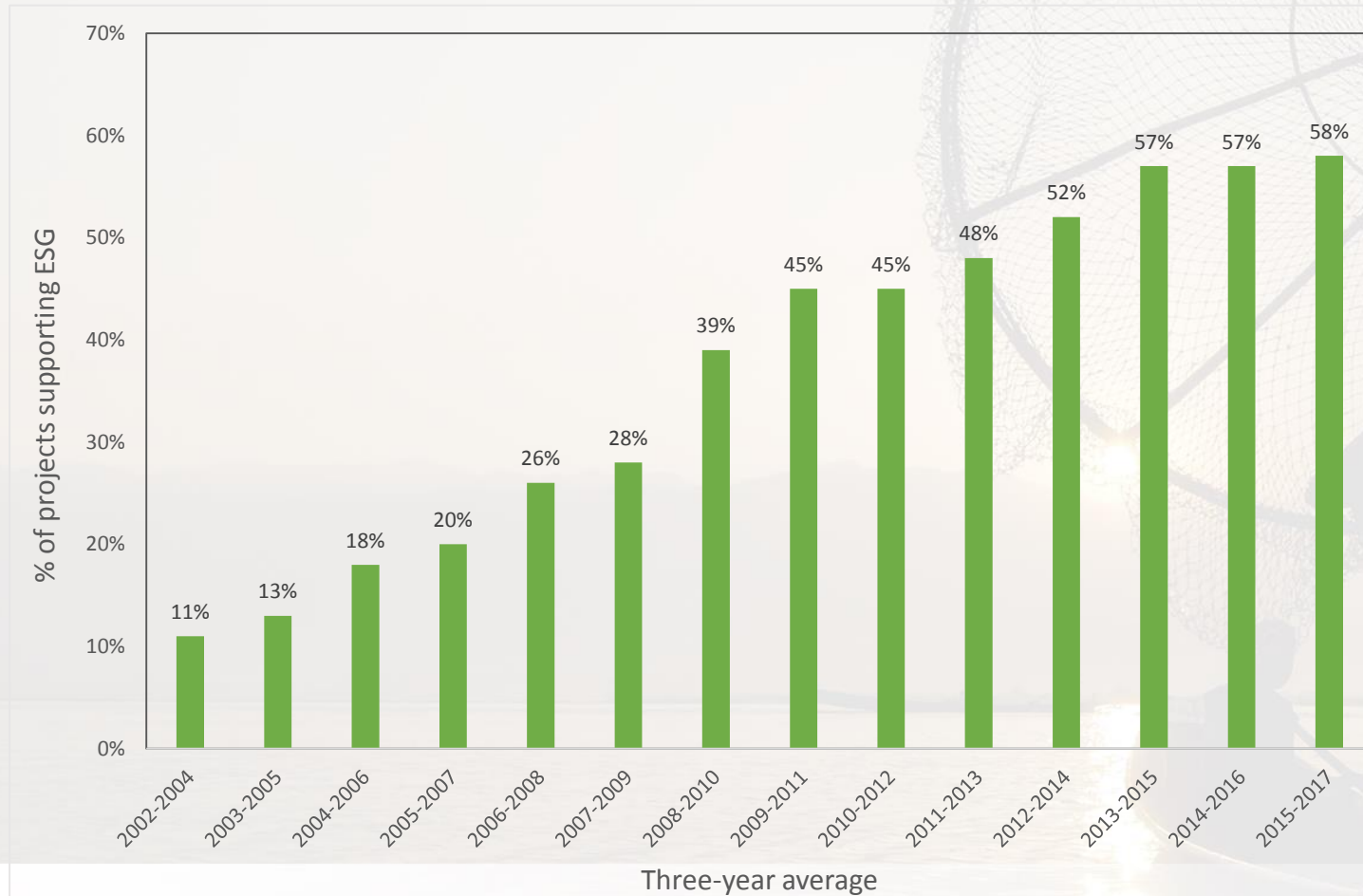
Environmental Governance

Rationale: the transition to environmentally sustainable growth will require policy and governance frameworks that help facilitate improved resource use efficiency and reduce environmental pressures

- Country safeguard systems including pollution control and enforcement
- Environmental justice
- Market-based approaches for environmental management
- Green finance and business initiatives
- Environment-related SDGs in national development priorities



Projects Supporting Environmentally Sustainable Growth



ADB's Approach for Operationalizing the SDGs

Corporate and Country Partnership Strategy

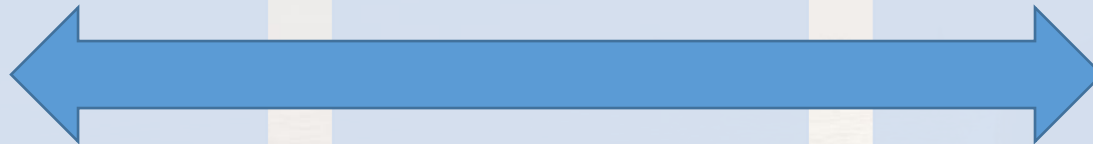
- Strategy 2030 reflects post-2015 context
- Align corporate results framework with SDGs
- CPSs identify where ADB can support SDGs
- Use ADB's expanded resources to support progress

Projects/Investments

- Connect projects to SDGs and targets
- Identify co-benefits and inter-linkages across projects
- Build capacity and understanding to maximize impact

Knowledge and Capacity

- TAs on implementing key aspects of SDGs including infrastructure, environment, natural capital, social protection, and gender
- Knowledge and policy partnerships including UNESCAP and UNDP



ADB's approach to SDGs: 3 Levels

Country level

- Supporting national dialogue and discussion
- Country Partnership Strategies are addressing SDGs
- Opportunities to mobilize finance for the agenda
- Develop projects and programs to accelerate the goals
- National statistical offices and NGOs to collect data/monitoring

Internal ADB

- Project classification system to link projects to SDGs/Targets
- SDG Implementation framework
- Coordinating with Sector and Thematic Groups to deepen response
- Strategy 2030 will highlight core areas of focus

Regional and global

- Partnering with UNESCAP and UNDP to support regional data collection and analysis on global themes

• Advancing SDGs through regional cooperation fora



Mobilizing Finance for the SDGs

Deploying concessional resources

- **Internally-managed funds**
- High Technology Fund
- Clean Energy Financing Partnership Facility
- Climate Change Fund
- Others with bilaterals
- **Externally managed funds**
- Climate Investment Funds
- Global Environment Facility
- Green Climate Fund

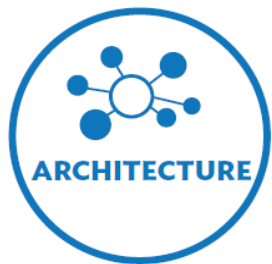
Maximizing market mechanisms

- Carbon Market Technical Support Facility
- - CDM support
- - Domestic emissions trading
- Supporting other market mechanisms
- - Japan Fund for the Joint Crediting Mechanism
- - Renewable energy credits; feed in tariffs
- Green and climate bonds

Catalyzing private capital

- Direct project finance (lending, guarantees, syndications) and equity investment
- Public private partnerships: (PPPs) working with client DMCs across stages of PPPs

Achieving SDGs: Progress and Challenges



- Establishing institutional mechanisms for coordination and monitoring
- Alignment of national development plans with SDGs
- Need to assess adequacy of plans
- Nascent efforts to develop financing strategies
- Need to prioritize and implement
- Major development programs being linked to goals
- Opportunity to identify new projects and programs that can accelerate progress
- National statistical offices working to align
- Need to invest in broader and deeper data on SDG indicators

Aligning ADB Results Framework

- Strategy 2020 agenda align well with the SDG framework
- Transitional corporate results framework indicators are linked to the goals
- Ongoing preparation of a corporate RF for new Strategy 2030
 - stakeholder consultations with DMCs and other stakeholders on key areas to be monitored

Thank you!