

ANNUAL CONSULTATION MEETING FOR THE

WATER FINANCING PARTNERSHIP FACILITY

1 December 2020

Looking Forward

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Sustainable Development and Climate Change Department

Partnering for water security



BILL & MELINDA
GATES *foundation*



Kingdom of the Netherlands



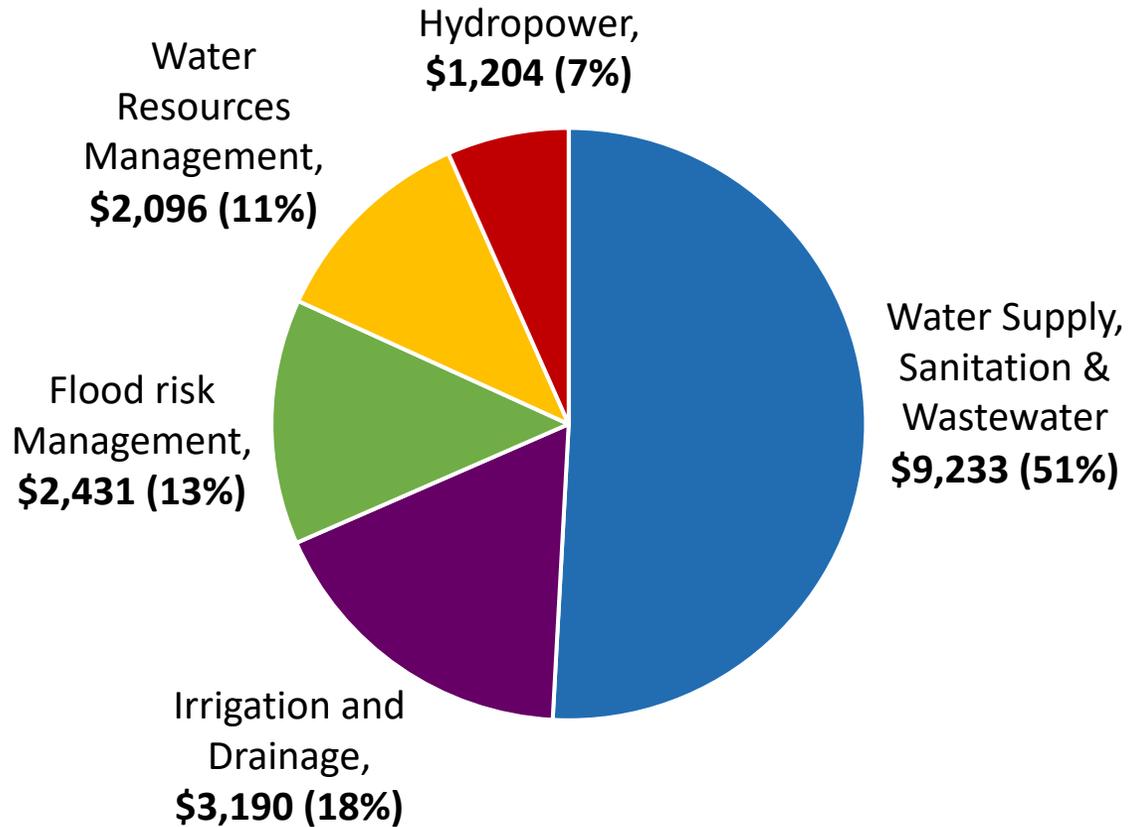
Presentation Outline

1. ADB's Portfolio, Trends and COVID-19
2. ADB's Water Sector Framework 2021-2030
3. AWDO 2020 and Climate Change
4. Communications and Looking Forward

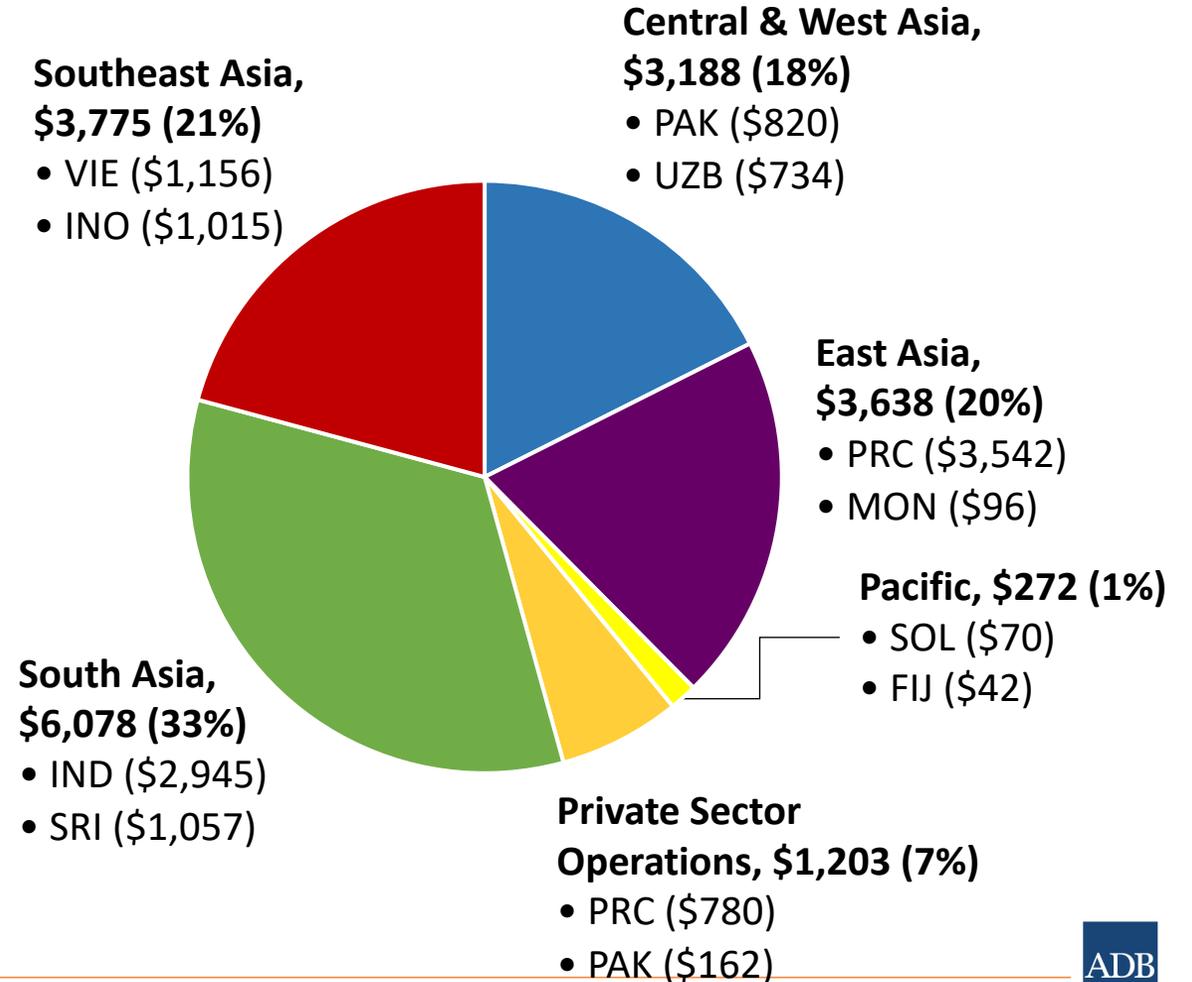
ACTIVE WSG PORTFOLIO - \$18.1 billion

(in \$ Million, as of July 2020)

SUBSECTOR

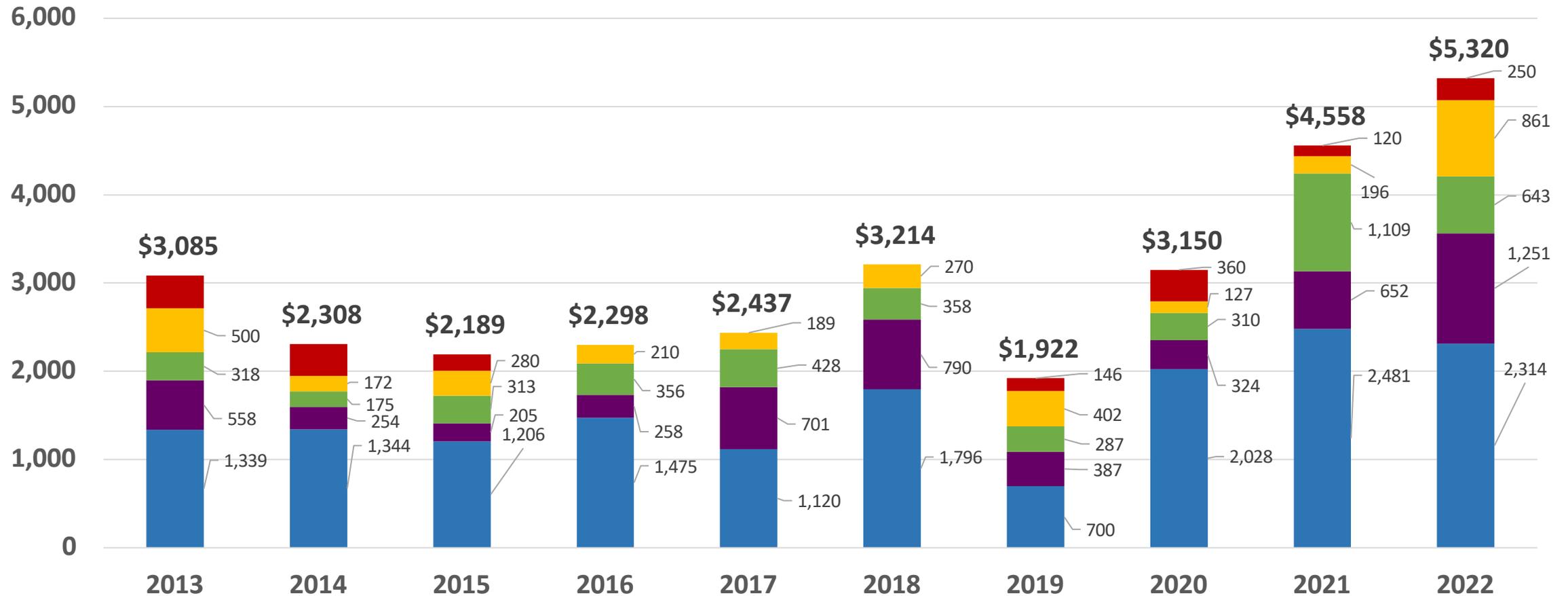


OPERATIONS DEPARTMENT



WSG Lending History and Pipeline by Subsector

(in \$ Million)



- Water supply, sanitation, and wastewater management
- Irrigation and drainage
- Flood risk management
- Water resources management
- Hydropower

Innovation and Trends Across the Water Portfolio



Technology and data

GIS, decision support systems, supervisory control and data acquisition (SCADA), wireless sensor and pressure management, solar powered wastewater treatment, reuse of wastewater, remote sensing/satellite

NEP: Mechanized Irrigation Innovation Project - sustainable groundwater pumping system for large-scale network, \$0.5M TRTA WFPF support



Integrated projects, climate resilience, environment

stronger urban and rural linkages, environmental conservation, sponge cities for flood management, disaster and climate resilient infrastructure

PRC: Henan Dengzhou Integrated River Restoration and Ecological Protection Project – designed with upstream and downstream linkages and urban-rural integration, \$0.1M TRTA WFPF support



Governance, performance and capacity building reforms

water user associations, utility and regulatory reforms, tariff policy, non-revenue water, private sector management, performance-based urban governance incentives, river basin and water resources management institutions

PAK: Khyber Pakhtunkhwa Water Resources Development Project – training farmers and water users association on water conservation and climate-smart irrigation, \$0.3M TRTA WFPF support

Innovation and Trends Across the Water Portfolio



Focus on asset management

asset management plans developed, sustainable financing and cost recovery, application of remote sensing and other technology, planning and budgeting,

IND: Cauvery Delta Sustainable Irrigation and Flood Project – water resources information system and asset management system to monitor and prioritize O&M of water infrastructure, \$0.2M WFPF support



Innovative financing and transaction mechanisms

results based lending, sector development programs, local currency, bonds, prepaid metering, public private partnership, design build operate contracts

KIR: South Tarawa Water Supply Project – 5-year O&M contract for water supply network and desalination plant, \$0.12M TRTA WFPF support



Nature-based Solutions

sustainable management and use of nature for tackling socio-environmental challenges

VIE: Secondary Green Cities Development Project - integrates green features in urban drainage, flood protection works using environmentally-friendly materials, \$0.3 M TRTA WFPF support

Upscaling Water, Sanitation, Hygiene (WASH) + Health

New Water and Health Advisory Team

- ❄️ **New community of practice** composed of ADB knowledge and operational department staff
- ❄️ **Providing guidance** to integrate and upscale WASH and Health outcomes
- ❄️ **Leading knowledge management** to improve understanding of WASH and health issues and share technology and policy developments to support transition to the “new normal”



Initiatives for WASH + Health

- ❄️ Regional TA: Mitigating the Impact of COVID-19 through Community-Led Interventions (\$2 million)
- ❄️ Regional TA: COVID-19 Infection Prevention and Control through Integrated Health and Water, Sanitation and Hygiene (WASH+H) Approach (\$2 million, 2020)
- ❄️ India Project Grant: Infection Prevention and Control of COVID-19 through WASH Services Improvement for Integrated Pandemic and Disaster Risk Management for the Urban Poor in Chennai \$2 million)
- ❄️ Nepal Project Grant on Improving Preventive Hygiene Behaviors in 4 municipalities (JFPR, US\$ 5 million)
- ❄️ Strengthening Water, Sanitation and Hygiene Practices and Hygiene Behavioral Change in the Pacific (\$5 million, 2020)



Water and Disasters and COVID-19

ADB Alignment with HELP Principles to Address Water-related DRR Under COVID-19 Pandemic

HELP Principles

ADB Activities

Principle 1: Enhance leaders' awareness



Engaged firm for developing risk communication plans

Principle 2: Integrate risk management



Revising disaster policy to include pandemics

Principle 3: Provide clean water, sanitation and hygiene (WASH)



Expanding WASH program within ADB and developed a new Water and Health Advisory Team

Principle 5: Protect scarce medical resources



Providing \$48 million technical assistance funds for emergency supplies

Principle 9: Finance DRR actions under COVID-19



Providing \$20 billion COVID-19 response package

Principle 10: Strengthen global solidarity and international cooperation



Coordinating with HELP and other IFIs

- ❖ The UNESCAP Asia-Pacific Disaster Report 2019 estimates average annual losses for floods, cyclones and tsunamis at \$180 billion – Asia-Pacific most affected for losses and fatalities
- ❖ COVID-19 presents the challenge of simultaneously addressing the pandemic while also responding to water-related disasters
- ❖ ADB is a founding member of the High-Level Experts and Leaders Panel on Water and Disaster (HELP), which prepared 10 Principles to Address Water-related DRR under the COVID-19 Pandemic
- ❖ International Online Conference to Address Water-related DRR under the COVID-19 Pandemic with the ADB President and VPKM
- ❖ ADB Contingent Disaster Financing revised to include Health - 8 PARD countries have disbursed for cyclone and COVID-19
- ❖ ADB disaster co-occurrence project design: Integrated Pandemic and Flood Resilience for the Urban Poor in Chennai, India



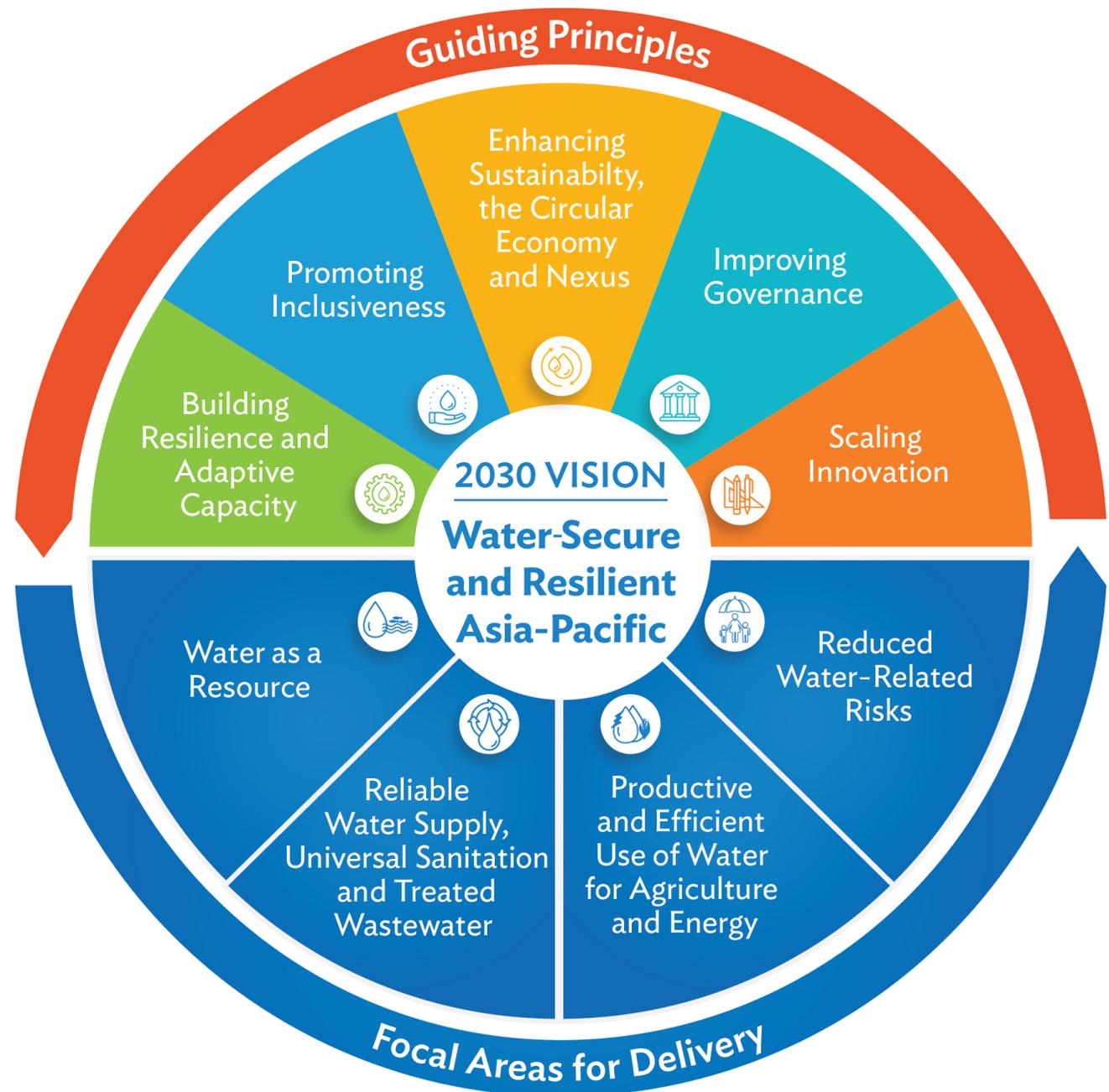
The New Normal and Associated Water Sector Investments

- ❄️ The SDCC Water Sector Groups is preparing Water Sector Guidance Note for COVID-19 – Impacts, Response and Recovery for ADB staff, Developing Member Countries, and development partners. ADB's pipeline is growing to meet needs.
- ❄️ Upscaling of WASH components and integration of health outcomes in ADB water sector projects with increase targeting of infrastructure and service delivery on the poor and vulnerable in low-income communities and informal settlements; decentralized and community-specific WASH service delivery. Piloting of COVID-19 wastewater detection.
- ❄️ Accelerating digital utility: (i) reliable and effective high-level and digital solutions and technologies for monitoring and operations, including automation and remote-control to ensure service delivery; (ii) automated billing systems, cashless (mobile) revenue collection; and (iii) improved communication with customers and broaden service provision
- ❄️ Build capacity and strengthen financial sustainability of water service providers and support tariff reforms and operational efficiency to strengthen financial health. Emergency funds and financial assistance to maintain operations.
- ❄️ Increased safe and resilient water service provision – robust and integrated safety and emergency plans, crisis management and preparedness, use of personal protective equipment for workers
- ❄️ Building resilience to absorb shocks and stresses due to pandemics, disasters, and climate change by e.g., implementing holistic approach in improving service delivery and public health across water supply, sanitation, flood and solid waste management and solid waste management at city level.
- ❄️ Prioritizing resumption of critical capital works and infrastructure maintenance and inspections. More resilient future infrastructure designs to withstand shocks and minimize operations and maintenance needs.
- ❄️ Diversifying and localizing supply chains to ensure availability of necessary inputs.
- ❄️ Irrigation and drainage modernization, diverse crop mixture, food production closer to the markets (e.g., urban farming), focus on internal markets and resource reuse, import substitution.



ADB Water Sector Framework 2021-2030: Water-Secure and Resilient Asia-Pacific (draft)

- Defines the water sector's approach to implementing Strategy 2030 and the 7 Operational Plans (OPs) and the SDGs
- A holistic and integrated vision for the water sector across the 7 Operational Plans
- Guidance on innovation and best practice for ADB projects
- Guidance on areas of emphasis for ADB's future water program
- A framework for DMC counterparts to engage regarding future ADB assistance
- A framework for development partners to engage and support ADB's program



Asian Water Development Outlook (AWDO) 2020

ADB Water Sector Flagship Publication



AWDO 2020 Contents

1. Key Dimensions of Water Security (KD)
 - KD1: Household Water Security (rural)
 - KD 2: Economic Water Security
 - KD 3: Urban Water Security
 - KD 4: Environmental Water Security
 - KD 5: Water-Related Disasters Security
2. Finance and Governance and Water Security
3. Policy in Action – ADWO 2020 Country Cases Studies: India, PRC, Thailand and Timor-Leste

AWDO 2020 Objectives

- Provide an overview and communication tool on water security for Asia and the Pacific
- Inform and guide policy reforms and investments
- Show water security progress - 2013, 2016, 2020

AWDO 2020 Partners





KEY DIMENSION 1

RURAL HOUSEHOLD WATER SECURITY

RESULTS:

- KD1 now measures only rural household water supply and includes 4 sub indicators
 - although only a relatively small volume of water, KD1 has huge social and health impacts
- KD1 is closely linked with the “for all” principle of the SDGs
- The Maldives has made the greatest improvement since 2013 because of their increased access to water supply and sanitation
- While their scores have remained low, India, Nepal and Cambodia have all shown strong improvements in their access to sanitation and Lao PDR has shown the most improvement in water supply
- Most of the countries that have regressed in KD1 were in the Pacific

RECOMMENDATIONS:

- A holistic systems strengthening approach is needed and focusing on a single element will not achieve SDG 6
- For example, many countries have comprehensive WASH policies but have severely inadequate resources (both capital and human resources) to implement them.
- Systems strengthening should specifically include:
 - Better engagement and empowering of socially vulnerable groups
 - Addressing the severe shortage of human resources and capacity
 - **Locally appropriate solutions are needed, particularly in the Pacific**

KEY DIMENSION 1

- Access to Water Supply
- Access to Sanitation
- Health Impacts
- Affordability





KEY DIMENSION 3

URBAN WATER SECURITY

RESULTS:

- KD3 primarily measures safely managed and affordable water and sanitation services in urban and informal settlements to sustainably achieve desired, (and ideally agreed), outcomes
- 5 countries Nascent – 4 in the Pacific (Marshall Islands, Micronesia, Nauru, Papua New Guinea) and 1 in South East Asia (Timor-Leste), in total 1. 7 million people in urban areas
- Despite major investments, level of urban water security has remained about the same in the period 2013 till 2020 due to urbanization. In total 600 million urban people still do not have adequate access to water supply and sanitation services.

RECOMMENDATIONS:

- Increased attention on Pacific and South Asia including affordable water supplies.
- View wastewater, stormwater and rainwater as a resource
- More integrated solutions and leapfrogging opportunities
- Improved attention to future risks and management of issues including urban growth, non-revenue water, water consumption (and efficiency), energy use costs, climate change
- Improved management of data and information, including systematic updating and improve monitoring and evaluation
- Future AWDO editions could benefit from more precise urban definitions, clarity on informal settlement inclusion and quantification of “future security” risks

KEY DIMENSION 3

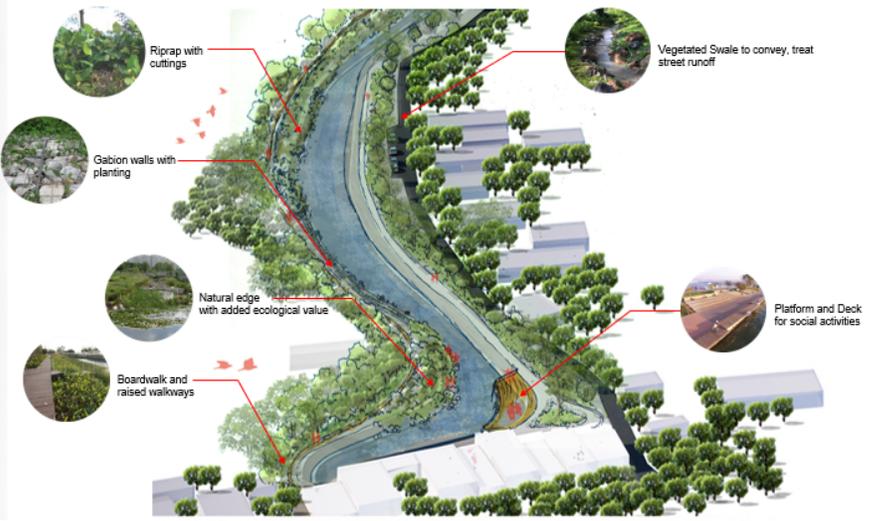
- Access to Water Supply
- Access to Sanitation
- Affordability
- Drainage/floods
- Environment



Water is the primary medium through which we will feel the effects of climate change*

- The Water Sector Group (WSG) is reviewing ADB operational experience, policy guidelines and international best practice to create a knowledge product for water sector climate change adaptation and mitigation.
- The knowledge product, “Asia-Pacific Water Resilience and Climate Change Approach 2030”, will develop a work plan to further integrate climate change into WSG operations and DMC investment planning and policy development.
- The WSG will upscale its climate change and resilience operations and resources to (i) prepare and implement projects, (ii) build awareness and capacity for staff and DMC counterparts, and (iii) knowledge management.
- The WSG will expand its partnerships and external engagement to leverage knowledge and resources to strengthen its climate change program with IFIs and knowledge and development partners, and through events such as the Global Adaptation Summit in January 2021 and COP 26 in November 2021.

*UN Water



Increasing our Engagement, Communications and Outreach to Stakeholders

Communication, Branding and Outreach

- Engaged a communications firm to update the brand positioning of ADB's Asia Water Fund and Water Sector Group
- Currently developing a communications strategy, workplan, outreach plan, and multimedia communications materials
- Recruiting a fulltime communications director for ADB's Asia Water Fund and Water Sector Group to strengthen the communications team from 2021 onwards
- Improving accessibility of information by strengthening web presence (e.g., new website, social media activities, online repository of event material)
- Communications strategy and plans to be shared with donors for review and comment



ADBWater



adbwater



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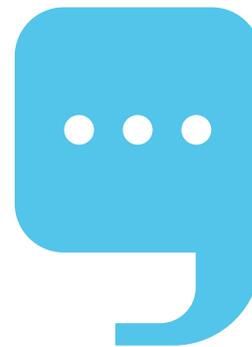
WFPPF after 2020

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Updating of the Facility:

- No need to extend the WFPPF
- Design and monitoring framework (Q1–2021)
- Implementation guidelines (Q1–2021)



Q&A

