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ADB

# Climate Change and Disaster Risk Management in ADB Urban Sector Operations

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BUSINESS  
OPPORTUNITIES



# ADB STRATEGY 2030

## OPERATIONAL PRIORITIES

Poverty and Inequality	Gender	Climate, Environment, and DRM
<ul style="list-style-type: none"> <li>Human development and social inclusion</li> <li>Quality jobs</li> <li>Education and training</li> <li>Better health for all</li> <li>Social protection for those in need</li> </ul>	<ul style="list-style-type: none"> <li>Twin-track approach</li> <li>Women's economic empowerment</li> <li>Gender equality in human development</li> <li>Gender equality in decision-making, leadership</li> <li>Reduced time poverty of women</li> <li>Women's resilience to external shocks</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive approach to building climate and disaster resilience, and environmental sustainability</li> <li>Increased support for inclusive, green, sustainable, and resilient infrastructure</li> <li>Water-food-energy nexus</li> </ul>

← Cross-sectoral collaboration →

Livable Cities	Rural Development & Food Security Cities	Governance and Institutional Capacity	Regional Cooperation & Integration
<ul style="list-style-type: none"> <li>Integrated solutions</li> <li>Increased funding for cities</li> <li>Inclusive and participatory urban planning</li> <li>Climate resilience and disaster management</li> </ul>	<ul style="list-style-type: none"> <li>Market connectivity and value chain linkages</li> <li>Agricultural productivity and food security</li> <li>Food safety</li> </ul>	<ul style="list-style-type: none"> <li>Public management reforms</li> <li>Strengthened service delivery</li> <li>Institutional strengthening / capacity building</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced connectivity and competitiveness</li> <li>Regional public goods</li> <li>Cooperation in the financial sector</li> <li>Strengthened subregional initiatives</li> </ul>

# Paris Agreement Alignment and ADB

1. ADB has committed to align its operations with the goals of Paris Agreement (PA) and ensure all project activities **advance low-carbon, climate resilient-development pathways, or at least not undermine these goals (do no harm)**.
  - ADB will achieve full alignment of its sovereign operations by **July 2023**
  - Alignment of its non-sovereign operations will reach 85% by July 2023, and 100% by July 2025
2. Draft guidance notes are being prepared based on MDB framework to help assess the conformity of ADB projects in the pipeline with **BB1 (climate change mitigation); and BB2 (climate change adaptation and resilience)**.

## MDBs' Building Block Approach to Paris Alignment

1	<b>Alignment with Mitigation Goals</b> Operations consistent with national low-emissions development pathways and compatible with objectives of the Paris Agreement.
2	<b>Adaptation and Climate-Resilient Operations</b> Operations systematically screened for climate resilience. Support increase in clients' ability to adapt to climate change.
3	<b>Accelerated Contribution to the Transition Through Climate Finance</b> Further scale up climate finance, operationalize new approaches to support NDCs, and accelerate realization of ambitions agreed under UNFCCC and in line with science-based evidence identified by IPCC.
4	<b>Strategy, Engagement and Policy Development</b> Develop new services to support clients putting in place long-term strategies for low-emissions and climate-resilient development while ensuring consistency with SDGs.
5	<b>Reporting</b> Develop tools and methods for characterizing, monitoring and reporting on Paris-aligned activities.
6	<b>Align Internal Activities</b> Progressively ensure that internal operations, including facilities and other internal policies, are in line with the Paris Agreement.

## ADB's Climate Finance Targets

- S2030 target: Total **\$80 billion in climate finance for 2019-2030**, with **75%** of number of committed operations supporting climate mitigation and/or adaptation
- ADB has announced plans to scale up investments in **adaptation and resilience**, with cumulative financing of **\$9 billion in 2019–2024**

## Disaster Risk Management (DRM)

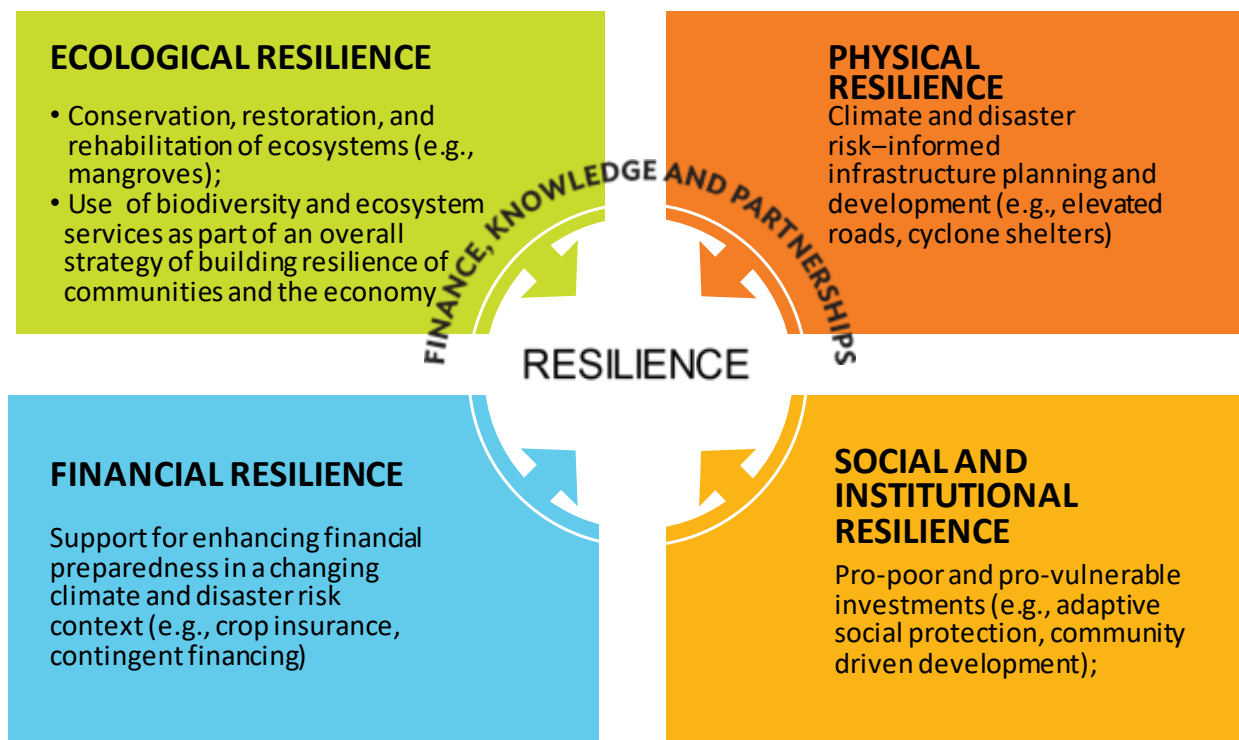
From 2004 to 2019, disasters caused the loss of almost 671,284 lives in the DMCs and affected 2.25 billion people—accounting for 63% of global disaster fatalities and 80% of people affected throughout the world

Reported direct physical damage in DMCs totaled \$639 billion, implying average direct physical damage of \$109 million per day



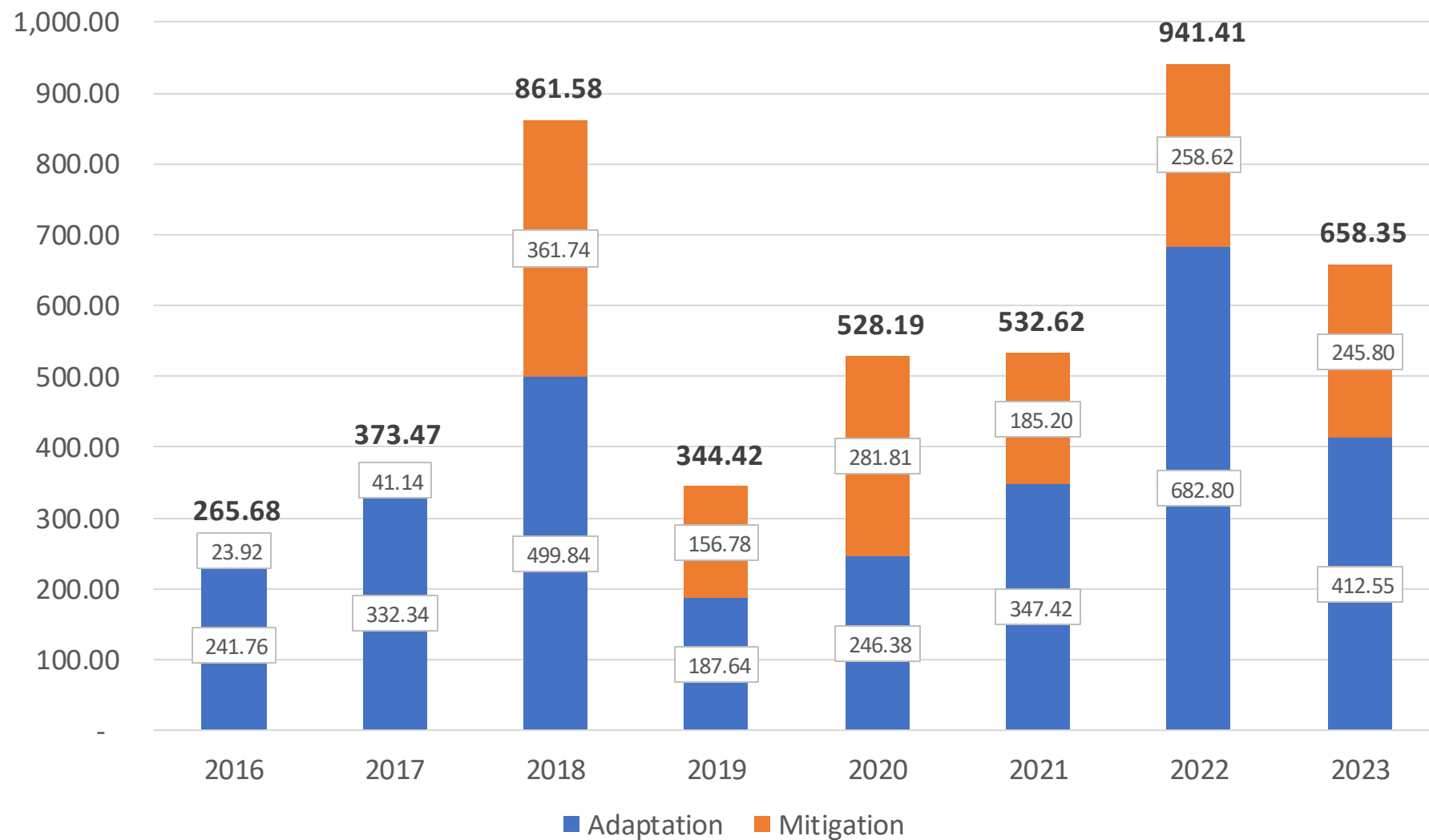
# Scaling Up Investments in Climate and Disaster Resilience

- **Holistic approach** for resilience is integral to ADB's Strategy 2030 and critical for achieving climate targets.
- Continue and strengthen **adaptation of infrastructure projects** through systematic screening and assessment of projects and estimation of climate finance.
- Scale up investments in projects that have **adaptation as a primary objective** thereby allowing to scaling up of climate finance.
- Increase investments in measures that bring **transformational change** through resilience - e.g., risk-informed land use planning, nature-based solutions.





## Urban Sector Climate Finance (2016-2023)



## Urban Sector Climate Finance (2016-2023)

	2016	2017	2018	2019	2020	2021	2022	2023
<b>CWRD</b>	1.48	71.80	41.66	47.24	20.07	181.97	251.74	208.45
<b>EARD</b>	6.30	16.38	428.81	52.98	131.95	94.80	118.00	86.50
<b>PARD</b>	2.80	33.24	0.31	14.78	43.34	-	59.22	-
<b>SARD</b>	245.99	229.68	305.54	166.36	210.78	190.62	329.45	292.40
<b>SERD</b>	9.11	13.40	78.13	26.75	8.50	51.23	183.00	71.00
<b>PSOD</b>	-	1.25	-	30.37	111.09	14.00	-	-
<b>SDCC</b>	-	7.72	7.14	5.93	2.46	-	-	-
<b>Total CF</b>	<b>265.68</b>	<b>373.47</b>	<b>861.58</b>	<b>344.42</b>	<b>528.19</b>	<b>532.62</b>	<b>941.41</b>	<b>658.35</b>
<b>Total adaptation</b>	<b>241.76</b>	<b>332.34</b>	<b>499.84</b>	<b>187.64</b>	<b>246.38</b>	<b>347.42</b>	<b>682.80</b>	<b>412.55</b>
<b>Total USG Commitments</b>	1,678.28	1,593.74	2,219.74	1,245.44	1,862.04	2,519.21	3,765.32	3,404.19
<b>CF as % of Total Commitments</b>	16%	23%	39%	28%	28%	21%	25%	19%
<b>Adaptation as % of CF</b>	<b>91%</b>	<b>89%</b>	<b>58%</b>	<b>54%</b>	<b>47%</b>	<b>65%</b>	<b>73%</b>	<b>63%</b>



# An Urbanizing Asia and the Pacific



## Urbanization

- From 20% in the 1950s to 48% in 2018, 55% by 2030
- Requires investments of \$1.7 trillion per year



## Housing

- 564 million (64%) of the world's slum dwellers



## Urban Water Supply and Wastewater Management

- 300 million people with no safe drinking water
- 80% of wastewater discharged without primary treatment
- 1.2 billion people lack access to basic sanitation



## Solid Waste Management

- 1.8 billion tons of municipal waste generated per year by 2025



## Climate Change and Disaster

- Cities consume about 60% to 80% of total energy supply
- 40% of natural disasters occur in the region.
- Home to 6 of 10 of the world's most vulnerable countries



# ADB's Strategy 2030 and The Livable Cities Operational Priority



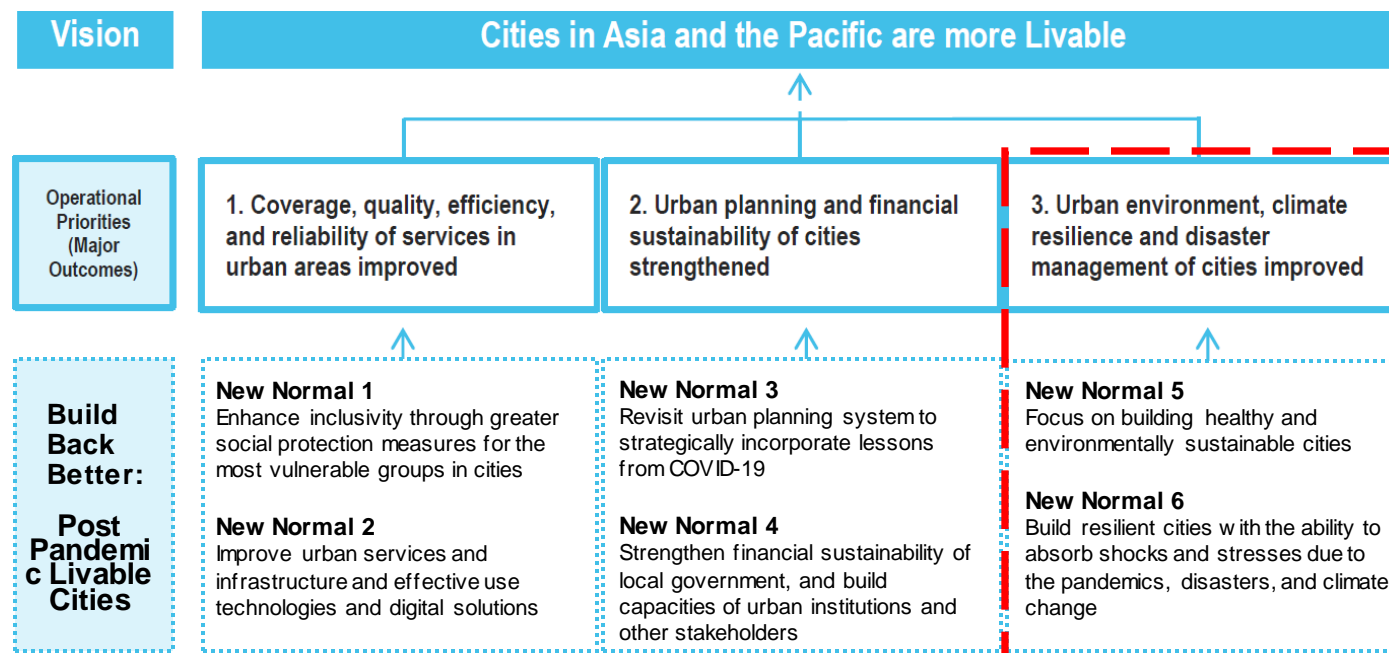
Strategy 2030 identified “**Making Cities More Livable**” as one of its seven operational priorities

## Key Outcomes

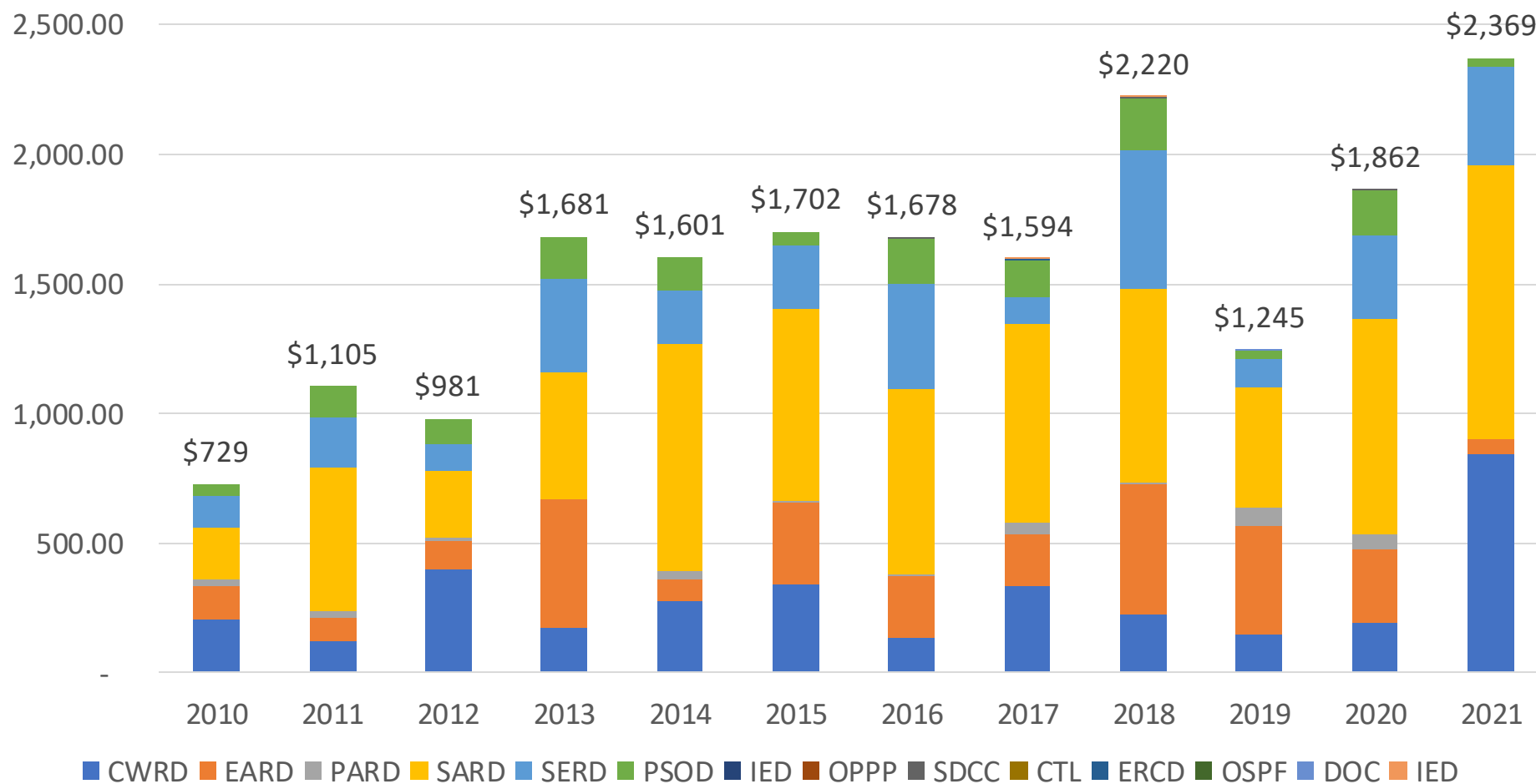
- Improve access, quality and reliability of services in urban areas
- Strengthen urban planning and financial sustainability of cities
- Improve urban environment, **climate-resilience and disaster management of cities**



# Making Cities More Livable: Post-COVID-19 Short and Medium Actions for the New Normal

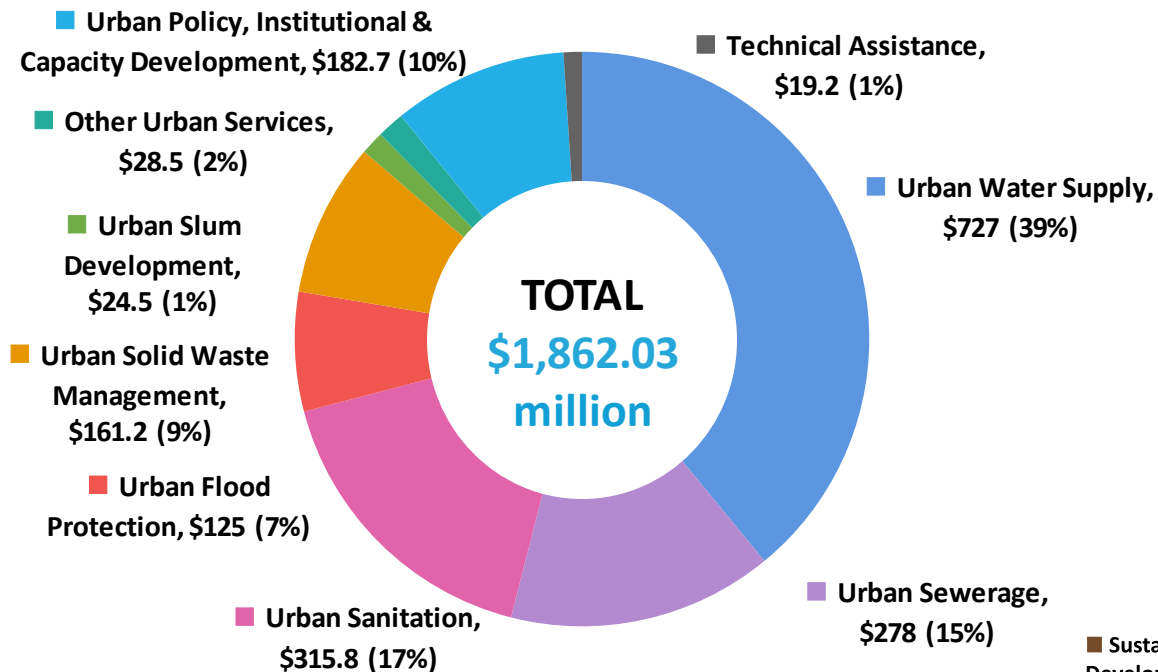


# Urban Projects: ADB's Annual Commitments 2010–2021 (Signed Loans and Grants)



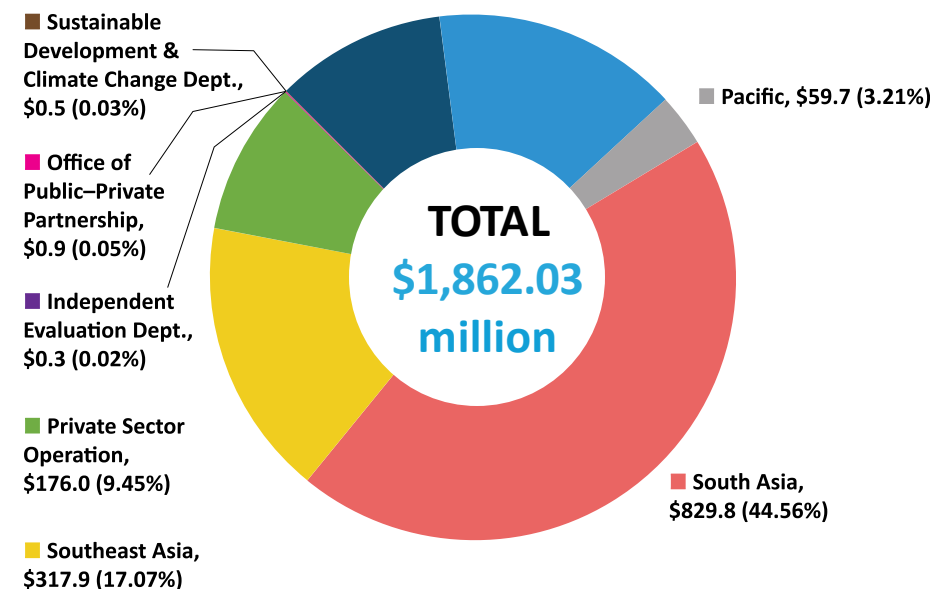
Note: 2021 commitment figure as of August 2021. Changes are expected due to the ongoing Paris Agreement Alignment exercise.

# 2020 ADB Urban Sector Portfolio



## 2020 USG Project Commitments by Subsector

## 2020 USG Project Commitments by Operations Department



# Business Opportunities in ADB's Urban Development Sector Projects

## Business Opportunities in ADB



- Transactional Technical Assistance (TRTA)
- Knowledge & Support Technical Assistance (KSTA)

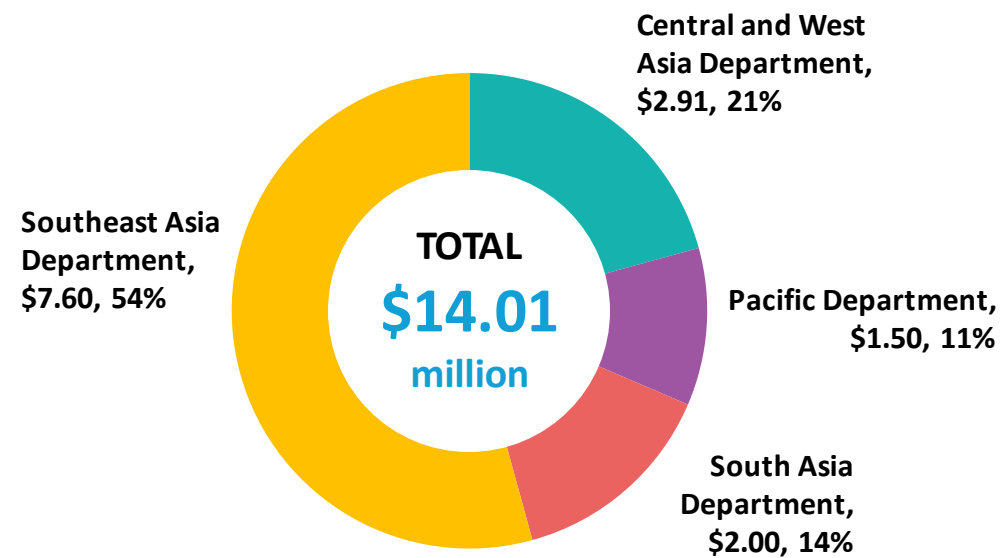
## Business Opportunities in Client Countries



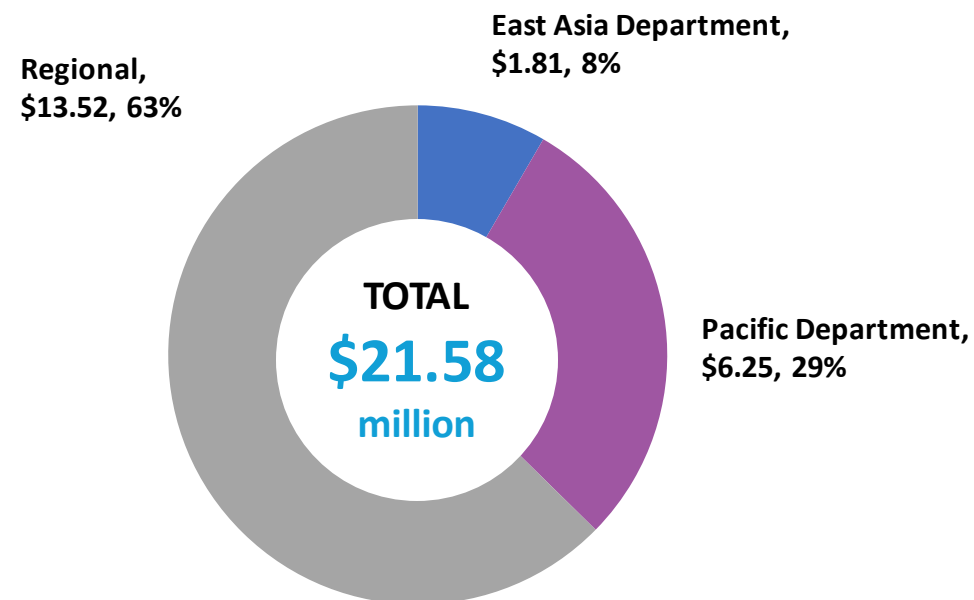
- Civil Works Contracting
- Supply of Equipment
- Consulting Services for Project Implementation
- Capacity Development

# Business Opportunities within ADB

## Consulting Services (2020) for Transactional Technical Assistance (TRTA)



## Consulting Services (2020) for Knowledge and Support Technical Assistance (KSTA)

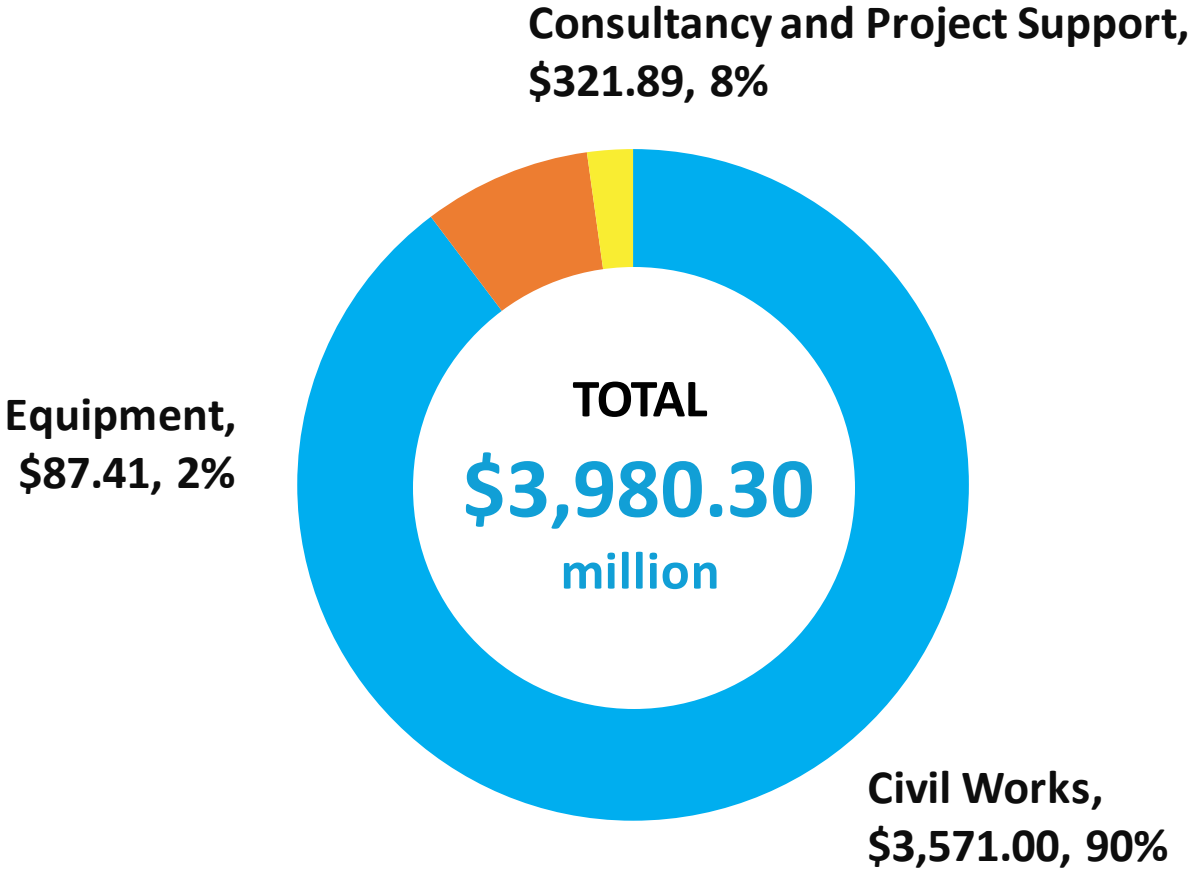






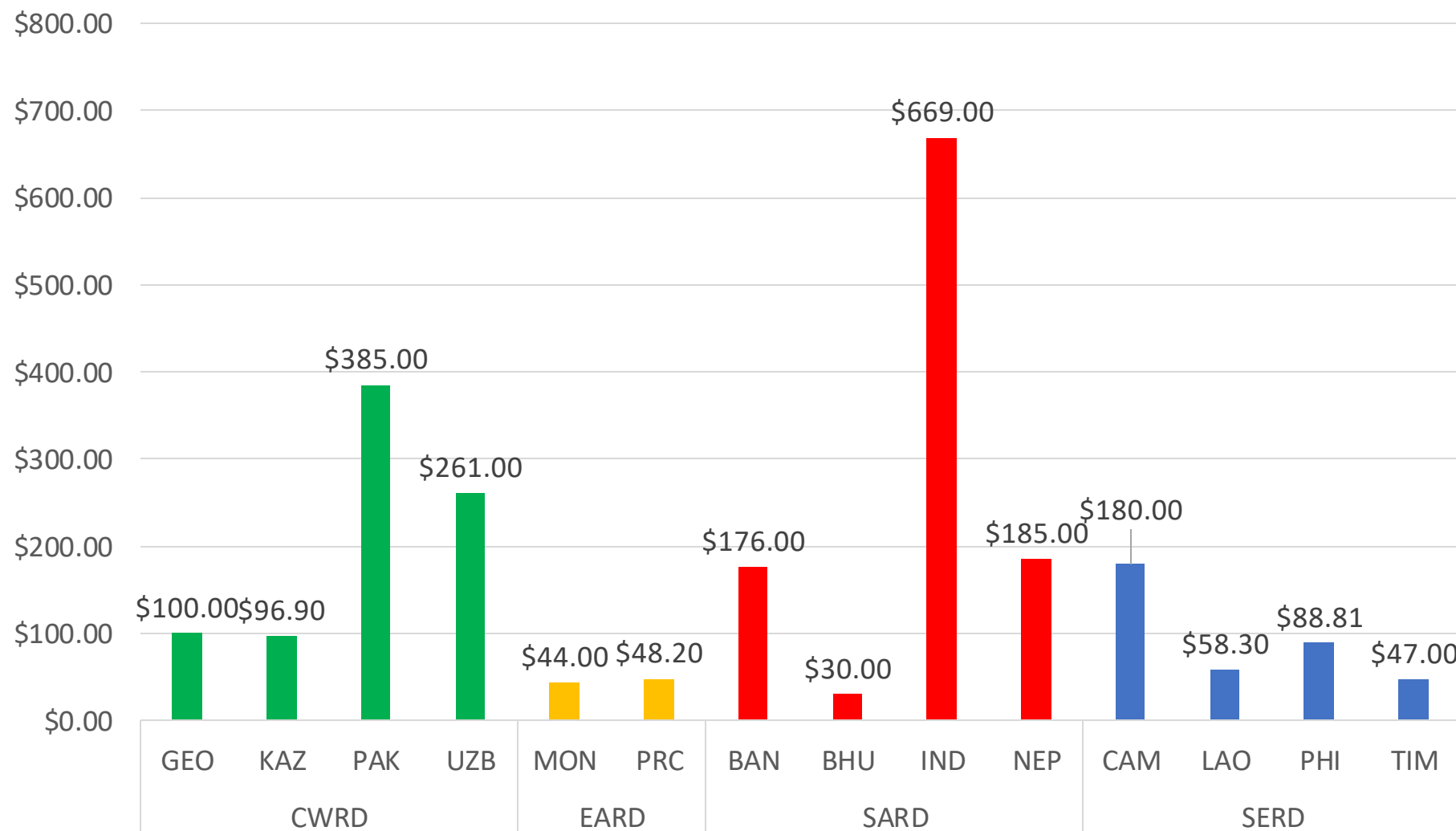
# Business Opportunities in DMCs

Contracts for 2017–2020 Committed USG Projects



# 2021 Urban Sector Group Proposed Pipeline as of August 2021

(in \$ Millions)



# 2021 Urban Sector Group Proposed Pipeline as of August 2021

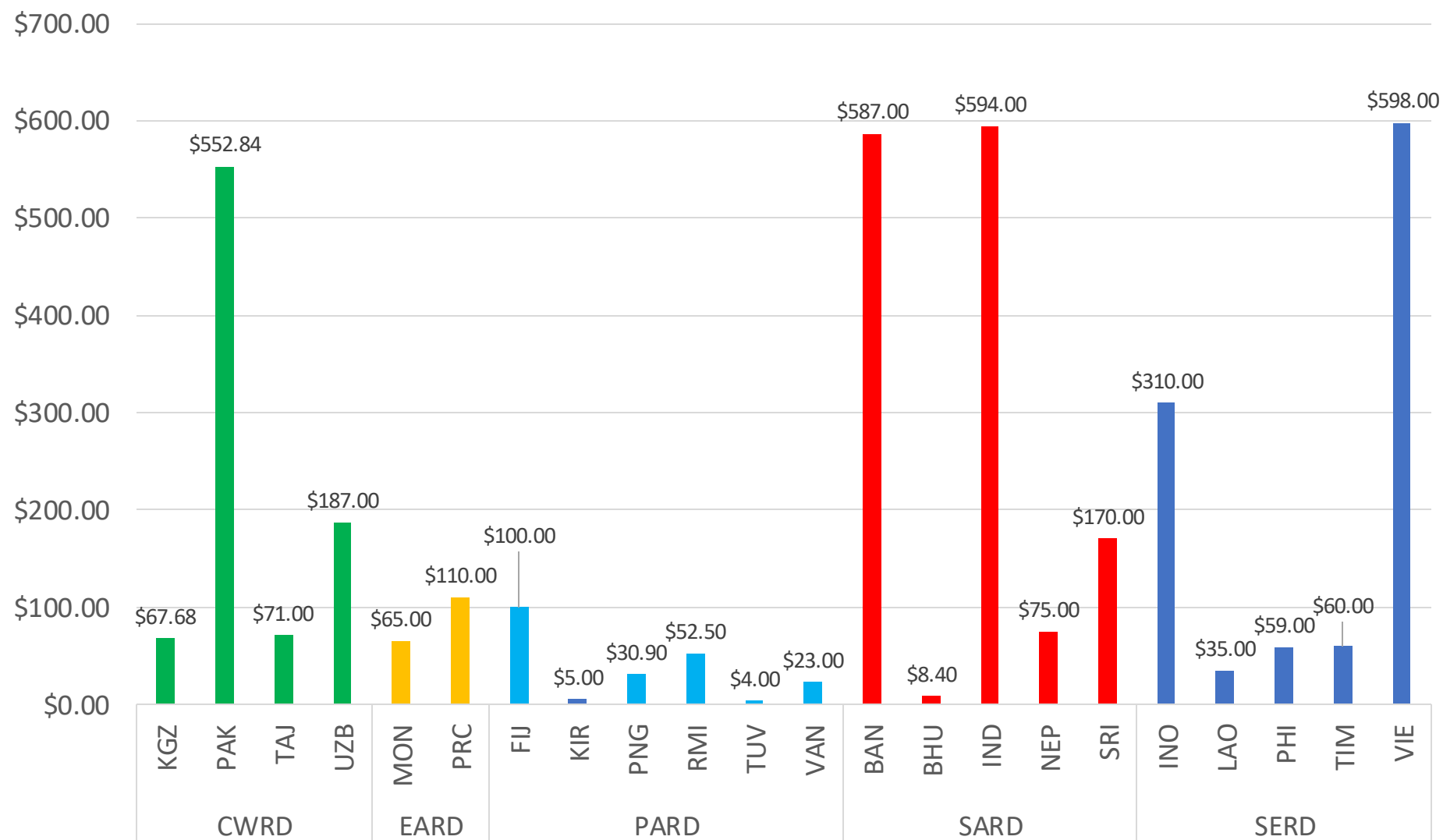
(in \$ Millions)

Department	DMC	Project Title	WUS Component (\$ million)
CWRD	PAK	KP Cities Improvement Project	385.00
	GEO	Livable Cities Investment Program (LCIP) for Balanced Development	100.00
	UZB	Tashkent Province Sewerage Improvement Project	161.00
	UZB	Sustainable Solid Waste Management Project Phase 2 (Additional financing)	100.00
	KAZ	Urban Infrastructure Modernization Program - Construction and Rehabilitation of Wastewater Treatment Facilities	96.90
EARD	PRC	Shandong West Jining Water Supply and Drainage Integration Program	13.20
	MON	Aimag and Soum Centers Green Regional Development Investment Program (MFF, Tranche 1)	44.00
SARD	IND	Agartala City Urban Devt Project	36.00
	BAN	Dhaka Environmentally Sustainable Water Supply Project-Additional Financing	140.00
	IND	Integrated Urban Flood Management for the Chennai-Kosasthalaiyar Basin Project	251.00
	IND	Jharkhand Urban Water Supply Improvement Project	112.00
	NEP	Second Kathmandu Valley Water Supply Improvement Project	185.00
	IND	Inclusive, Resilient, and Sustainable Housing for Urban Poor in Tamil Nadu	150.00
	IND	Uttarakhand Integrated Urban Development Project	120.00
	BHU	Affordable Housing Project	30.00
	BAN	Emergency Assistance Project Additional Financing	36.00
SERD	LAO	Water Supply Sector Project	58.30
	PHI	Sustainable Tourism Development Project	88.81
	TIM	Water Supply and Sanitation Investment Project	47.00
	CAM	Livable Cities Investment Project	180.00
PSOD	PRC	China Cube Water Limited (Asia Cube Wastewater Treatment Upgrade)	35.00

**Total: \$2,369.21 M**

# 2022 Urban Sector Group Proposed Pipeline as of August 2021

(in \$ Millions)



# 2022 Urban Sector Group Proposed Pipeline as of August 2021

(in \$ Millions)

Department	DMC	Project Title	WUS Component (\$ million)
CWRD	KGZ	Issyk-Kul Sustainable Wastewater Management Project (Phase 2)	67.68
	PAK	Punjab Livable Cities Sustainable Development Investment Program (MFF tranche 1 )	350.00
	TAJ	Integrated Urban Development Project	33.00
	TAJ	Additional Financing for Dushanbe Water Supply and Sanitation	38.00
	PAK	Punjab Water Supply and Sanitation	200.00
	PAK	Punjab Intermediate Cities Improvement Investment Project (additional financing) (PICIP)	2.84
	UZB	Integrated Urban Development Project	87.00
	UZB	Water Supply and Sanitation Sector Development Program (SDP)	100.00
EARD	PRC	Green Transformation in Heilongjiang	15.00
	PRC	Shanxi Changzhi Green Transformation and Human Capital Development and Demonstration Project	40.00
	PRC	Guangxi Guilin Comprehensive Ecological Rehabilitation	30.00
	MON	Ulaanbaatar Satellite City Development Investment Program (Tranche 1)	65.00
	PRC	Guangxi Hezhou Mountain Mining Areas Vitalization Project	25.00
PARD	PNG	Urban Water Supply and Sanitation Project	30.90
	TUV	Funafuti Water and Sanitation Project	4.00
	KIR	South Tarawa Water Supply Project Additional Financing	5.00
	FIJ	Nadi Flood Alleviation Project	100.00
	VAN	Luganville Urban Water and Sanitation Project (excludes PRF amount)	23.00
	RMI	Majuro Integrated Urban Services Improvement Project	52.50

# 2022 Urban Sector Group Proposed Pipeline as of August 2021

(in \$ Millions)

Department	DMC	Project Title	WUS Component (\$ million)
	BAN	Second Coastal Towns Environmental Infrastructure Improvement Project	137.00
	BAN	Secondary Towns Water Supply and Sanitation Project	150.00
	BHU	Water Flagship Program	8.40
	IND	Tamil Nadu Urban Flagship Investment Program - Tranche 3	125.00
	IND	Tourism Development in Buddhist Circuit	50.00
SARD	NEP	Urban Development Project	75.00
	SRI	Water Supply Improvement Project	170.00
	IND	Gujarat Urban Infrastructure Improvement Project	194.00
	IND	Visakhapatnam–Chennai Industrial Corridor Development Program - Tranche 2	100.00
	BAN	Dhaka Sewerage System Development Project	300.00
	IND	Kerala Urban Water Services Improvement Project	125.00
	VIE	Climate Adaptive Integrated Flood Risk Management Project	100.00
	INO	City-wide Inclusive Sanitation Project	310.00
	LAO	Urban Environment Improvement Investment Project	35.00
SERD	TIM	Dili Urban Water Supply Project	60.00
	VIE	HCMC Climate Resilient Urban Services Project (HCMC CRUS1)	317.00
	VIE	Secondary Cities Environment Improvement Project	181.00
	PHI	Baguio Resilient City Tourism Project	59.00

**Total: \$3,765.32 M**

## Examples of CC and DRM Investments

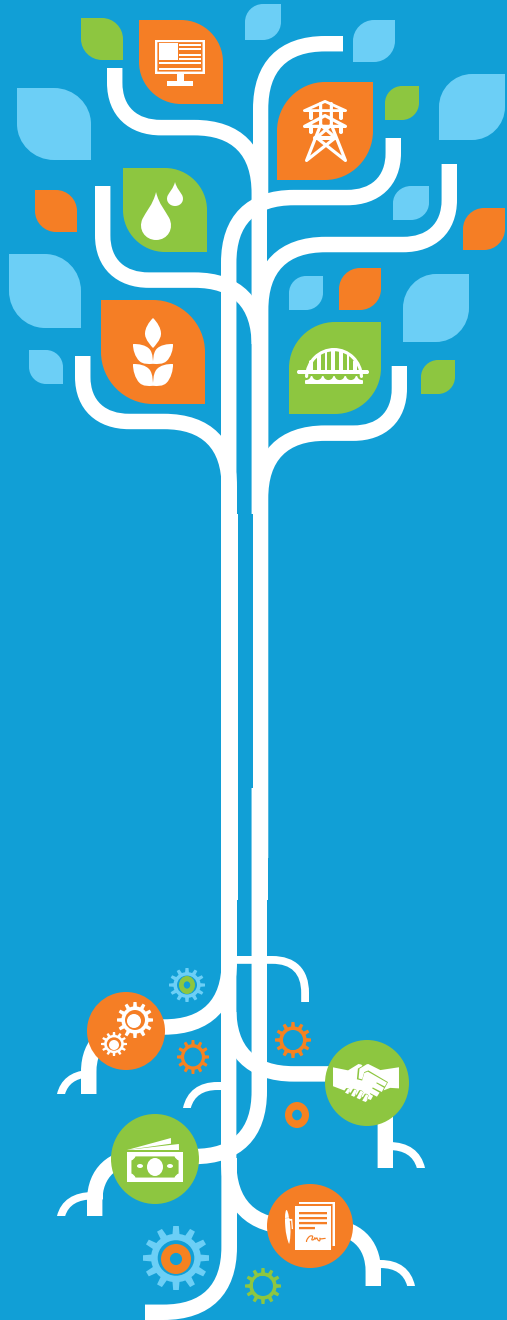


- **Water conservation** by introducing water metering system and leak detection, SCADA systems for reducing the non-revenue water (NRW).
- **Green power and energy efficient systems** like solar power energy system is proposed as a clean and more reliable form of renewable energy.
- **LED Lights** are proposed in all Green Urban Spaces subprojects to promote energy efficient lighting and thus minimize energy consumption.
- **Retaining walls for flood protection** in parks lying on the banks
- **Flood Study or hydrological analysis** for protection of major structures from future high flooding. Protection works proposed on the basis of the flood studies. Bypass channels are proposed at intake, to cater for the high flooding.
- **Aquifer or recharge study** for sustainable ground water source in context of seasonal variation etc.
- **Increased storage of water** to address the future scarcity.
- **New piped sewerage networks** to reduce urban flooding will result in reduced flows in the existing drains.
- **Materials** recovery facilities would significantly reduce the quantities of waste
- **Anerobic bio digesters** convert organic waste into compost & biogas, that can be further used as fuel and soil conditioner. Compost



## In Summary

- Region needs huge investments in the Urban Sector
- ADB's Strategy 2030, Livable Cities Operational Priority Plan reiterate importance of Cities
- ADB's Urban Sector Portfolio is increasing at a fast pace
- Opportunities in ADB's Urban Sector: Working together
- Climate change and DRM are integral to ADB's urban strategy and program to make cities more resilient.



# THANK YOU

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