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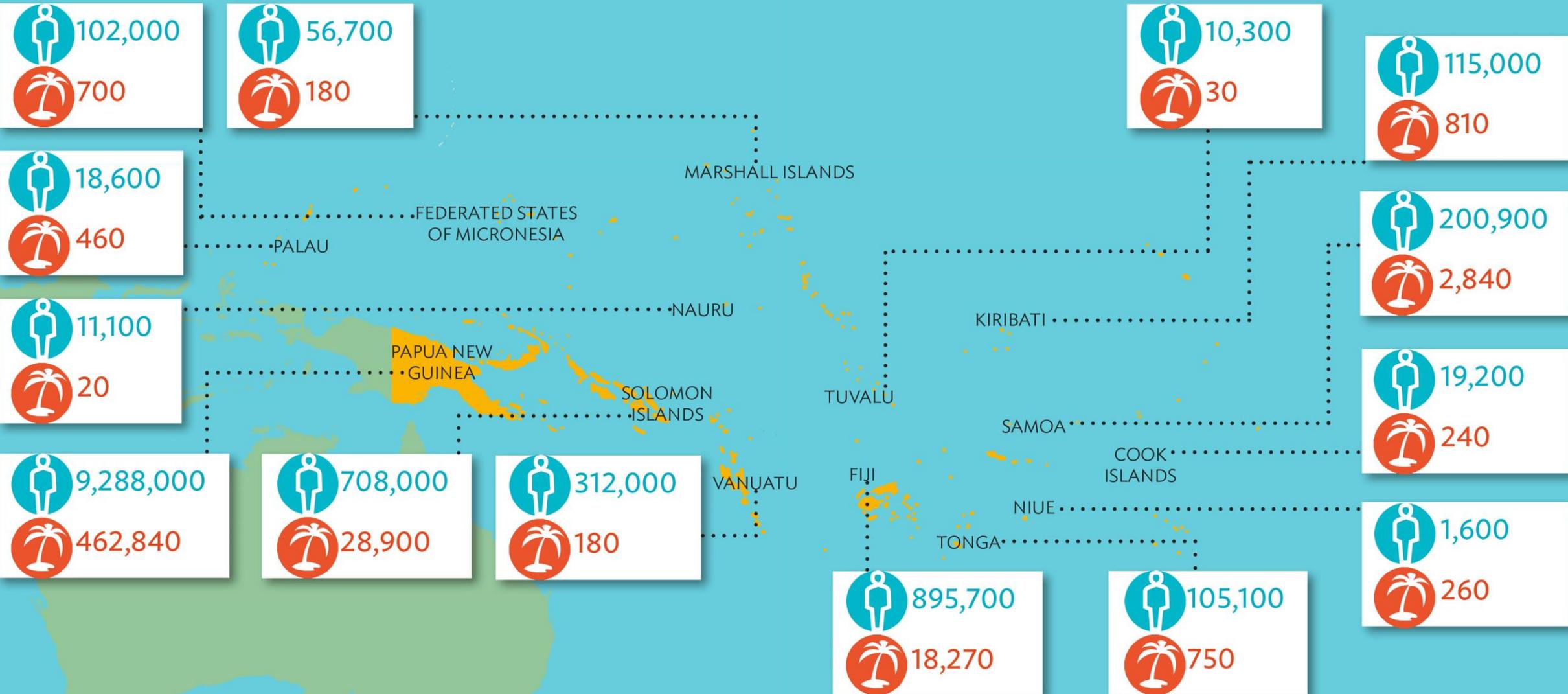
Pacific Urban & Water Update

27 October 2022

Presented by
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BUSINESS
OPPORTUNITIES 

ADB Pacific Developing Member Countries (PMDCs)



 Population
  Landmass (sq. km.)

Core Development Challenges for PMDCs

Vulnerable to Shocks
(COVID-19)

Weak Service Delivery

Slow Growth

Unique SIDS/FCAS context creates three core challenges in the Pacific developing nations

Capacity and Governance Constraints

Limited capacity and poor governance challenge implementation, private sector, and absorptive capacity

Narrow and Vulnerable Economies

Few natural resources and drivers of growth contribute to large economic swings and heightened economic vulnerability to external shocks

Distance from Major Markets

Transport and logistics increase the costs of trade, restricting export opportunities and creating high-cost structures for imports

High Cost

Transport, energy, urban and water, education and health services are decentralized and expensive

Inequality

Imbalanced access to opportunity and services between urban and rural populations, women and men, and those on the outer islands

SMALL

ISOLATED

DISPERSED

Urban Challenges in the Pacific

- High urban and peri-urban growth, explosion of informal settlements
- Expansion of urban services not commensurate with urban growth
- Growing inequality and decreasing access to opportunities by poor
- High exposure to climate change impacts and natural disasters
- Capacity to respond disasters and shocks often limited
- Limited ownership and commitment to change
- Limited capacity to plan and deliver improved and expanded services.
- Urban strategic plans often limited and outdated.
- Declining urban amenity.
- Growing security issues with growth of inequalities (limited access to opportunities)
- Growing expectations of urban communities

ADB's Response to PMDC Core Development Challenges



Goal: Supporting a Resilient Pacific
Leveraging ADF-13 and Strategy 2030 to respond to core challenges

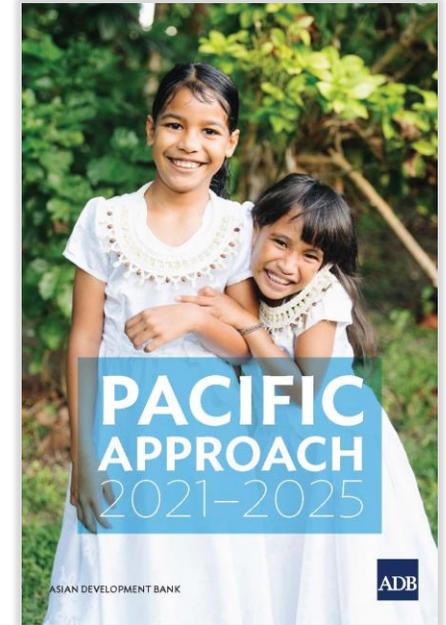
Pillar 1:
Preparing for and Responding to Shocks

Pillar 2:
Delivering Sustainable Services

Pillar 3:
Supporting Inclusive Growth

ADB's Pacific Approach (2021-2025)

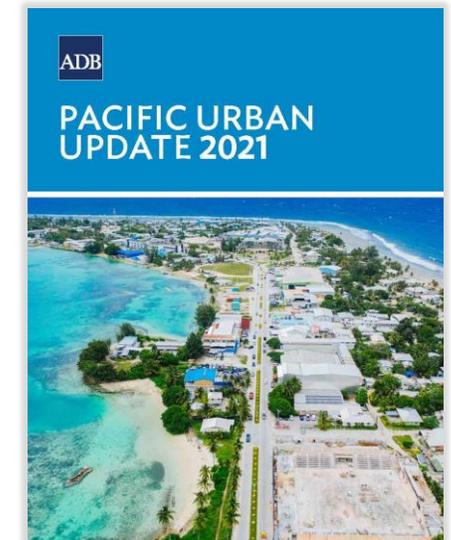
- Manage risk, reduce costs and value-add
- Promote sustainable services
- Ensure inclusive and equitable access to urban services
- Building resilience to climate change, geohazards and other shocks
- Promote innovative and appropriate approaches



ADB's Pacific Urban and Water Roadmap

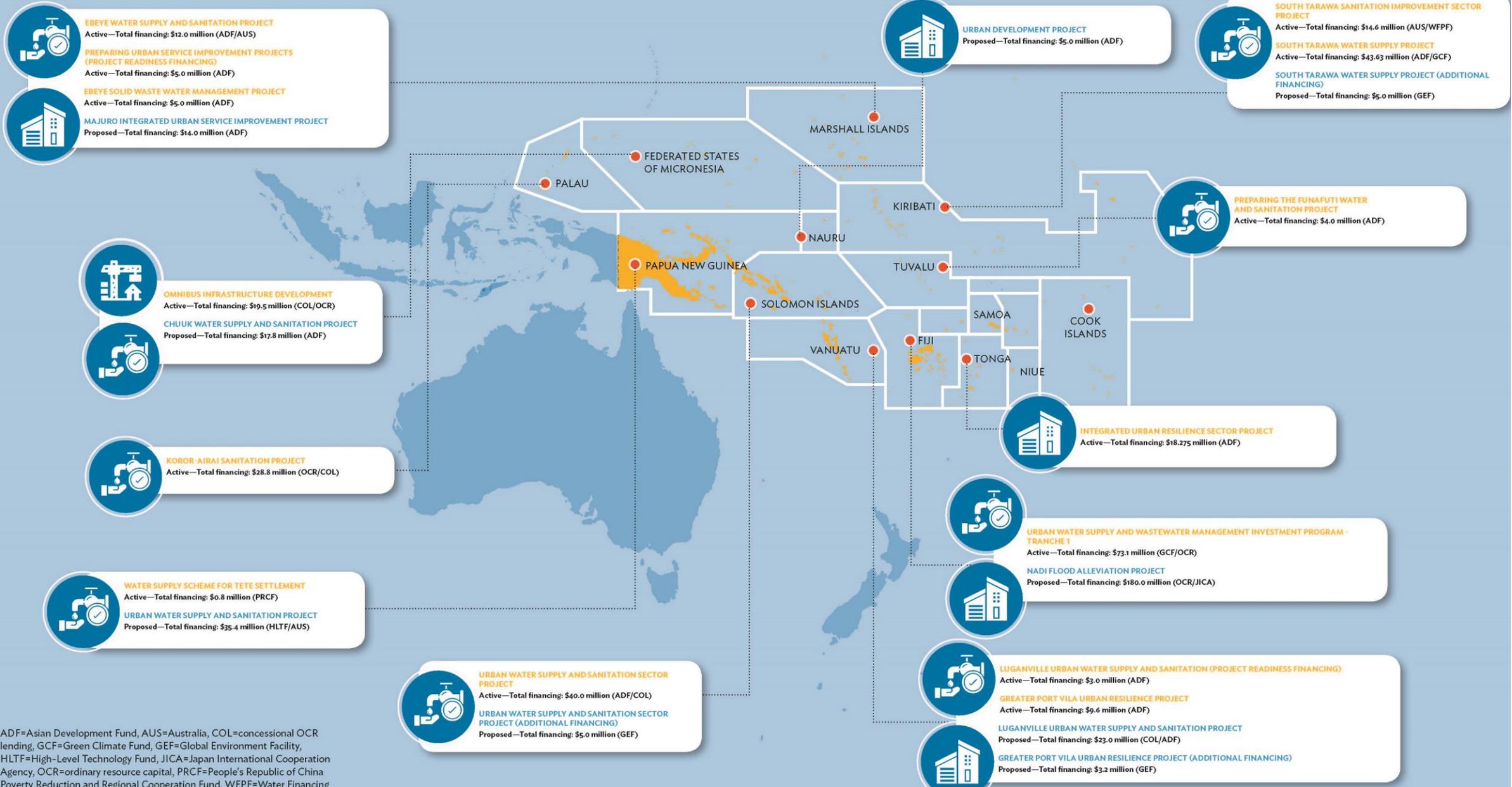
Main pillars -

- Improving and sustaining basic services
- Improving spatial planning
- Increasing resilience to climate change and protecting the environment



ADB URBAN OPERATIONS IN THE PACIFIC

■ ACTIVE
 ■ PROPOSED



ADF=Asian Development Fund, AUS=Australia, COL=concessional OCR lending, GCF=Green Climate Fund, GEF=Global Environment Facility, HLTF=High-Level Technology Fund, JICA=Japan International Cooperation Agency, OCR=ordinary resource capital, PRCF=People's Republic of China Poverty Reduction and Regional Cooperation Fund, WFPF=Water Financing

2022- 2024 Urban and Water Project Pipeline: Summary

Year	No.	Financing
		(US\$ m)
2022	3	30.6
2023	4	75.5
2024	7	189.3
TOTAL	14	295.4

Notes:

1. The number of projects and financing is indicative. Timelines are subject to change.
2. Year indicates the year when financing agreements are signed.
3. Financing is in US dollars.

Urban and Water Project Pipeline: 2022- 2023

Year	Country	Project Name	Financing	Status
			(US\$ m)	
2022	KIR	South Tarawa Water Supply Project - Additional Financing	24.6	Approval 12/22
2022	SOL	Preparing the Honiara Sustainable Solid Waste Management Project	3.0	Approved
2022	VAN	Greater Port Vila Urban Resilience Project - Additional Financing	3.0	Approved
2023	FSM	Chuuk Water Supply and Sanitation Project - Additional Financing	10.5	Preparation
2023	PAL	Koror-Airai Sanitation Project-Additional Financing	4.0	Preparation
2023	RMI	Majuro Integrated Urban Service Improvement Project	52.0	Preparation
2023	TUV	Funafuti Water and Sanitation Project	9.0	Preparation

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Project Pipeline – Urban and Water: 2024

Year	Country	Project Name	Financing	Status
			(US\$ m)	
2024	FIJ	Urban Water Supply and Wastewater Management Project	50.0	Pipeline
2024	NAU	Sustainable Urban Development Project	20.0	Pipeline
2024	PAL	Babeldaob Island Urban Resilience Project	10.0	Pipeline
2024	PNG	Urban Water Supply and Sanitation Project	35.4	Pipeline
2024	SOL	Honiara Sustainable Solid Waste Management Project	15.0	Pipeline
2024	VAN	Greater Port Vila Urban Resilience Project - AF	15.0	Pipeline
2024	VAN	Luganville Urban Water and Sanitation Project	43.9	Pipeline

Notes:

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Opportunities

Consulting services

ADB:

- feasibility studies
- due diligence
- capacity development
- peer review

Borrower/Recipient:

- feasibility studies
- due diligence
- capacity development
- communications
- data management
- engineering design, bidding documents
- project management, contract administration
- procurement support
- monitoring and evaluation
- construction oversight
- other services



Opportunities

Works and Goods

Borrower/Recipient:

- construction (supply and install)
- construction (turnkey)
- construction (design-build-operate)
- supply of equipment and materials
- operational support
- Maintenance contracts



Opportunities – Works and Goods (2022 – 2023)

Country	Project	Contract	Est. Cost	Invitation for Bids
KIR	South Tarawa Water Supply Project	Water Distribution System upgrade and O&M	US\$ 39.0m	Q2 2023
SOL	Urban Water Supply and Sanitation Sector Project	Gizo water supply source development and network upgrade	US\$ 11.7m	Q2 2023
TON	Integrated Urban Resilience Sector Project	Flood mitigation Works	US\$ 5.1m	Q1 2023
FSM	Chuuk Water Supply and Sanitation Project	Water supply and sewerage augmentation and rehabilitation	US\$ 5.1m	Q3 2023
FSM	Chuuk Water Supply and Sanitation Project	Wichen River Scheme - headworks and water treatment plant	US\$ 3.4m	Q4 2023
FSM	Chuuk Water Supply and Sanitation Project	Weno water supply well consolidation	US\$ 4.5m	Q4 2023
VAN	Luganville Urban Water Supply and Sanitation Services	Upgrading and O&M of the Luganville water supply system	US\$ 20.0m	Q4 2023

Opportunities – Works and Goods: 2024

Country	Project	Contract	Est. Cost	Invitation for Bids
FSM	Chuuk Water Supply and Sanitation Project	Wichap/Epinup water supply well development	US\$ 2.3m	Q1 2024
PAL	Koror-Airai Sanitation Project	Sewage pumping stations pipe bridge.	US\$ 3.5m	Q1 2024
SOL	Honiara Sustainable Solid Waste management Project	New landfill development	US\$ 8.0m	Q1 2024
RMI	Urban Service Improvement Project	Majuro Desalination Plant and Solar PV	US\$ 24.0m	Q2 2024
NAU	Sustainable Urban Development Project	Water supply, sanitation and solid waste management	US\$ 20.0m	Q4 2024

Opportunities – Consulting Services (2022 – 2024)

Country	Project	Contract	Est. Cost	Invitation for Bids
COO	Water and Sanitation Project	Project preparation and due diligence	US\$0.5m	Q1 2023
SAM		Water Supply Masterplan and Investment Plan	US\$0.7m	Q1 2023
RMI	Preparing Urban Service Improvement Projects	Engineering design and procurement support	US\$2.25m	Q4 2023
VAN	Luganville Urban Water Supply and Sanitation Services	Project implementation assistance	US\$3.0m	Q1 2023
PNG	Urban Water Supply and Sanitation Project	Project implementation assistance	US\$3.0m	Q3 2023
NAU	Sustainable Urban Development Project	Project implementation assistance	US\$3.5m	Q4 2023
SOL	Honiara Sustainable Solid Waste Management Project	Project implementation assistance	US\$2.0m	Q4 2024



Issues for Consideration

- Murphy's law applies – what can go wrong usually will
- Logistics and communications can be difficult
- Cost to deliver services in Pacific is high
- Capacity of government agencies can be low
- Availability of national consultants limited
- Strong home office / back-office support is essential
- Increased ADB focus on readiness and reducing risk
- Increasing ADB use of output-based contracts
- Increasing ADB use of independent design review

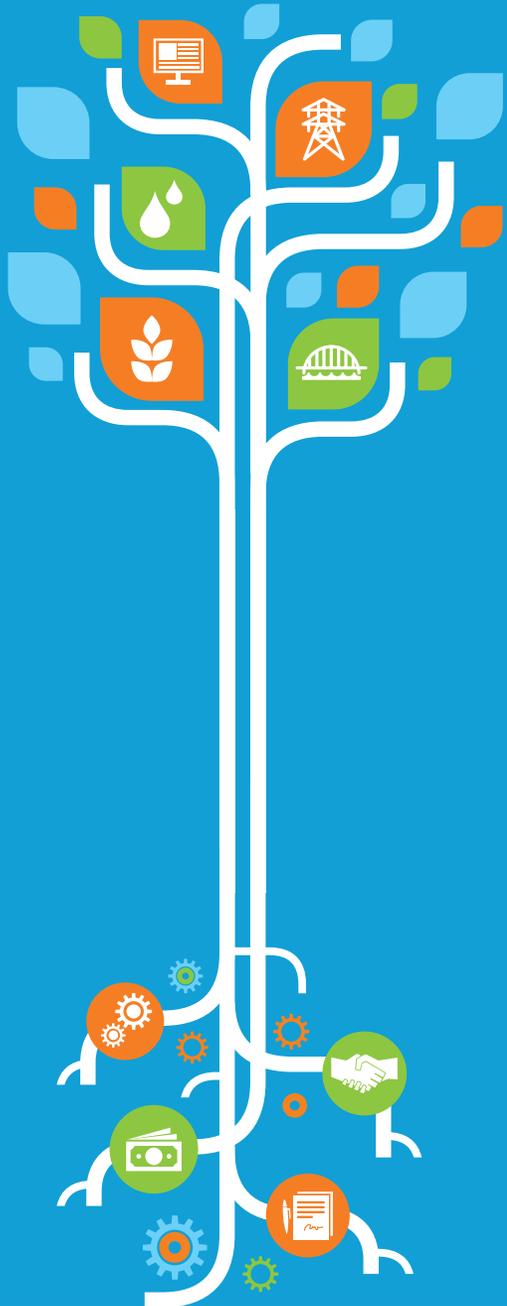


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BUSINESS
OPPORTUNITIES 

THANK YOU!

ADB