

## Closing Remarks – Cindy Cisneros-Tiangco

## The Water-Energy Nexus: Decarbonizing the Water Sector in the Pacific

## 1:30 - 3:00 pm, 29 May 2025, Auditorium Hall 4

Distinguished colleagues, partners, and friends,

Thank you for the opportunity to speak today on a topic that sits at the very heart of our development mission in Asia and the Pacific: the vital intersection between water and energy. We heard a lot of valuable insights today which I hope to summarize.

The water and energy nexus is not new - but its urgency and complexity have deepened.

At the Asian Development Bank, we recognize that tackling water and energy challenges in silos is no longer viable. This is especially true in the diverse and dispersed geographies of the Pacific, where interdependence is the rule, not the exception.

We face a dual imperative: to expand access to sustainable and reliable energy and water services - while simultaneously cutting emissions and building climate resilience.

Despite the clear benefits, integrating renewable energy into water utility operations in the Pacific remains complex. Utilities face aging infrastructure, fragmented data systems, and limited grid flexibility, especially in remote island communities where solar and wind energy integration can be challenging without proper storage or smart management systems.

As we have heard, water utilities continue to rely on diesel-powered pumps and desalination units. This model is costly, carbon-intensive, and vulnerable to global fuel supply disruptions.

But the equation changes when we introduce renewable energy. We reduce emissions, lower operational costs, and strengthen system resilience. We've seen this in Kiribati, Palau, and Micronesia, where clean energy is already helping improve water security and affordability.

Yet despite these successes, significant barriers remain.

What's needed going forward?

First, we must pursue integrated planning at all levels and across sectors. Water and energy utilities, finance ministries, and planning agencies need to coordinate from the outset. This is not just about aligning technical designs, harmonizing regulations, financing cycles, and institutional mandates. It is about deploying holistic, innovative, and transformative solutions and approaches. Without systemic coordination, even the best technologies will fall short.

Second, we must break down institutional silos. Too often, renewable energy and water projects are developed separately - even when implemented by the same utility! We need integrated solutions, like solar-powered reverse osmosis desalination systems or microgrid-enabled water pumping. These are technically feasible and increasingly cost-competitive, with enormous potential to reduce diesel dependence and carbon emissions.

Third, we must scale what works. We need to establish regional coordination platforms that enable pooled procurement, shared technical standards, and joint infrastructure planning.

So how is ADB helping advance the water-energy nexus?

At ADB, and particularly through the work of Emerging Areas Teams, we are actively working to bridge these gaps.

First, we're embedding this nexus across our project design, technical assistance, and knowledge work. Our approach to cross-sector collaboration is rooted in systems thinking. We support governments in breaking down their own silos and promote joint infrastructure investment planning. In fact, our team is piloting integrated planning frameworks, which we aim to scale across the region.

Second, we are deploying innovative financing mechanisms while leveraging concessional finance to catalyze investments in high-risk, low-return settings - especially in fragile states and remote islands, where the private sector may be hesitant to step in.

Third, we are supporting innovative pilots, such as floating solar on lagoons and reservoirs for productive uses of energy, and AI-powered optimization of urban energy and water systems.

Fourth, we are strengthening regional platforms that bring together regulators, utilities, governments, and communities. The Office of the Pacific Energy Regulators Alliance (OPERA) is a platform which the ADB helped establish. Platforms such as this help reduce transaction costs, achieve economies of scale and accelerate project implementation. These platforms enable knowledge sharing, peer learning and offering support for hands-on implementation. We believe real solutions must be systemic, inclusive, and grounded in local ownership.

The water-energy nexus is not just a development theme – it is a strategic imperative and a lifeline for millions of people across Asia and the Pacific. If we plan together, break down silos, invest in local capacity, and deliver context-specific, scalable solutions, we can advance both sustainability and resilience - side by side.

At ADB, we recognize that the cross-sector collaboration and integrated solutions hold immense potential to reshape development pathways in the Pacific, moving us closer to a low-carbon, resilient future. ADB is committed to walking this journey with our partners.

Thank you to all the organizers, speakers, panelists, distinguished guests, and to all participants for joining us today. The time to act is now. Working together, we can ensure that water and energy are not competing priorities but mutually reinforcing pillars of a sustainable future.