

# **ADB's Urban Operations (Implementing the Urban Operational Plan)**

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# Asia's Urban Challenge

- **Nation-sized** - in population and economic output (1.1 billion more people by 2030, soon 50% of population; Approximately 75% of GDP)
- **Infrastructure** - already inadequate; unable to keep pace with population growth
- **Environment** - large economic base but as much of environmental impact (cities using 85% of energy and causing at least 75% of GHG emissions; becoming especially vulnerable to climate change)
- **Urban poverty** - 70% of dire poverty world over in Asian cities; if nothing changes urban poor to reach 625 million by 2015
- **Institutional capacity (sustainability)** - for planning, management systems, governance, coordination across sectors and administrative boundaries falling behind
- **Resources (sustainability)** - funding requirements enormous; unlikely to be met without mobilizing large amounts of private funds



**Need for coherent urban investments and interventions that focus on planning; financial, institutional & environmental sustainability of services; and provide tangible benefits to poor**

# Lessons from ADB Urban Operations in DMCs

**Multiple urban projects in multiple sectors in numerous cities had no transformative impact on urban systems**

- **Policy, planning** - almost no long term view of sectorally integrated urban and infrastructure investment planning; unsustainable service delivery models; ad-hoc programs and projects; lack of focus on inclusiveness of urban poor
- **Governance, financial management** - poor intergovernmental co-ordination on responsibilities; asset management, financial management systems lacking/poor; incentives for efficiency lacking
- **Financing** – dependence on grants from higher levels of govt. postponing borrowing programs; lack of comprehensive business plans resulting in private sector's perceived high risks of financing urban infrastructure
- **Capacity** - Inadequate institutional capacity to handle these issues



**Need to address planning, financial sustainability, institutional capacity, governance, private sector participation/development**

# ADB Urban Response under Strategy 2020



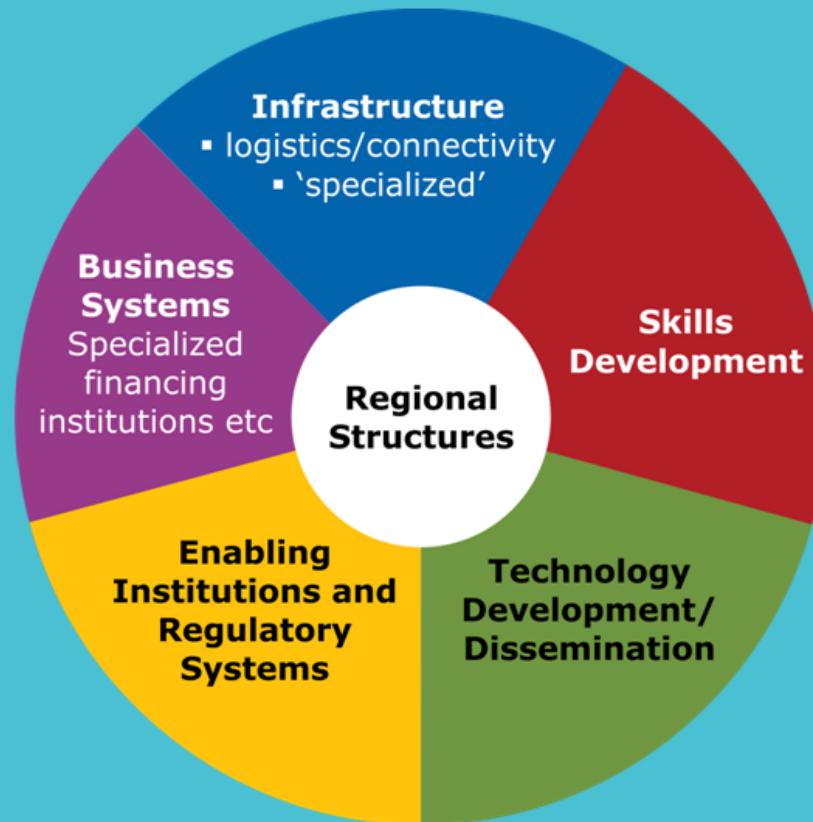
# Investments for Green Cities Development



# Investments for Inclusive Urban Development



# Investments for Competitive Cities Development



# Focus of New Urban Portfolio



climate change adaptation and mitigation



basic water and wastewater services



solid waste management services



urban public transportation services



pro-poor inclusive development



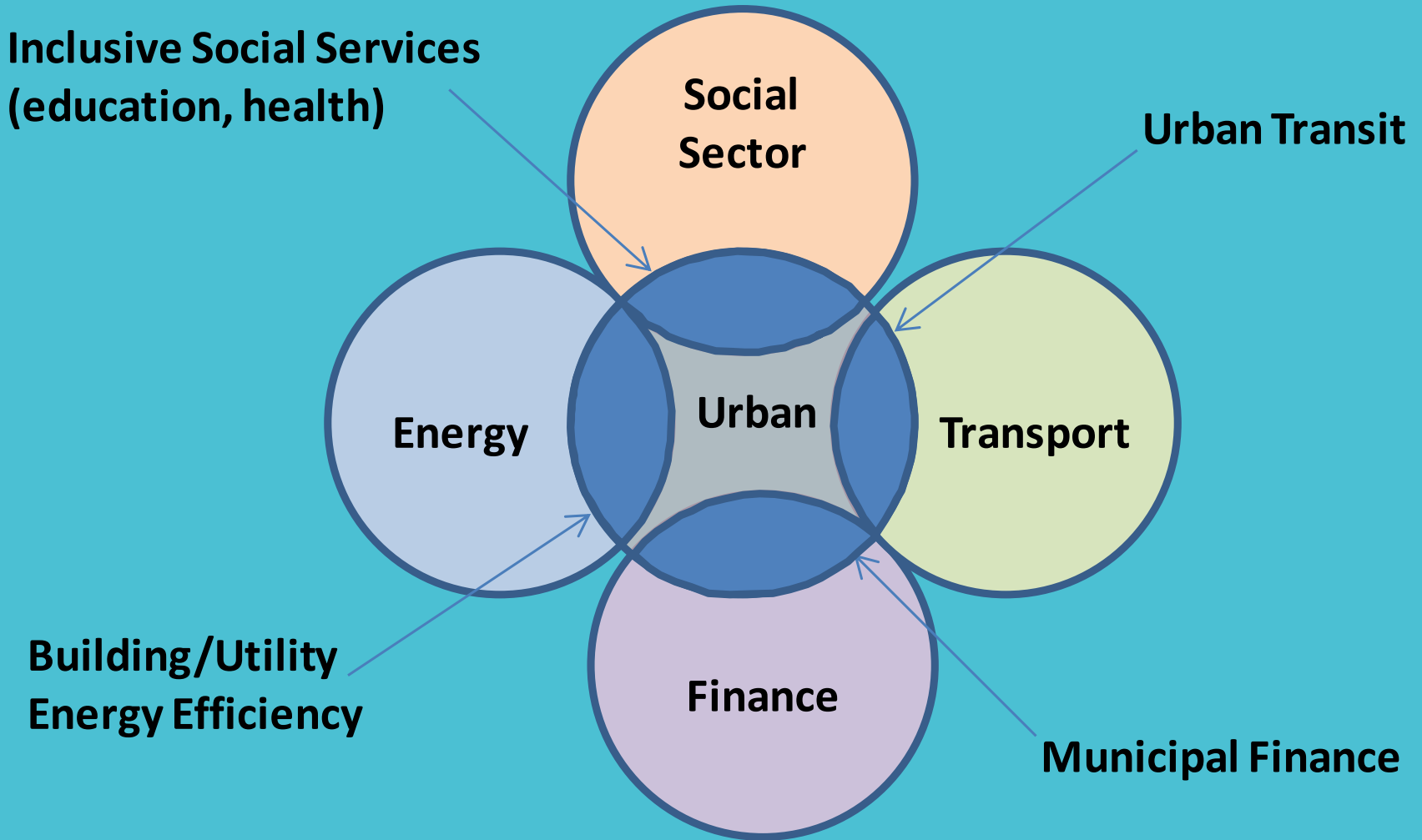
innovative financing



**Strongly integrated with interventions to strengthen integrated planning (physical and investment); sub-national/municipal finance; financial and operational management; PPPs; institutional capacity and governance**



# Urban Operational Plan Linkage to Sector Operations



# Directions of Urban Operational Plan – In Sum

- **Think integration in planning and invest selectively**  
→ *incentives for such investments*
- **Promote partnership with private sector**  
→ *project development, investment, capacity building*
- **Focus investment**  
→ *Secondary Cities / select issues of metros*
- **Innovative Financing / Leverage**  
→ *Co-financing / guarantees*
- **Sustainability**  
→ *financial, institutional*

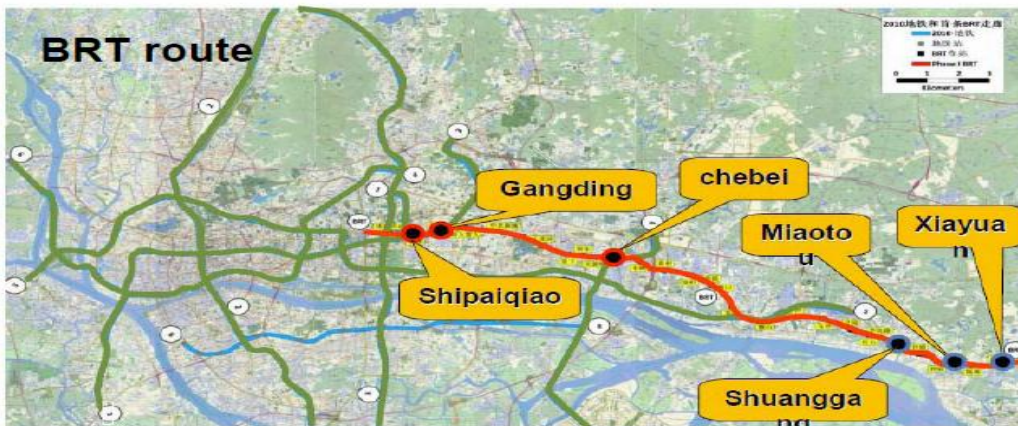


**Provide govts. the integrated planning context for transport, water, energy infrastructure & services to be more coherently planned, energy efficient, market-oriented, climate resilient and client-focused; broaden the range of financing and delivery systems, especially sub-national modalities**

# Example - Low Carbon Transport for Green Cities

## Case study: Guangzhou Bus-Rapid Transit (BRT) system

- Integrated with metro system and other non-motorized transport means
- Integrated with surrounding buildings
- Pedestrian-friendly and accessibility features
- Passenger information services



# Example -Strategic Private Sector Partnerships for Urban Poverty Reduction (STEP-UP)

Implemented by the Philippine Business for Social Progress, an NGO supported by the private sector CSR contributions

## 3 components

- *Strategic partnership building* among business, local government and homeowners associations
- *Physical development*
  - housing improvement;
  - microenterprise support;
  - upgrading of community infrastructure (roads, drainage, water supply, multipurpose centers, and access to health/sanitation)
- *Risk reduction and management* issues relating to natural and artificial disasters.



# Sample Activities / Opportunities in Urban Projects

## ➤ Planning, PFS', project development

## ➤ Developing innovative financing mechanisms

(using incentive finance, credit enhancement to crowd-in private sector finance; efficiently leverage limited govt. financial resources; help develop domestic credit markets for infrastructure)

## ➤ Building capacity

- **On the demand side** - strengthening sub-sovereign public and private project proponents (*planning, investment planning, project development, capacity....*)
- **On the supply side** – strengthening involvement of national governments, domestic and international private sector (*policy advisory to create enabling regulatory and legal conditions for private participation; domestic debt market development...*)

## ➤ Building and disseminating knowledge; networking

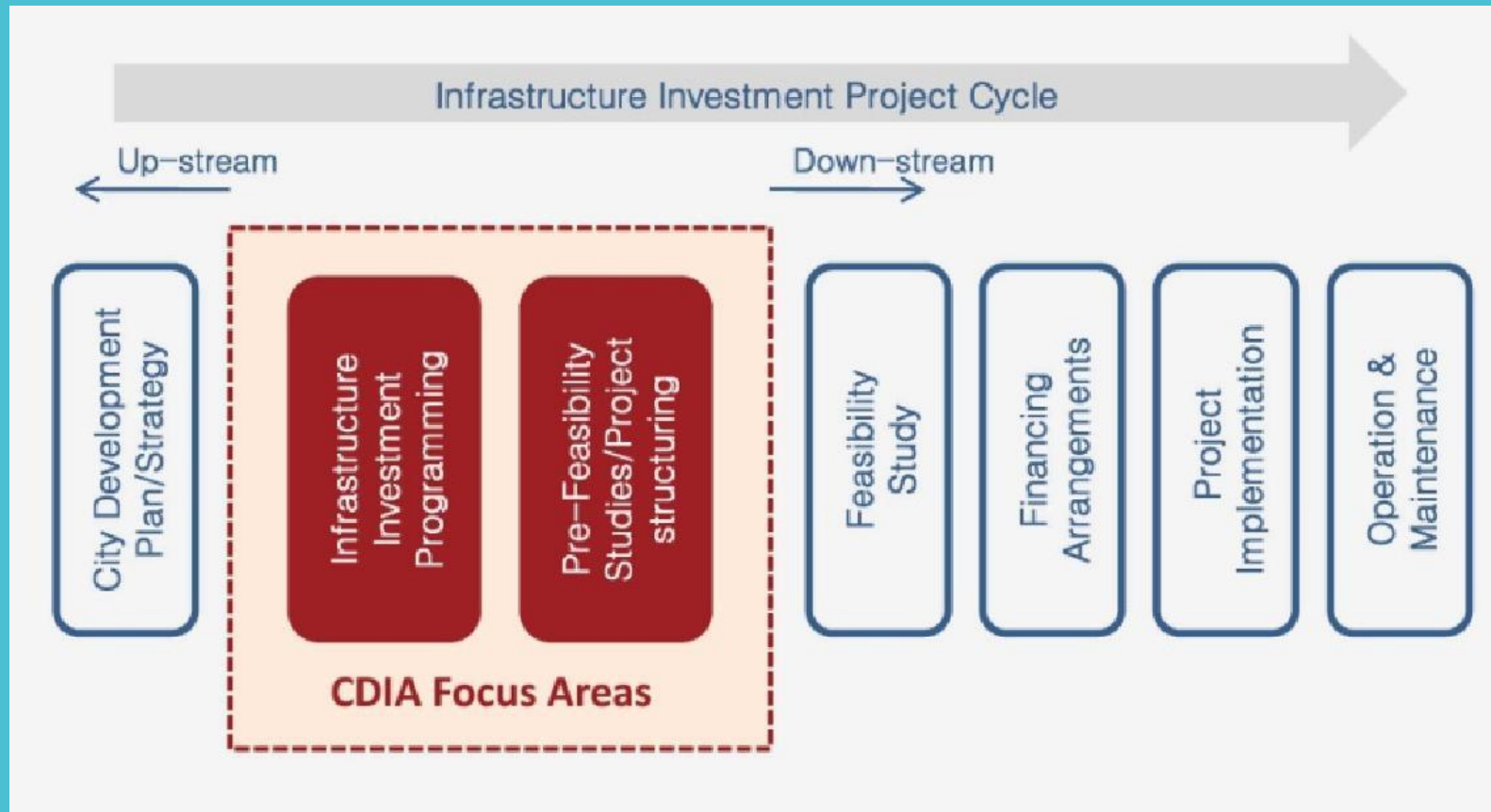
Therefore, sample expertise in demand:

- **Urban planners**
- **Municipal finance specialists; Public Finance specialists**
- **Water, sanitation, solid waste management engineers**
- **Institutional specialists (utility operations managers)**
- **PPP and project finance specialists**
- **Economic and financial analysts**
- **Economists**



# Example - Cities Development Initiative for Asia (CDIA)

## ➤ Focus areas of intervention in the project development process



# Procurement for Various Urban Opportunities

## ADB TA

- ADB procedures
- firms for loan projects (PPTAs); individuals for focused tasks (CDTAs, RDTAs, etc.)

## CDIA

- ADB and GIZ procedures
- Framework contracts, firms and individuals

# 2012 Urban Lending Pipeline

No.	Country	Project Name	Financing Plan (US\$Mn)			
			OCR (A)	ADF		ADB (A+B+C)
				Loan (B)	Grant (C)	
<b>CWUW</b>						
1	ARM	Armenia Water Supply and Sanitation Project - Phase 2		40.00		40.00
2		Proposed MFF Solid Waste Management		105.00		105.00
		Solid Waste Management Improvement Investment Program - Tranche 1		30.00		30.00
3	AZE	MFF-WSS Investment Program Tranche 3	175.00			175.00
4	GEO	MFF- Sustainable Urban Transport Investment Program Tranche 2		50.00		50.00
		MFF- Sustainable Urban Transport Investment Program Tranche 3		70.00		70.00
		Sustainable Urban Transport Investment Program - Tranche 2	50.00			50.00
5		Urban Services Improvement Investment Program - Tranche 3	80.00			80.00
6	KAZ	Astana Sustainable Urban Transport Project	300.00			300.00
7	KGZ	Issyk-Kul Sustainable Development Project		20.00		20.00
8	PAK	Punjab Cities Improvement Project (Sialkot)		80.00		80.00
9	UZB	MFF-Water Supply and Sanitation Services Investment Program Tranche 4		41.00		41.00
10		MFF - Solid Waste Management Investment Program (Facility Concept)	300.00	100.00		400.00
11		Water Supply and Sanitation Phase 2 (Facility)		300.00		300.00
		Water Supply and Sanitation Phase 2 - Tranche 1		100.00		100.00
<b>11</b>		<b>Subtotal CWUW</b>	<b>905.00</b>	<b>936.00</b>		<b>1,841.00</b>
<b>EASS</b>						
1	MON	Urban Transport Development (formerly Sustainable Urban Development)		175.90		175.90
2	PRC	Hubei Huangshi Urban Pollution Control and Environment Management Project	100.00			100.00
3		Gansu Urban Infrastructure Development and Wetland Protection Project	100.00			100.00
4		Integrated Development of Key Townships in Central Liaoning	150.00			150.00
<b>4</b>		<b>Subtotal EASS</b>	<b>350.00</b>	<b>175.90</b>		<b>525.90</b>
<b>PAUS</b>						
1	PAL	Koroi-Arai Sanitation Project	9.92	1.98		11.90
<b>1</b>		<b>Subtotal PAUS</b>	<b>9.92</b>	<b>1.98</b>		<b>11.90</b>



# 2012 Urban Lending Pipeline (continued)

No.	Country	Project Name	Financing Plan (US\$Mn)			
			OCR (A)	ADF		ADB (A+B+C)
	Loan (B)	Grant (C)				
<b>SAUW</b>						
1	BAN	Greater Dhaka Sustainable Urban Transport Project (formerly Integrated City Transport Project)	100.00	45.00		145.00
2	BHU	Urban Infrastructure Development (Additional Financing)		5.00		5.00
3	IND	MFF - North Eastern Region Capital Cities Development Investment Program (Project 3)	35.00			35.00
4		MFF - North Karnataka Urban Sector Investment Program (Tranche 3)	60.00			60.00
5		MFF - Jammu and Kashmir Urban Sector Development Investment Program (Tranche 2)	60.00			60.00
6		MFF - National Capital Region Urban Infrastructure Financing Facility - Tranche 2	72.00			72.00
7		MFF - Bihar Urban Infrastructure Development Sector Program (Facility Concept)	200.00			200.00
8		MFF - Bihar Urban Infrastructure Development Sector Program -Tranche 1	80.00			80.00
		MFF - Kolkata Environmental Improvement Project II (Facility Concept)	250.00			250.00
		MFF - Kolkata Environment Improvement II (Project 1)	50.00			50.00
9	NEP	Integrated Urban Development Project		44.80	12.00	56.80
10	SRI	Water Supply Service Improvement Project	30.00	12.00		42.00
<b>10</b>		<b>Subtotal SAUW</b>	<b>937.00</b>	<b>106.80</b>	<b>12.00</b>	<b>1,055.80</b>
<b>SEUW</b>						
1	LAO	Water Supply and Sanitation Sector Program			21.00	21.00
2		Pakse Urban Environmental Improvement Project			24.00	24.00
3	PHI	Water District Development Sector Project	50.00			50.00
4		Urban Water Supply and Sanitation Project	70.00			70.00
5	REG	LAO: GMS Corridor Town Development II			15.45	15.45
		CAM: GMS Corridor Town Development II		36.17		36.17
		LAO: GMS Corridor Town Development II		24.00		24.00
6	VIE	Supporting Viet Nam Water Sector Project PFR2	210.00			210.00
<b>6</b>		<b>Subtotal SEUW</b>	<b>330.00</b>	<b>60.17</b>	<b>60.45</b>	<b>450.62</b>
<b>32</b>		<b>TOTAL</b>	<b>2,531.92</b>	<b>1,280.85</b>	<b>72.45</b>	<b>3,885.22</b>

# 2012 ADB Urban TA Pipeline

No.	Type	Country	Product Name	Amount
<b>CWUW</b>				
1	PPTA	AZE	<a href="#">Urban Transport (Preparing the MFF)</a>	800.00
2	PPTA	GEO	<a href="#">Wholesale Markets/Logistics Project</a>	800.00
3	PPTA	KAZ	<a href="#">Almaty Light Rail Project</a>	800.00
4	PPTA	KGZ	<a href="#">Issyk-Kul Sustainable Infrastructure Project (Additional Financing)</a>	800.00
5	PPTA	PAK	<a href="#">Khyber Pakhtunkhwa Water Supply and Sanitation Project</a>	800.00
6	PPTA	PAK	<a href="#">Islamabad Bus Rapid Transport</a>	225.00
7	PPTA	UZB	<a href="#">Water Supply and Sanitation Investment Support Project</a>	800.00
<b>7</b>	<b>Subtotal, CWUW</b>			<b>5,025.00</b>
<b>EASS</b>				
1	PATA	MON	<a href="#">Strategic Social Sector Development for Inclusive Growth</a>	500.00
2	PATA	PRC	<a href="#">Strengthening Technical and Vocational Education and Training for Development of Priority Sectors</a>	500.00
3	PATA	PRC	<a href="#">Analysis of Pollution and Rehabilitation Plan for Non-registered Solid Waste Management Sites</a>	500.00
4	PPTA	MON	<a href="#">Vocational and Higher Education</a>	1,000.00
5	PPTA	PRC	<a href="#">Guangxi Nanning Vocational Education Development</a>	750.00
6	PPTA	PRC	<a href="#">Jilin Urban Services Improvement</a>	700.00
7	PPTA	PRC	<a href="#">Xinjiang Akesu Integrated Urban Development and Environment</a>	625.00
8	PPTA	PRC	<a href="#">Hubei Huanggang Integrated Environment Rehabilitation</a>	750.00
<b>8</b>	<b>Subtotal, EASS</b>			<b>5,325.00</b>

# 2012 ADB Urban TA Pipeline

No.	Type	Country	Product Name	Amount
<b>PAUS</b>				
1	CDTA	PAL	<a href="#">Water Supply and Sanitation Utility Strengthening Project</a>	600.00
2	CDTA	PNG	<a href="#">Supporting Public Financial Management, Phase 2</a>	1,000.00
3	CDTA	REG	<a href="#">Implementing Demand Driven Skills Training in the Republic of the Marshall Islands and Federated States</a>	1,200.00
4	CDTA	REG	<a href="#">Enhancing ADB's Engagement in Fragile and Conflict Affected Situations</a>	800.00
5	CDTA	REG	<a href="#">Results-Based Project Management for Pacific Developing Member Countries, Phase 2</a>	1,000.00
6	CDTA	REG	<a href="#">Support on a Skills Strategy and Labour Market Analysis for the Pacific</a>	1,000.00
7	CDTA	REG	<a href="#">ICT for Better Social Services in Solomon Islands and Tonga</a>	1,500.00
8	CDTA	RMI	<a href="#">Strengthening Economic Policy and Planning: Implementation of the National Development Plan 2012-2015</a>	225.00
9	PATA	REG	<a href="#">Quality Primary Education in the Pacific</a>	1,350.00
10	PPTA	COO	<a href="#">Rarotonga Water Supply Project</a>	350.00
11	PPTA	REG	<a href="#">Pacific Regional ICT Connectivity Project, Phase 3 (Palau and Federated States of Micronesia)</a>	800.00
12	PPTA	TIM	<a href="#">Preparing the District Capital Water Supply Project</a>	550.00
13	PPTA	VAN	<a href="#">Urban Development Project, Phase 2, Greater Port Vila and Luganville</a>	1,300.00
<b>13</b>	<b>Subtotal, PAUS</b>			<b>11,675.00</b>
<b>SAUW</b>				
1	CDTA	BAN	<a href="#">Transit-Oriented Development and Improved Traffic Management along the Greater Dhaka Sustainable U</a>	1,000.00
2	CDTA	SRI	<a href="#">Capacity Building for Non-Revenue Water Reduction</a>	400.00
3	PPTA	BAN	<a href="#">Preparing Coastal Towns Infrastructure Improvement</a>	800.00
4	PPTA	IND	<a href="#">Preparing the Second National Capital Region Planning Board Project</a>	700.00
5	PPTA	SRI	<a href="#">Ekala Ja Ella Urban and Industrial Sewerage Project</a>	300.00
<b>5</b>	<b>Subtotal, SAUW</b>			<b>3,200.00</b>
<b>SEUW</b>				
1	CDTA	CAM	<a href="#">Capacity Development for Urban Development</a>	700.00
2	PPTA	CAM	<a href="#">Rural Water Supply and Sanitation Project III</a>	800.00
3	PPTA	INO	<a href="#">IKK Water Supply Project</a>	1,000.00
4	PPTA	PHI	<a href="#">Solid Waste Management Sector Project</a>	1,000.00
5	PPTA	VIE	<a href="#">Coastal Cities Urban Environment and Climate Change</a>	1,500.00
<b>5</b>	<b>Subtotal, SEUW</b>			<b>5,000.00</b>
<b>38</b>	<b>GRAND TOTAL</b>			<b>30,225.00</b>

**Thank You**