

LOCALIZING GLOBAL AGENDAS

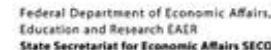
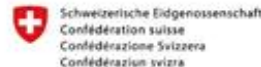


Cities Development Initiative for Asia Linking Subnationals to Finance - Investing in Asia's Urban Future

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Financing Gap in Asia

Source



Infrastructure Investment Gap in Asia

2010 – 2020 : USD \$8 trillion

\$4.1tr – power plants & transmission; \$2.5tr – roads & railroads; \$1.1tr - telecommunications; \$0.4tr – water & sanitation



Infrastructure Investment Gap in Emerging Asian Market (CHN, HK, IDN, IND, KOR, MYS,; PHL, SGP, LKA, THA, VEN)

2010 – 2030 : USD \$11.5 trillion



Infrastructure Investment Gap in ASEAN member states

2014 – 2030 : USD \$7 trillion

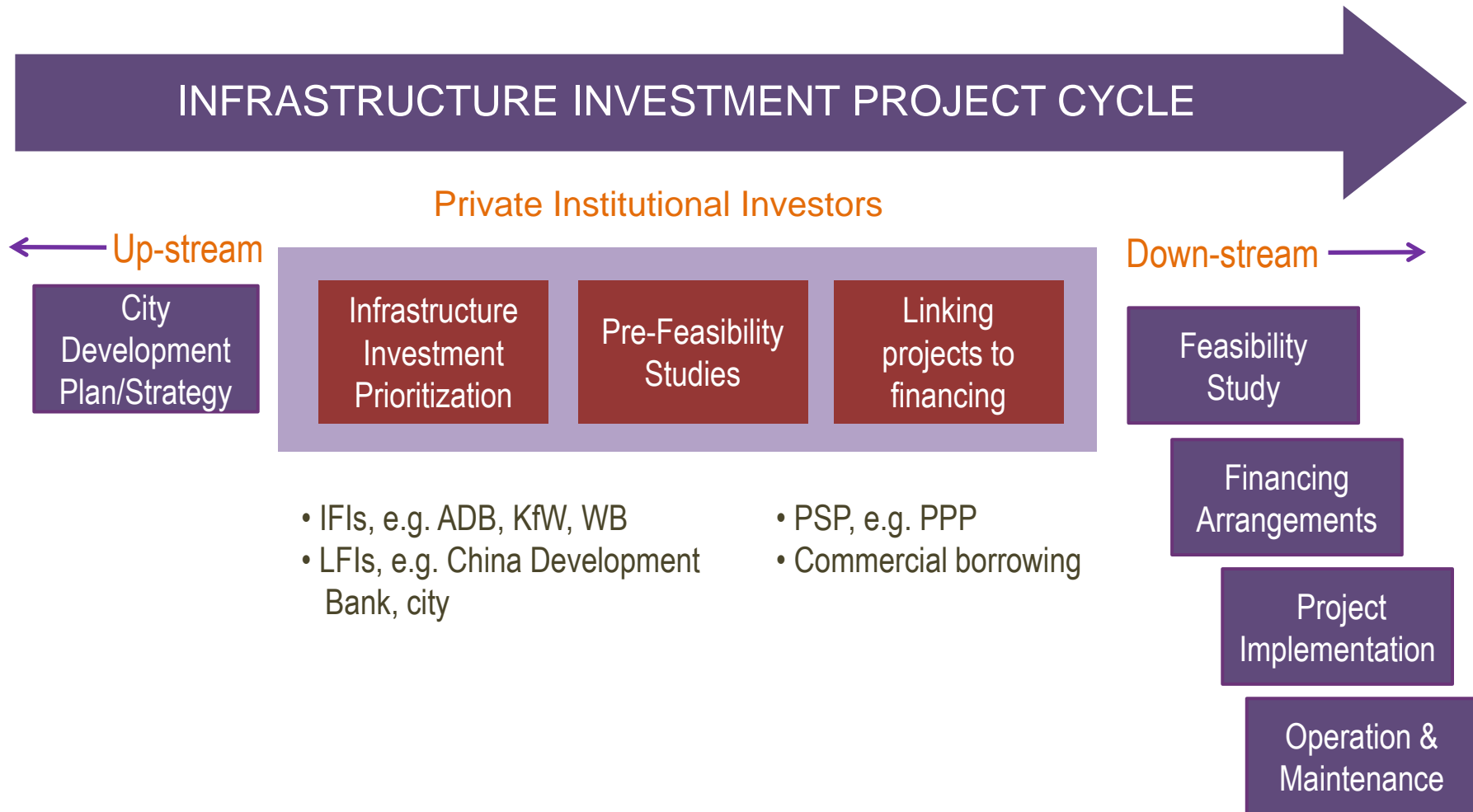
\$3.6tr – real estate; \$1.2tr– transport; \$1.0tr – power; \$0.6tr – telecom; \$0.6tr - water;

2010

2020

2030

CDIA Focus Areas



Impact Areas

CDIA supports the identification and development of urban investment projects that emphasize at least two of the following impact areas:



**Urban
Environmental
Improvement**



**Climate Change
Mitigation or
Adaptation**



**Urban Poverty
Reduction**



**Improved
Governance**



CDIA's contribution to the implementation of SDG 11

- Make cities and human settlements inclusive, safe, resilient & sustainable -



CDIA's contribution

to implementing and financing of SDGs by supporting cities and LGs in:

- **Supporting the identification of infrastructure investment projects** related to SDG 11
- **Closing the infrastructure financing gap** by mobilizing domestic and international financial resources and public-private partnerships for sustainable urban infrastructure projects
- **Closing the capacity gap** by supporting organizational learning in and between local governments

Local authorities will have to be involved in the implementation of the SDGs in order to **achieve 65% of the targets.**



Source:

Philipp Misselwitz
Jesús Salcedo Villanueva
Anna Rowell



Habitat Unit

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

CDIA's contribution to the implementation of SDG 11 and its 10 targets

11 SUSTAINABLE CITIES AND COMMUNITIES



1, 8

SAFE & AFFORDABLE HOUSING: Ulaanbaatar, Mongolia



2, 6, 8

SUSTAINABLE TRANSPORT SYSTEMS: Islamabad, Pakistan



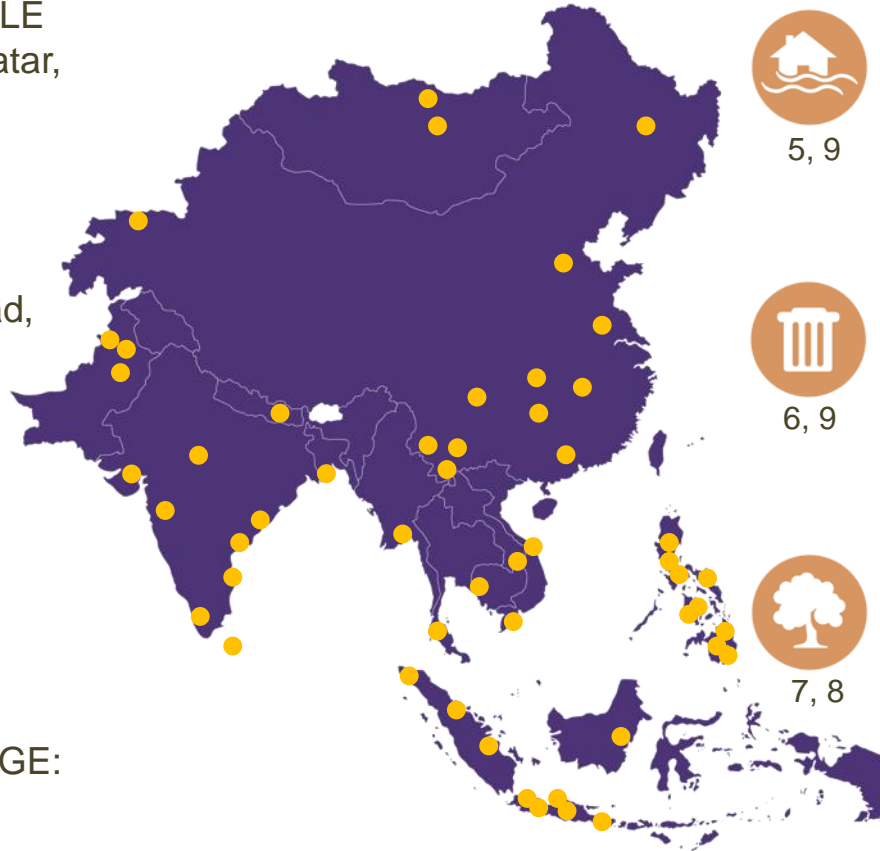
3, 9

PARTICIPATORY PLANNING & MANAGEMENT: Peshawar, Pakistan



4, 10

SAFEGUARD OF CULTURAL HERITAGE: Yangon, Myanmar



5, 9

DISASTER RISK REDUCTION: Naga & Valenzuela, Philippines and Xinyu, China



6, 9

SOLID WASTE MANAGEMENT: Bhopal, India and Balikpapan and Tangerang, Indonesia



7, 8

GREEN PUBLIC SPACES: Semarang, Indonesia





CDIA Case Studies



Integrated River Revitalization 2012

Naga, Philippines



- **Challenges:** deteriorated water quality, lack of adequate drainage system and blocking of existing drains due to careless disposal of garbage, flooding, bad odor from the river
- **Pre-Feasibility Study on Urban Renewal, Transport; Water Supply; Flood & Drainage Management**
Est. Investment Value: US\$63.12 million
- **Innovation:** Enhanced decision making and prioritization process through different tools (i.e. CIIPP, administrative tools from Nat'l Govt.)



Sources of Financing:

Naga River Transport: **US\$ 0.43 mil**
(Grant from Nat'l Gov - DILG)

River Walk: **US\$ 4.85 mil**
(Funding from Nat'l Gov – DPWH)

Flood Mgt. & Mitigation: **US\$ 9.2 mil**
(Funding from Nat'l Gov – DPWH)



Ulaanbaatar, Mongolia



CDIA's involvement in UB's Urban Development:

- Infrastructure upgrading
- Affordable housing
- Energy efficiency
- Water supply and sanitation

Key Partners:



Government of
Mongolia



Municipality of
Ulaanbaatar



Darkhan-Uul
Province



Project timeline:

PFS Thermo-Technical
Rehabilitation of Pre-Cast
Panel Buildings in UB



2008



2009

Mongolia
National
Urban
Assessment



2014



2015

Affordable Housing and Urban Development
Urban Development Assessment of the 5th combined
Heat & Power Plant (CHP 5) Neighboring Area in UB



2016

Ulaanbaatar Heritage Preservation
in the Ger Area (ongoing)



CDIA supported the conceptual design, and financial and institutional arrangement



Demonstration project and leverage private sector investment to deliver affordable and green housing stock, and establish policies, mechanisms, and standards for sustainable AH and green urban development.

Physical component will deliver 8,000 affordable and 2,000 social housing units and redevelop 130 hectares of *ger* areas into ecodisricts that will be:

- (i) mixed-use with ample public space and public facilities;
- (ii) mixed-income with at least 65% of combined affordable & social housing units;
- (iii) resource efficient and maximizing the use of renewable energy.



Institutional and capacity component will:

- (i) Establish mechanisms for delivery of affordable housing units stock;
- (ii) Improved urban redevelopment process and standards; and
- (iii) Strengthened project mgt., and institutions for urban redevelopment and AH.



Solid Waste Management, 2015 - PPP Bhopal, India



Project components

- 1 MSW Collection System
- 2 Street Sweepers
- 3 MSW Transfer System
- 4 Adampur MSW Treatment & Disposal
- 5 Bhanpura Remediation & Closure
- 6 Adampur Closure

Support Programs

- I. Community Engagement and Participation
- II. Informal Recycling Support
- III. Institutional Strengthening

Due Diligence

- I. Environmental Due Diligence
- II. Rehabilitation and Resettlement
- III. Design and Construction Supervision

Funding Options and their Pros & Cons

Funding Source	Effective Rate	Tenor
Government	Mostly grant	NA
International (IFI) ADB/WB/JICA/KfW	5 to 8%	12 to 30 yrs.
Domestic (DFI) HUDCO/IL&FS/Banks	10.5 to 13%	10 to 15 yrs.
Bond Market	8 to 12%	7 to 12 yrs.
PPP	Expected rate of return high	7 to 25 yrs. concession period



Solid Waste Management, 2015 - PPP Bhopal, India



Project Analysis with focus on

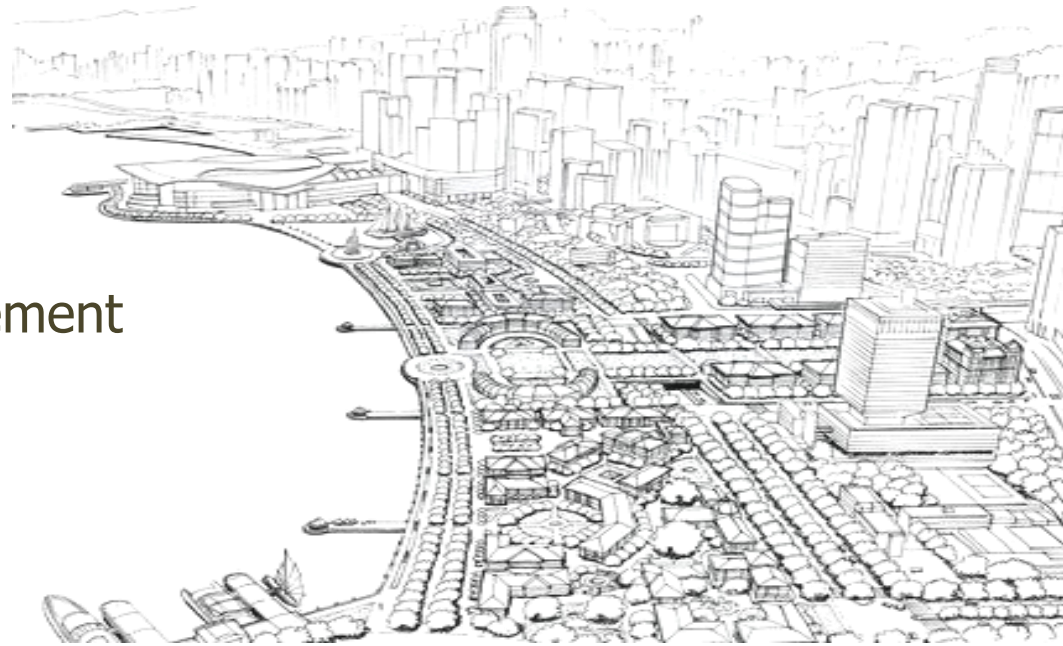
- Estimation of Tipping Fee (Bid Variable)
- Financial Impact on BMC under different Scenarios
- Cost Recovery for BMC
(existing O&M recovery is very low; tariff revision)
- EPC Cost – US\$ 49 Million

Project Structuring – PPP Mode

Sources	Scenario1	Scenario2	Scenario3	Scenario4
	With DFI Loan	With IFI Loan	With GOMP Subsidy Loan With O&M Grant	with 70% IFI
GOI Grant under Swachh Bharat	20%	20%	20%	-
GOMP – Grant	30%	30%	30%	-
GOMP Subsidised loan	-	-	20%	-
Domestic FIs	20%	-	-	70%
International FIs	-	20%	-	-
PPP	30%	30%	30%	30%
Total	100%	100%	100%	100%

Localize the global agenda and Adapt to the need of the city and its financier!

- What? – Infrastructure sector
- Where? – Boundaries
- How? – Local conditions
- Who? – Stakeholder involvement
- When? – Time frame



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Thank you!

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Cities Development
Initiative for Asia