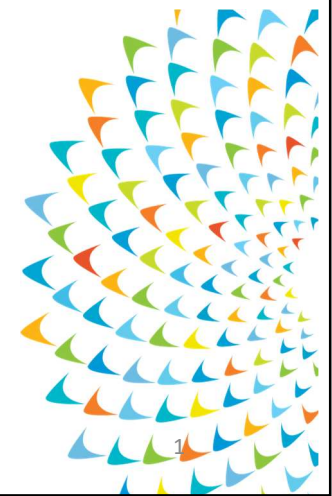


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PROVISION OF SUSTAINABILITY AND CLIMATE CHANGE IN ADB FINANCED PROCUREMENT



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Climate Changes and Development Challenges

Impacts of climate change are already very real

Risk has been increasing rapidly

Risk is already a key threat to sustainable development

Economic costs is expected to be high

Recognized as a financial risk

Disproportionally more impact on the poorest

Impacts from disasters in Asia and the Pacific* (2015-2022)



814.8 million
People affected



40,415
Fatalities



418.5 billion
Total

Total losses for DMCs only













Climate Changes: Bangladesh Context

Risk, Exposure and Vulnerability (already exposed)

90 million people (56.0% of the population), especially the poor, are highly exposed to climatic hazards

Average annual losses from tropical cyclones alone are estimated at \$1 billion (0.7% of GDP)

32 % of all deaths are linked to environmental degradation, accounting for a premature death rate of 169 per 100,000 inhabitants;

68 % of women are engaged in the agriculture sector, which is highly sensitive to climate impact

Natural disasters in 2022 alone affected 112,000 farmers and ruined 60,000 hectares of cropland and fish farms; while 185 climatic disasters between 2000–2019 caused 11,450 deaths

Incurring \$3.72 trillion worth of economic damages



Business as Usual Scenario (Assumption)

Average loss of about 1.3% in GDP growth per year until 2041

Bangladesh will receive 4-7% more rain by 2050, and over 35.0% of the population will be exposed to extreme floods by 2100.

6-12 million people to be affected by extreme floods by 2035-2044; 2.5 million to 7.2 million people may be affected by coastal flooding in the 2070s to 2100s

Heatwaves of 100 years return period will seriously hit urban centers

Annual probability of severe meteorological drought would be around 4 percent (almost double from now);

By 2050, one-third of agricultural GDP may be lost due to climate change; and,

ADB's shift to Climate Change



Increase our capacity as the region's climate bank by embedding climate action across our operations and near-doubling our annual climate financing

Strengthen our role as a catalyst for the private sector by spurring greater private sector participation in Asia's development

Elevate our role as the region's solutions bank through holistic, knowledge-based, innovative and integrated solutions

Empower staff to provide value and impact to clients by living our values and becoming more efficient, agile and collaborative

Four shifts of the new operating model



ADB's Climate Targets and Ambition

1

Cumulative climate finance targets

\$35 billion (2019–2024) and \$80 billion (2019–2030), with \$100 billion ambition

2

Cumulative climate finance for adaptation and resilience

\$9 billion (2019–2024) and \$34 billion (2019–2030)

3

Private sector climate finance

\$12 billion and crowding in of \$18-30 billion additional resources (2019–2030)

4

Projects supporting climate action

65% by 2024 and 75% by 2030

5

Paris Agreement alignment

New sovereign operations: 100% alignment by 1 July 2023

New nonsovereign operations: At least 85% alignment by 1 July 2023 and 100% by 1 July 2025

ADB High
Level Climate
Change
Commitments

11

ADB's Project Cycle



- 1 Identification**
 - Find areas/sectors of mutual interest
 - Consult recipient government
- 2 Preparation**
 - Early engagement
 - Joint TOR for project design
- 3 Approval**
 - Commitment letter (donors DD/approval)
 - Trust Fund Commitment
 - Regulations/Signing of agreements
- 4 Implementation**
 - Additional Financing (for President Approval)
 - Minor change in scope
- 5 Completion**
 - Generally it's too late unless there is a very strong rationale

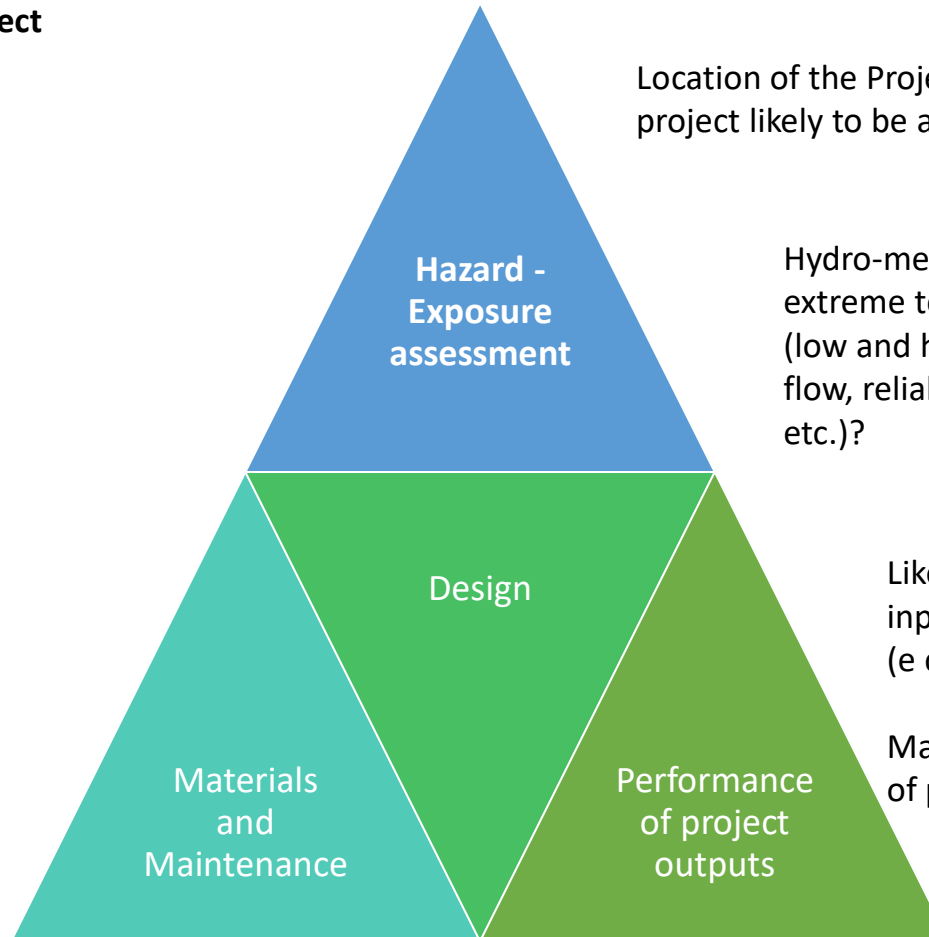
12



Climate Change Issues in ADB's Project Cycle

How do we do during project designing stage?

- Climate Risk Screening
- Paris Alignment Assessment
- Project Scope including highlighting of Mitigation Financial Potential
- Climate Risk and Vulnerability Assessment
- Detailed Cost Estimates and Climate Finance Estimates



Location of the Project : Siting and/or routing of the project likely to be affected by climate conditions

Hydro-meteorological parameters (e.g., extreme temperature, extreme precipitation (low and high extremes; sea-level, peak river flow, reliable water level, peak wind speed etc.)?)

Likely affect the selection of project inputs over the life of project outputs (e construction material)

Maintenance (scheduling and cost) of project output(s)

14

ADB's Development – Resilience Outcome Continuum

Developing Projects that Support Climate Adaptation and Resilience Outcomes

