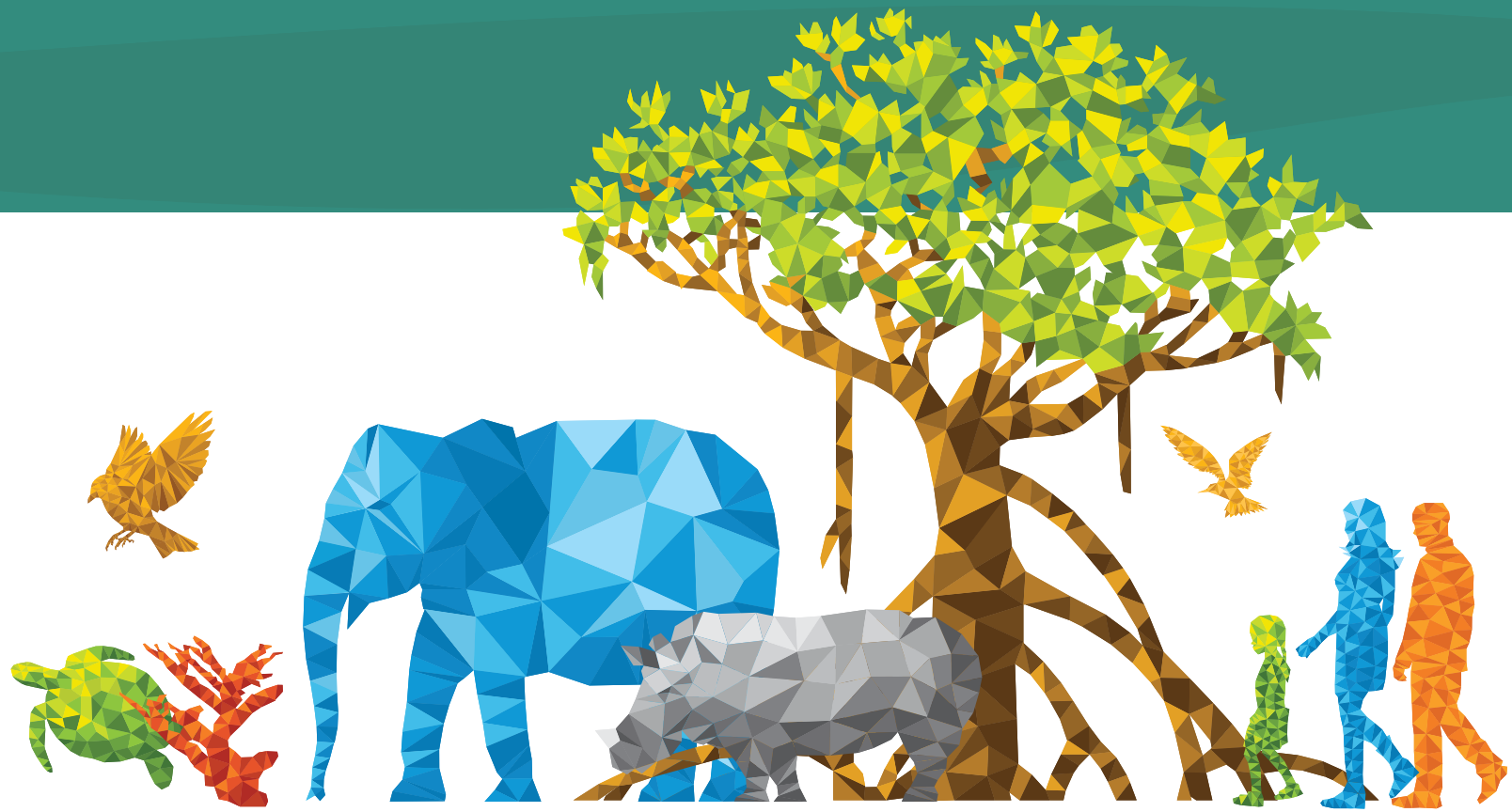
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ADB-Germany Roadshow
Nature and Environment



Yoko Watanabe

Director, Nature and Environment

CCSD

Nature for Development:
Advancing Economic Growth, Livelihoods, and Resilience

75% of Asia–Pacific's economy (about $21 trillion) depends on nature

- ❑ Ecosystem goods services generate substantial economic value and deliver multiple benefits
- ❑ Nature-positive development can unlock over **$10 trillion in business opportunities** and create **400 million jobs** by 2030
- ❑ Nature-based solutions can **cost up to 50% less** than traditional infrastructure
- ❑ Global biodiversity funding gap stands at about **$942 billion annually**

Source: APCR 2025



Nature and Environment: Who we are and What we do

ADB

Triple Planetary Crisis

- BIODIVERSITY LOSS and ECOSYSTEM DEGRADATION
- POLLUTION
- CLIMATE CHANGE

Global agreements

- MDB Joint Statement on Nature
- Kunming-Montreal Global Biodiversity Framework
- Multilateral Environmental Agreements
- Paris Climate Agreement

ADB approaches

- Increase Nature-Positive Investments
- Mainstream Nature and Environmental Sustainability in Sector Investments

ADB Environment Action Pillars

BIODIVERSITY & ECOSYSTEM MANAGEMENT

- Ocean and Coastal Management
- Terrestrial Ecosystem Management

POLLUTION CONTROL & CIRCULAR ECONOMY

- Air Quality
- Circular Economy

NATURE-BASED SOLUTIONS

- Nature-based Solutions/ Green Infrastructure
- Environment Finance

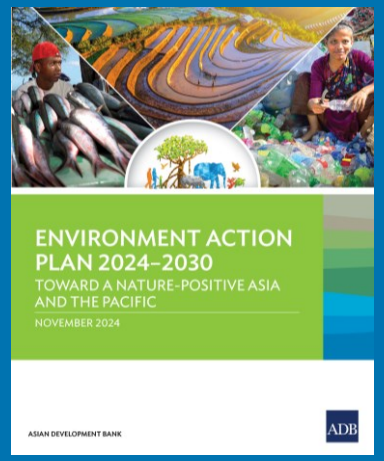
Strategic Operational Support | Knowledge Management & Innovation | Human & Financial Resource Development

Nature and Environment

- **Nature is a critical economic asset for ADB's DMCs, with about 75% of the region's GDP moderately or heavily dependent on nature and ecosystem services.**
- **CCNE scales up nature-positive and nature-mainstreaming investments in ADB's portfolio to address climate change, biodiversity loss, and pollution.**

Terrestrial Biodiversity and Ecosystem

Ocean and Coastal Resilience



Air Quality Management

Circular Economy

Nature Based Solutions

Environment Finance

Upstream

- **Integrate environmental sustainability into Country Partnership Strategies** (CPS) and regional plans, enhancing global alignment.
- Strengthen **effective environmental governance** by improving policies, laws, and regulations.
- Enhance key internal operational and business framework and processes.

Midstream

- Identify and integrate **key environmental features into pipelines,** public finance management, and procurement.
- Conduct **regional diagnostic studies** and prioritize nature-positive investment projects.
- Promote **cross-sector coordination**, regional cooperation, and innovative finance for environmental sustainability.
- Promote the integration of ecosystem services and natural capital into economic evaluation of projects.

Downstream

- Increase quality and quantity of projects that address and enhance environmental sustainability.
- Integrate **environmental features beyond safeguards** in investments.
- Develop and **leverage innovative financial instruments** to boost environmental sustainability.
- Provide **technical inputs and design support for investment projects** with nature-based solutions (NbS) components.

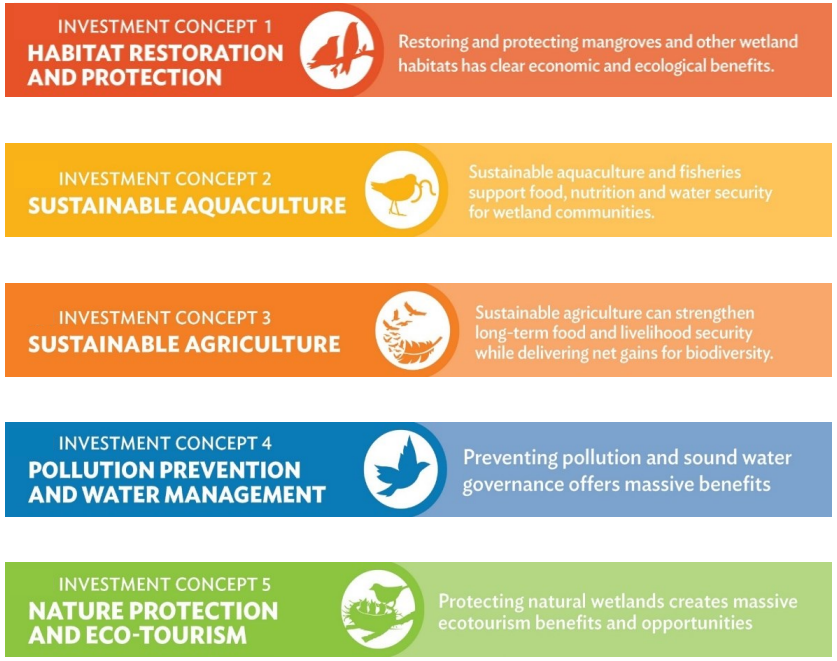
CIF = Climate Investment Funds, COP = Conference of the Parties of the United Nations Framework Convention on Climate Change, GCF = Green Climate Fund, IFI = international financial institution, LTS = long term strategy, MDB = multilateral development bank, NAP = national adaptation plan, NDC = nationally determined contributions

PILLAR 1:
Biodiversity and Ecosystem Management

a. Terrestrial Ecosystem Management

Program Focus Areas

- **Focus on.** Mainstreaming and Nature Positive. Key areas for scaling up with sectors.



- **GEF.** Supporting $400 million in GEF cofinanced projects
- **Technical & TA Support.** – key sectors supported AFNR + WUD
- **Biodiversity Working Group**
- **Forestry Working Group**

Key Program: Regional Flyway Initiative (RFI)



- **Aim.** Mobilize $3 billion of investment in wetland protection and management
- **Regional.** East, Central, Southeast Asia and Pacific.
- **Goal.** Protection and improved management of **50 wetlands** (>2 million ha).
- **Co-benefits.** Healthy wetlands support food security, local livelihood and climate resilience.
- **Early Projects.** (i) South Dongting Lake, PRC, $150 million (approved 2024); (ii) Fujian Coastal Cities and Biodiversity, PRC, $139 million (approval in Nov 2025); (iii) Phil Flyways TA $3 million (approved, 2025) (iv) Thailand Coastal Restoration ($TBC, 2027) & Haor Wetlands, Bangaldesh $50 million (2026/7

b.1. Ocean and Coastal Resilience

Blue Economy and Coastal Resilience Programs



Blue Economy



Ecosystem Management



Pollution Control



Sustainable Infrastructure

ADB Commited: $5 BILLION (2019-2025)

MAINSTREAMING OCEAN HEALTH

- Wastewater and Sanitation
- Agriculture and Water
- Solid Waste Management

GROWING BLUE ECONOMY SECTORS

- Green Maritime Transport
- Marine Renewable Energy
- Sustainable Coastal Tourism

b.2. Ocean Resilience and Coastal Adaptation Trust Fund

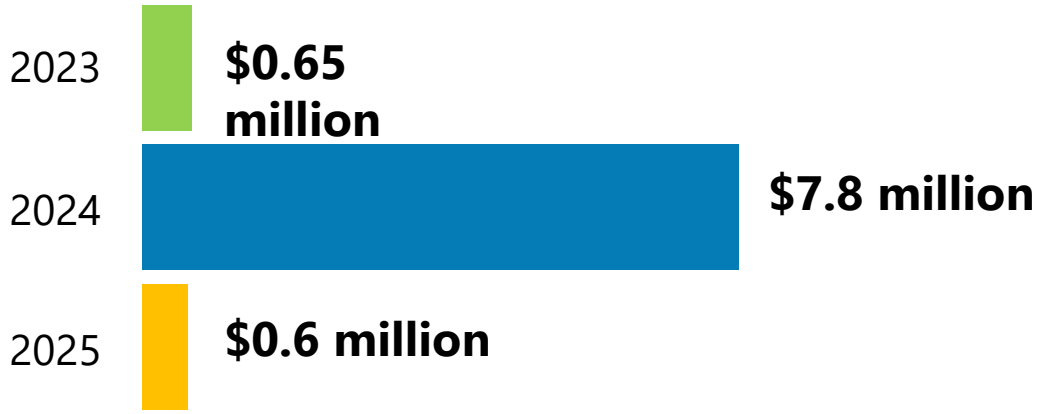
Financing Partnership Facility and Trust Fund

2023
Established in February 2023 and operationalized in October 2023

$22M
Total financing from NDF, UK-FCDO and GEF

10:1
Co-financing leverage ratio

Total allocations by year



- ADB's Action Plan for Healthy Oceans and Sustainable Blue Economies (2019) is the strategy; ORCA is the financing that turns it into projects
- Partner grants from NDF, UK-FCDO and GEF fund technical assistance and projects
- US$9.05 million of grants has unlocked US$90 million of ADB financing, a 10:1 return.

PILLAR 2:
Pollution Control & Resource Efficiency

a. Air Quality Management

Supported the establishment of Clean Air Asia together with World Bank and USAID

$2.85 million
Regional TA: Promoting low carbon development in CAREC cities



Asia Clean Blue Skies Program (ACBSP)

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030

$0.5 million
Regional TA: Mainstreaming Air Quality in urban development through South – South Twinning



$4.61 million
Regional TA: Strengthening Knowledge and Actions on AQM

$4.1 million
Regional TA: Scaling up Clean Air Actions for Better Health and Resilience

Asia Clean Blue Skies Program

Scaling Up Clean Air Investments in Asia and the Pacific

Launched in 2022 in Suwon, ROK, the ACBSP helps strengthen air quality management by improving policy and regulations, building institutional and technical capacity, mobilizing finance, and preparing and implementing investments across transport, energy, industry, agriculture, and urban development

PILLARS

1 Strengthen policies, plans, and strategies

Helping governments develop and strengthen clean air policies, action plans, and strategies at national, subnational, and city levels.

2 Build knowledge and capacity and support regional cooperation

Strengthening technical expertise, air quality monitoring, institutional capacity, and regional knowledge sharing

3 Designing investments and financing solutions

Preparing projects and financing solutions that cut air pollution and deliver climate, health, and development benefits across sectors

AQ Regional Programs and Investment Projects under preparation

Financing AQ in ADB Portfolio

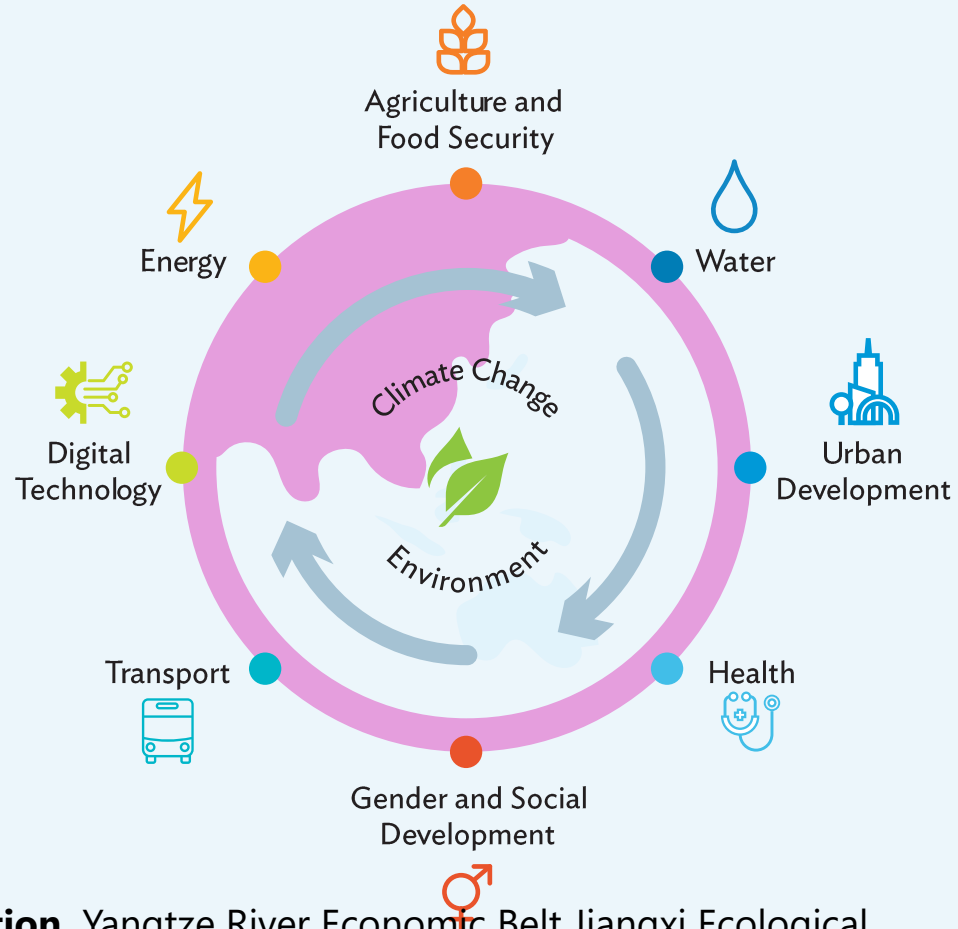
	Direct AQ benefit	AQ co-benefit	Total
2022	0%	25.4%	25.4%
2023	5.5%	23.8%	29.3%
2024	7%	20%	27%
2028 Target	10%	40%	50%

ADB | Urban Resilience Trust Fund | UK International Development — Partnership | Progress | Prosperity | JFJCM Japan Fund for the Joint Crediting Mechanism | From the People of Japan | ASIA CLEAN BLUE SKIES PROGRAM

b. Circular Economy

Systems Level Approach to Operationalize Links and Balance Implementation Trade Offs

Circular Economy is a programmatic systems approach to support economic development whilst de-linking it from the unsustainable consumption practices



ADB Support to Mainstream Circularity

- **Institutional strengthening and innovation.** Yangtze River Economic Belt Jiangxi Ecological Civilization and Circular Economy Project ($200 million), Shanxi Changzhi Low-Carbon Climate-Resilient Circular Economy Transformation Project ($300 million), proposed policy-based loans to address marine debris in Indonesia and Philippines
- **Private sector investments in plastics circularity.** Indorama Ventures Regional Blue Loan Project ($100 million), Alba Blue Loan for Recycling ($44 million)
- **Opportunities to enhance support under planned Global Plastics Treaty**

Using a country-focused approach

Applying the differentiated approaches

Developing integrated solutions

Taking multisectoral approaches

Promoting digital development and innovative technologies

Expanding private sector operations

Developing capacity

Adding value and promoting quality infrastructure

PILLAR 3:
Nature-Based Solutions

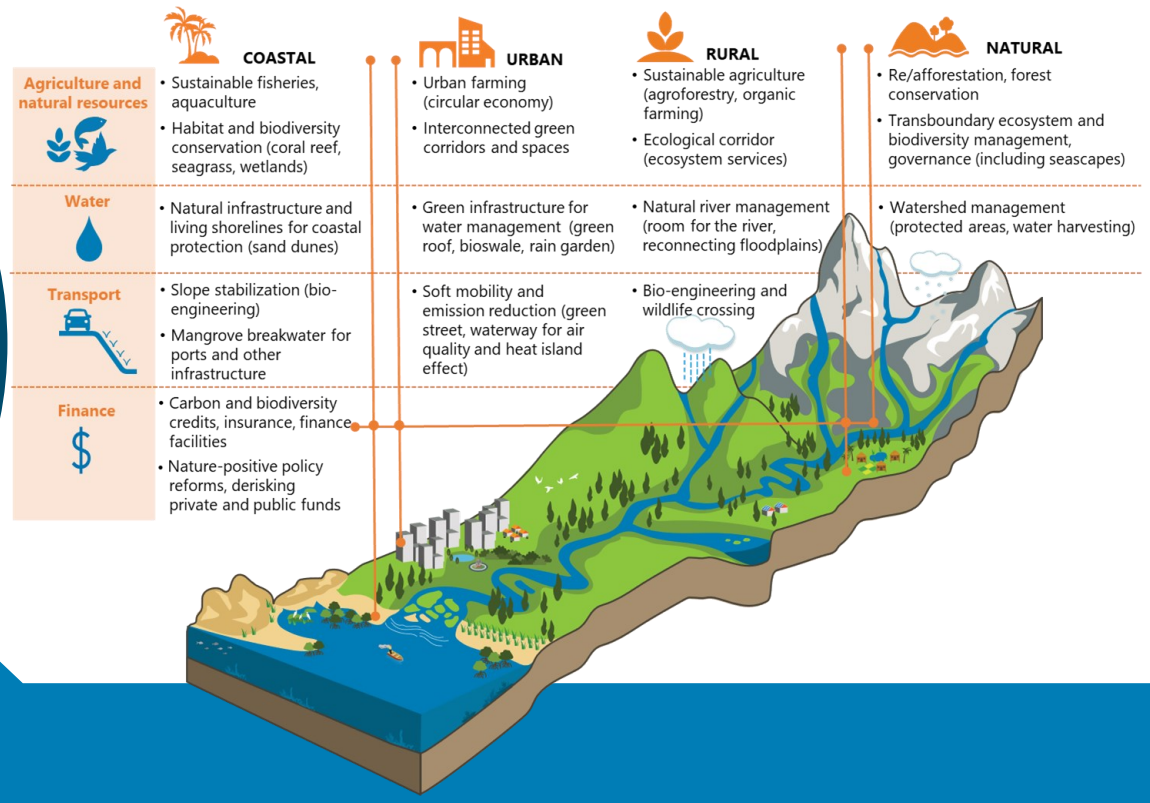
Nature-based Solutions (NbS) Program

ADB

OBJECTIVE

Mainstreaming nature into investments by delivering innovative NbS that support countries in achieving greater resilience, healthier ecosystems, and improved well-being.





ACTIVITIES

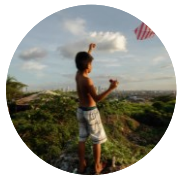
Programmatic approach strengthening NbS at both policy and project levels—including policy development, project design support, and capacity building—covering all stages of the project cycle from identification to implementation.

Cross-sectoral landscape and seascape perspective by advancing integrated solutions at scale through identifying practical and effective interventions with combination of conventional "gray" engineering approaches and "green" NbS, which create entry points for multi-sector investments and foster coordination across sectors.

SIGNIFICANCE

Delivering more effective, efficient, and impactful interventions generating co-benefits across sectors, which drive economic savings, reduced environmental impact, and improved health outcomes.

ADB projects with Nature-based Solutions (examples)



Regional

Revitalization of Informal Settlements and their Environments using a Water-Sensitive Approach

> Decentralized, green infrastructure



Pakistan

Flood Emergency Reconstruction and Resilience Project

> Bioengineering to stabilize slopes



Viet Nam

Promoting Climate Resilient Rural Infrastructure in the Northern Mountain Provinces

> Bioengineering

Secondary Green Cities Development Project

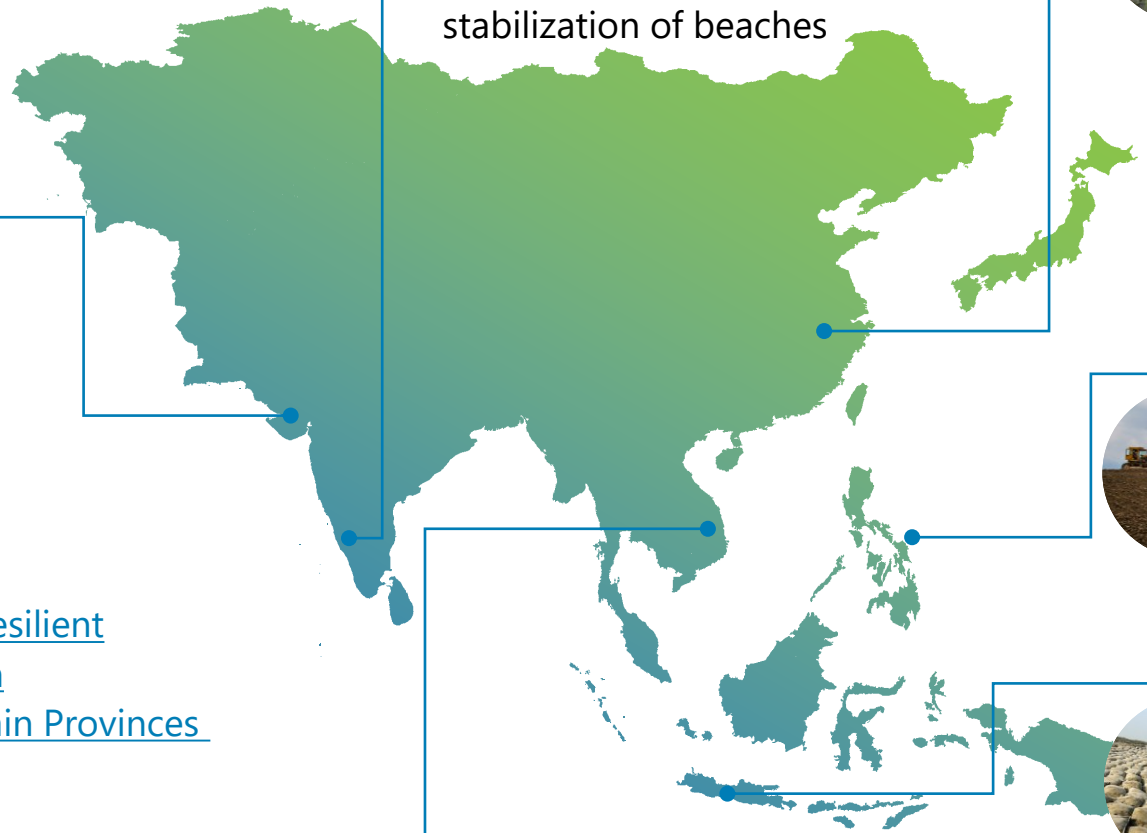
> Water-sensitive urban design



India

Sustainable Coastal Protection and Management Investment Program

> Artificial geotextile submerged reefs and the enlargement and stabilization of beaches





PRC

Jiangxi Pingxiang Integrated Rural-Urban Infrastructure Development

> Sponge city

Yangtze River Green Ecological Corridor Comprehensive Agriculture Development

> Protection and rehabilitation of agro-ecosystems



Philippines

Integrated Flood Risk Management Sector Project

> Landscape approach



Indonesia

Revitalization of Informal Settlements

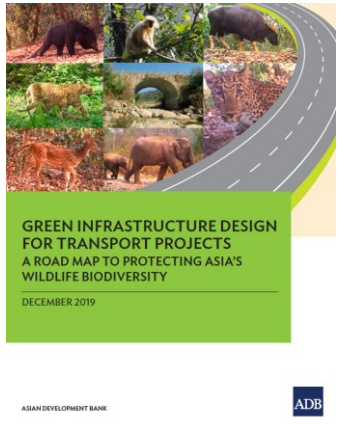
> Green infrastructure to biologically treat water

Green Infrastructure

- **Design and implementation of** biodiversity friendly measures in transport infrastructure through strategic level mainstreaming and intervention in transport infrastructure projects.
- **BAN Chittagong – Cox's Bazaar Rail Project** included innovative measures such as:
  - » The world's first elephant overpass.
  - » Wildlife underpasses
  - » Sensor technology to prevent elephant – train collision
  - » Improvement of wildlife habitat
- **NEP: Second SASEC Highway Enhancement Project Project and GEF GRID Child Project.** The following measures are being considered in project design:
  - » Elevated sections of the highway to avoid impacts on Tigers, Rhinos, Elephants and other wildlife species.
  - » Mainstreaming biodiversity in upstream policies and planning processes
  - » Building capacity of national and provincial government on biodiversity
  - » Exploring options for financing and de-risking of biodiversity friendly infrastructure















Bhutan Road Wildlife underpass

Merging NbS + Innovative Finance

NATURE-BASED SOLUTIONS

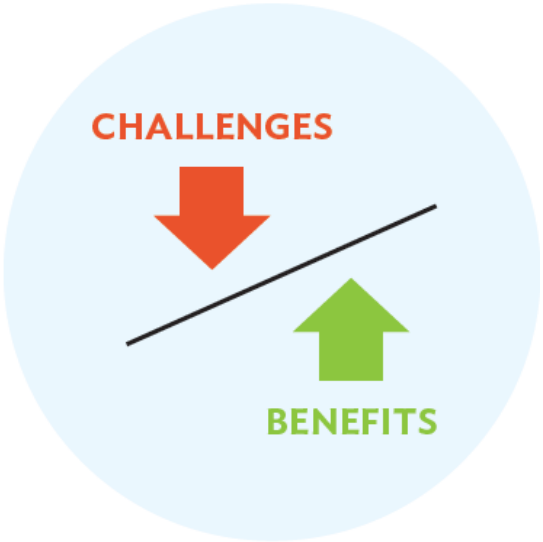
+

INNOVATIVE FINANCE APPROACHES

NbS are actions and policies that protect, manage, and restore natural ecosystems, while addressing societal challenges

CHALLENGES

- Lack of a scalable pipeline of NBS projects
- Lack of innovative finance approaches to scale up private capital flows
- Risk perception of investing in natural capital
- Underdeveloped innovative market instruments such as nature bonds and credits



BENEFITS

- Protection of biodiversity
- Reduction in carbon
- Inclusive growth and improved livelihood
- Healthy ecosystems contribute to **$18 trillion or 53% of GDP in Asia and the Pacific**
- Nature-positive development could generate over **$4 trillion in business** and **create about 232 million jobs per year in Asia by 2030**.

The Nature Solutions Finance Hub

Scaling Nature Finance for Climate Resilience

THE NSFH VISION

Transforming finance to integrate Nature Based Solutions (NbS) into mainstream investment, achieving measurable climate and biodiversity outcomes.

2030 OBJECTIVE

The NSFH aims to catalyze at least **$5 billion** in capital flows into NbS investments across Asia and the Pacific by 2030.

NSFH Timelines

Dec 2023: NSFH Launch at COP 28, Dubai

Apr 2024: 1st Partners Forum, Vienna

Nov 2024: NSFH Technical Assistance Approved

Feb 2025: NSFH initiated NbS support for PHI, THA, and UZB.

Mar 2025: 2nd Partners Forum, Bangkok

Apr 2025: EU approved EUR 15 Million

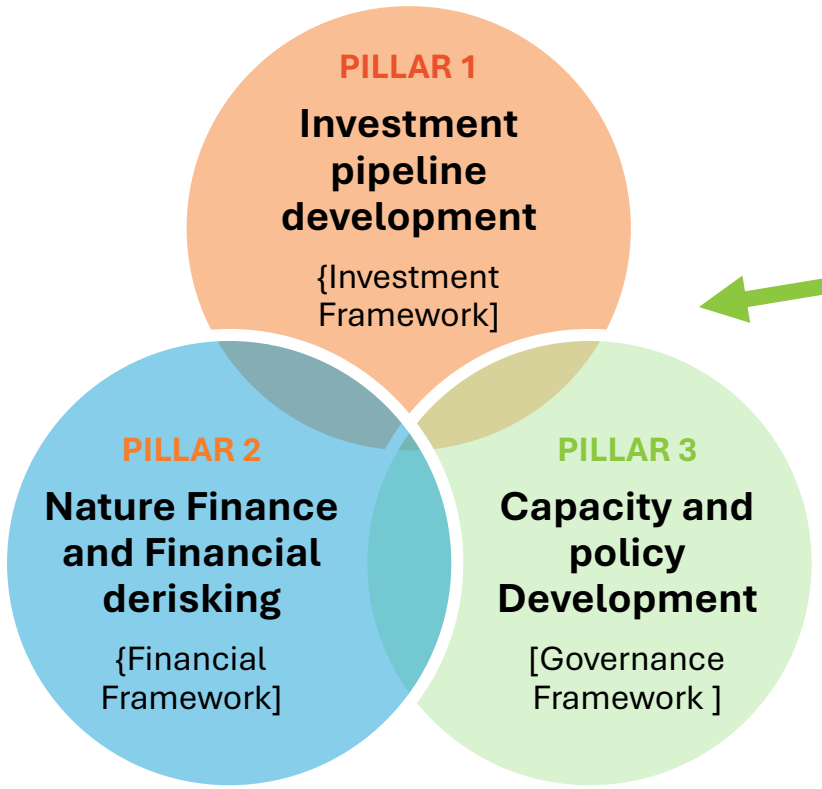
May 2025: GIZ-NSFH partnership mission

Jul 2025: Paris Dialogue on Innovative Finance

Nov 2025: BMZ-GIZ Partnership with NSFH (EUR 3 Million)

Dec 2025: EU signing of (EUR15 Million) Cooperation Agreement)

NSFH Vision and Strategy
3 Pillars and 2 Targets Approved



2026

- 3 flagship projects prepared
- 6 prefeasibility studies
- Nature Bond Incubator piloted in Thailand and Philippines

$2 billion
Mobilized by 2028

- 5 Major NBS programs approved
- Incubator mainstream across 10 to 15 DMC



- ADB Strategy 2040 to include biodiversity and Conservation and NbS targets

Thank you!