ADB’s Approaches for Promoting Livable Cities

High-level Symposium on Sustainable Cities: Connecting People, Environment and Technology co-convened by the United Nations and Toyota City
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1. Introduction
Asian Share of World GDP

Source: Asia 2050: Realizing the Asian Century
Mid-term Review of Strategy 2020 (in 2014) - 10 Strategic Priorities for 2014–2020 -

A. Sharpening ADB’s Operational Focus
   1. Poverty Reduction and Inclusive Growth
   2. Environment and Climate Change
   3. Regional Cooperation and Integration
   4. Infrastructure Development

B. Responding to the New Business Environment
   5. Middle Income Countries
   6. Private Sector Development and Operations
   7. Knowledge Solutions

C. Strengthening ADB’s Capacity and Effectiveness
   8. Financial Resources and Partnerships
   9. Delivering Value for Money
  10. Organizing to Meet New Challenges
2. An Overview of urban challenges in the Asia and Pacific region
Rapid Urbanization

Urban population of Asia will double between 2010 and 2050.

65% of Asia’s population will be urban by 2050.
Why creating livable cities is IMPERATIVE

Percentage of Asia’s populace living in urban areas:
- 40% in 2010
- 55% in 2030

Over 70% of the region’s GDP is derived from cities.

By 2020...
- 13 of the world’s 25 megacities will be in Asia & the Pacific.
- Most Asian cities lack effective wastewater treatment systems.
- More than two-thirds of collected solid waste is not disposed of properly.

Many of Asia’s major cities have been established in some of the most hazardous locations possible.
Urban Poverty and Inequality

505 million people

Slum population in Asia-Pacific region 2010.
Urban Infrastructure Investment Needs

Financial gap

Investment “Gap”

US$ 60 billion

Current Annual Investments

US$ 40 billion

10% ODA

20% Private Sector

70% Public Sector

Grafik: Chii Gellei

Estimated urban environmental infrastructure investment requirement $100 billion/year in Asia
3. How is ADB responding to the challenges?
ADB’s Urban Sector Support

• **Urban lending**
  – Total urban lending is around $20.0 billion
  – Urban lending (2010-2013): $6.6 billion

• **Limited grant resources for technical assistance and project preparation**

• **ADB needs partner to leverage its money**
ADB’s Urban Operational Plan

STRATEGY 2020

LIVABLE CITIES

Operational Plan Response

Integrated Urban Region Investments

Inclusive Cities

Green Cities

Competitive Cities

Innovative Financing

Effective Governance Systems

Operational Support

Project Development and Structuring

Knowledge Management

Innovative Financing Mechanisms
Integrated Urban Development for ...

Inclusive Cities
- Support to Livelihood and Commerce
- Local Infrastructure eg water, sanitation
- Inclusive Social Services
- Finance Systems
- Land Development, Housing and Settlement Upgrading
- Transport links/Non-Motorized Transport

Green Cities
- Low Carbon Transport
- Green, Resilient Infrastructures
- Green Industry Complex
- Intelligent Systems
- Energy Efficient Buildings
- City Greening

Competitive Cities
- Infrastructure
- logistics/connectivity
- ‘specialized’
- Business Systems Specialized financing institutions etc
- Regional Structures
- Technology Development/Dissemination
- Skills Development
- Enabling Institutions and Regulatory Systems
A green city puts people first.
GrEEEn City Action Plans

– Vision
– Plan
– Investment Programme
– Performance indicators
– Institutions
– Financing
– Citizen’s feedback
GCAP’s in Progress

- Melaka, Malaysia - completed
- Mandalay, Myanmar - completed
- Hue and Vinh Yen, Vietnam
- Batam, Kendari, Malang and Medan, Indonesia
- Hat Yai and Songkhla, Thailand
4. ADB’s specific initiatives for urban development
1. Urban Financing Partnership Facility

UFPF

Urban Environmental Infrastructure Fund
- TA Grants
- Investment Grants
- Guarantees

Urban Climate Change Resilience Trust Fund
- TA Grants
- Investment Grants

$21 m
$70 m
$150 m
2. Cities Development Initiative for Asia

helping cities bridge the gap

Mandate:
The CDIA is assisting medium-sized Asian cities to bridge the gap between their development plans and financing of their infrastructure investments, with emphasis on:
- Urban environmental improvement
- Urban poverty reduction
- Climate change mitigation and adaptation
- Improved governance

Planning infrastructure

Demand driven assistance for medium-sized cities

ADB | BMZ | giz | KfW | BMF | SWEDEN | SHANGHAI MUNICIPAL GOVERNMENT | Swiss Confederation | Federal Department of Economic Affairs, Education and Research (EAER) | State Secretariat for Economic Affairs (SICO)
CDIA: Scope and approach

Infrastructure Investment Cycle

**UPSTREAM**
- City Development Plan/Strategy
- Infrastructure Investment Priorization
- Pre-feasibility Studies

**DOWNSTREAM**
- Linking Projects to Financing
- Financing Arrangements
- Project Implementation
- Operation & Maintenance
- Feasibility Study

**CDIA Engagement by Sector**
- Slum Upgrading: 3%
- Social Infrastructure: 1%
- Energy Efficiency: 6%
- Water Supply: 26%
- Urban Transport: 11%
- Solid Waste Management: 13%
- Waste Water Management: 13%
- Flood & Drainage Management: 19%
As of Dec. 2014 CDIA has worked in

97 Cities in Asia

70 PFS completed

44 PFS linked to finance

$4.8 billion infrastructure investment value
Thank you.