

ADB's Work on Urban, Water, Energy, Transport, and Environment Sectors

Orientation Program for DMC Officials

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ADB

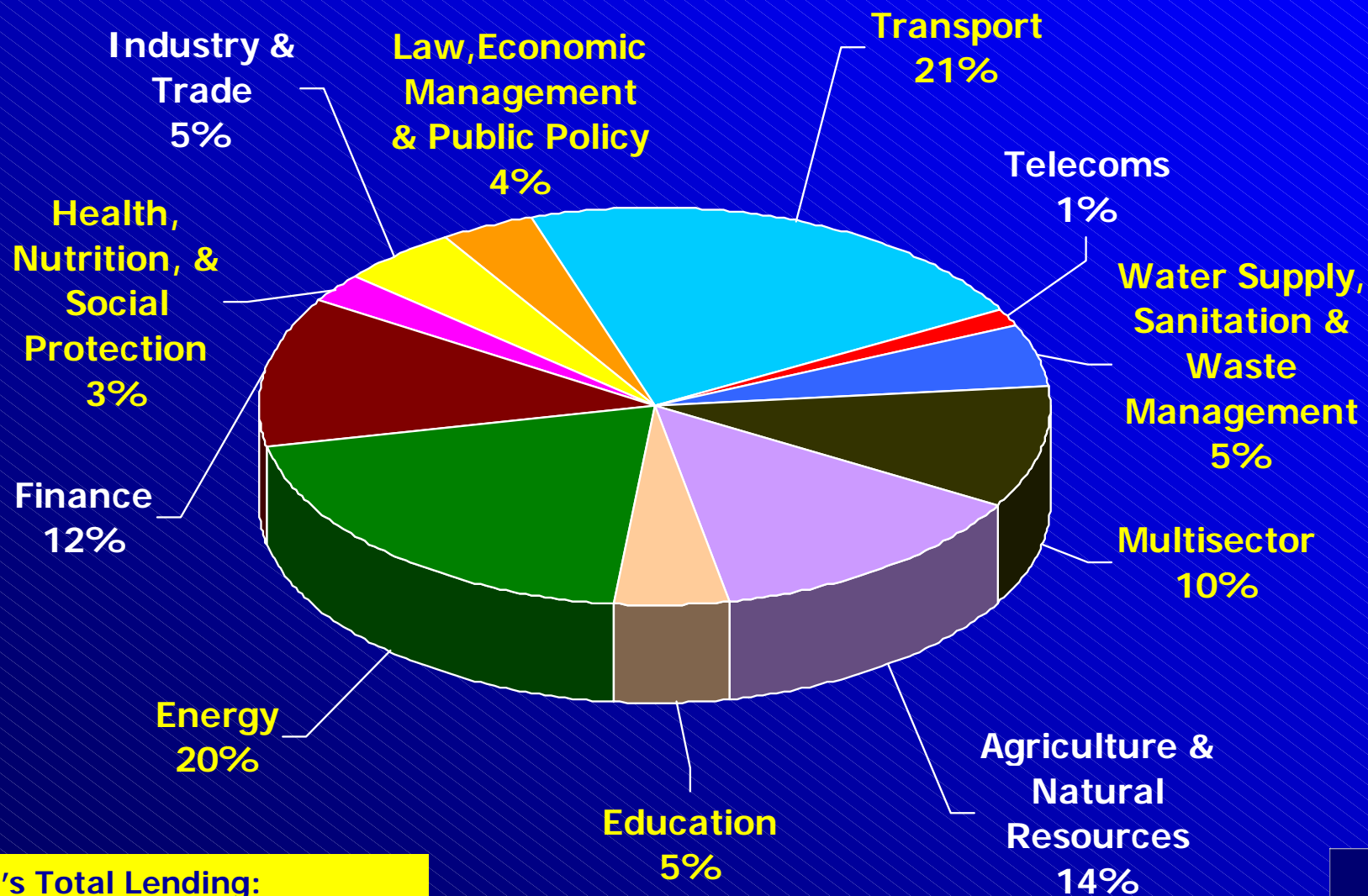
Outline

ADB's Sectoral Programs

1. Sectoral Overview
2. Urban
3. Water
4. Energy
5. Transport

1. Sectoral Overview

ADB's Lending Portfolio, since 1968



ADB's Total Lending:

Number of Loans: 2,198

Amount: \$116 Bn

ADB

Millennium Development Goals: A Challenge

Most countries of the region are “off track”, particularly on MDG 7—ensuring environmental sustainability.

Target 9: Integrating principles of sustainable development into country policies and programs; reversing loss of environmental resources

Target 10: Increasing sustainable access to safe drinking water

Target 11: Improving lives of slum dwellers

ADB Medium-Term Strategy II 2006 - 2008

- Catalyzing investment
- Strengthening inclusiveness
- Promoting regional cooperation and integration
- Managing the environment
- Improving governance and preventing corruption

Operational Sectors

Group 1

- Road transport
- Energy
- Urban infrastructure
(water supply, sanitation, waste management and urban transport)
- Rural infrastructure
(roads, power, irrigation and waste management)
- Education
- Financial sector

Group 2

- Agriculture and natural resources
- Railways
- Health
- Trade (RCI related)
- Law and the judiciary
- Public finance and economic management

Group 3

- Fishery
- Livestock
- Civil Aviation
- Water transport
- Communications
- Government administration
- Development finance
- Housing
- Industry

2. Urban Sector





Sector Trends and Issues

- Alarming pace & rate of world urbanization
- Growing urban poverty in the developing world
- Increasing rural-urban migration
- Increasing number of megacities w/ 10 million or more people

World: 14 (1994) to 27 (2015)
Asia : 9 (1994) to 18 (2015)

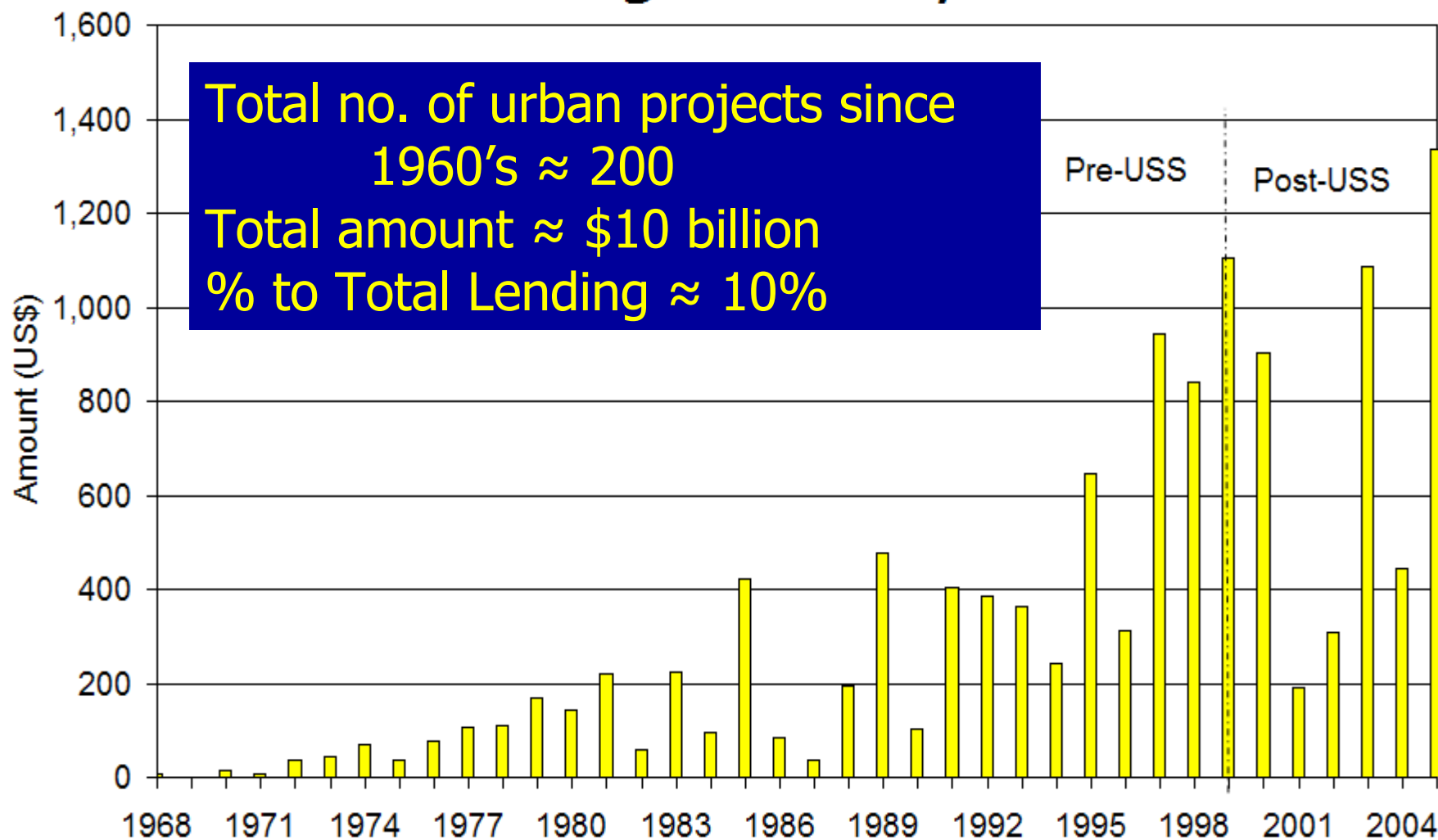


ADB's Operations in the Urban Sector


Urban Sector Strategy (1999) guides ADB's approach to urban development:

- Improve quality of life
- Reduce urban poverty
- Maximize economic efficiency of urban areas
- Achieve more sustainable forms of urban development.

Urban Lending Portfolio, 1968 - 2005



Note: The project amounts are the approved amounts indicated in the database and are not converted to constant 2005 prices.
 USS = urban sector strategy.
 Source: ADB database.



Review of the Urban Sector Strategy

The review results in 2005 rated the urban sector strategy as relevant and effective, but only partly efficient and less sustainable due mainly to staffing and lending modality constraints on urban operations.



Key Challenges

- Devolved responsibility for service provision
- Weak institutional capacity to plan, manage and finance infrastructure services
- Inflexible, lengthy and ad hoc ADB processes
- Need to expand scale and scope of partnerships



ADB's Response: Urban Services Initiative (USI)

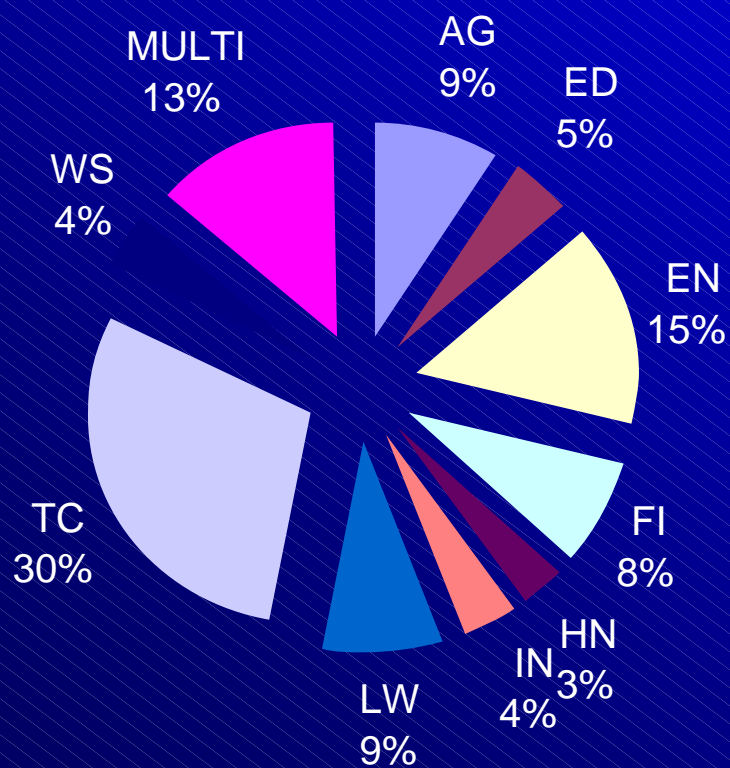
- Establish an Urban Services Trust Fund
- Establish an Urban Services Team (UST) and an Urban Community of Practice (CoP)
- Set up Urban Services Network



3. Water Sector

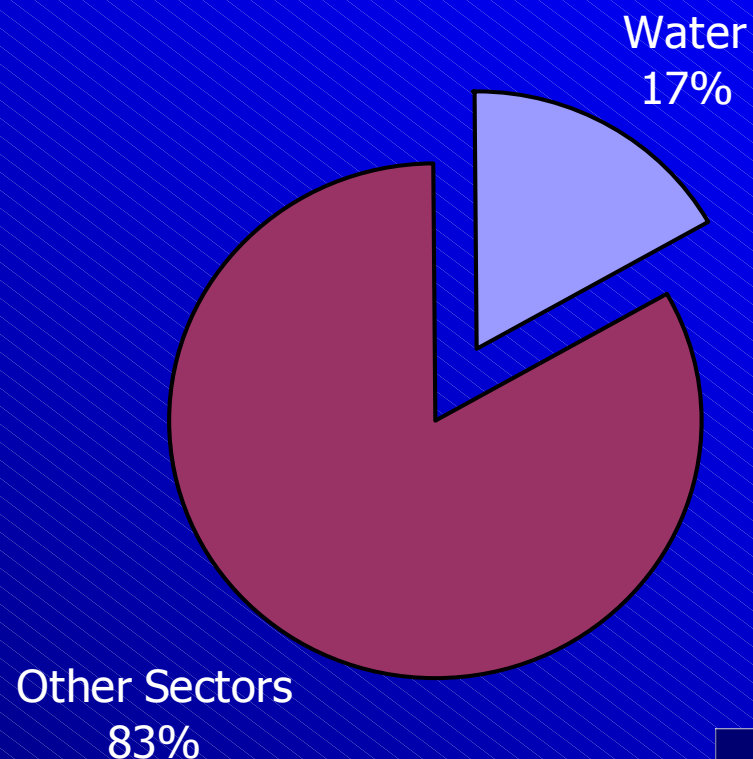
Water Sector Distribution of ADB Lending (1998-2004)

ADB Classification



Total lending = US\$27.68 billion

Water as a Cross-Cutting Sector





ADB Water Operations

Rural Water

- Rural water supply and sanitation
- Irrigation and drainage services

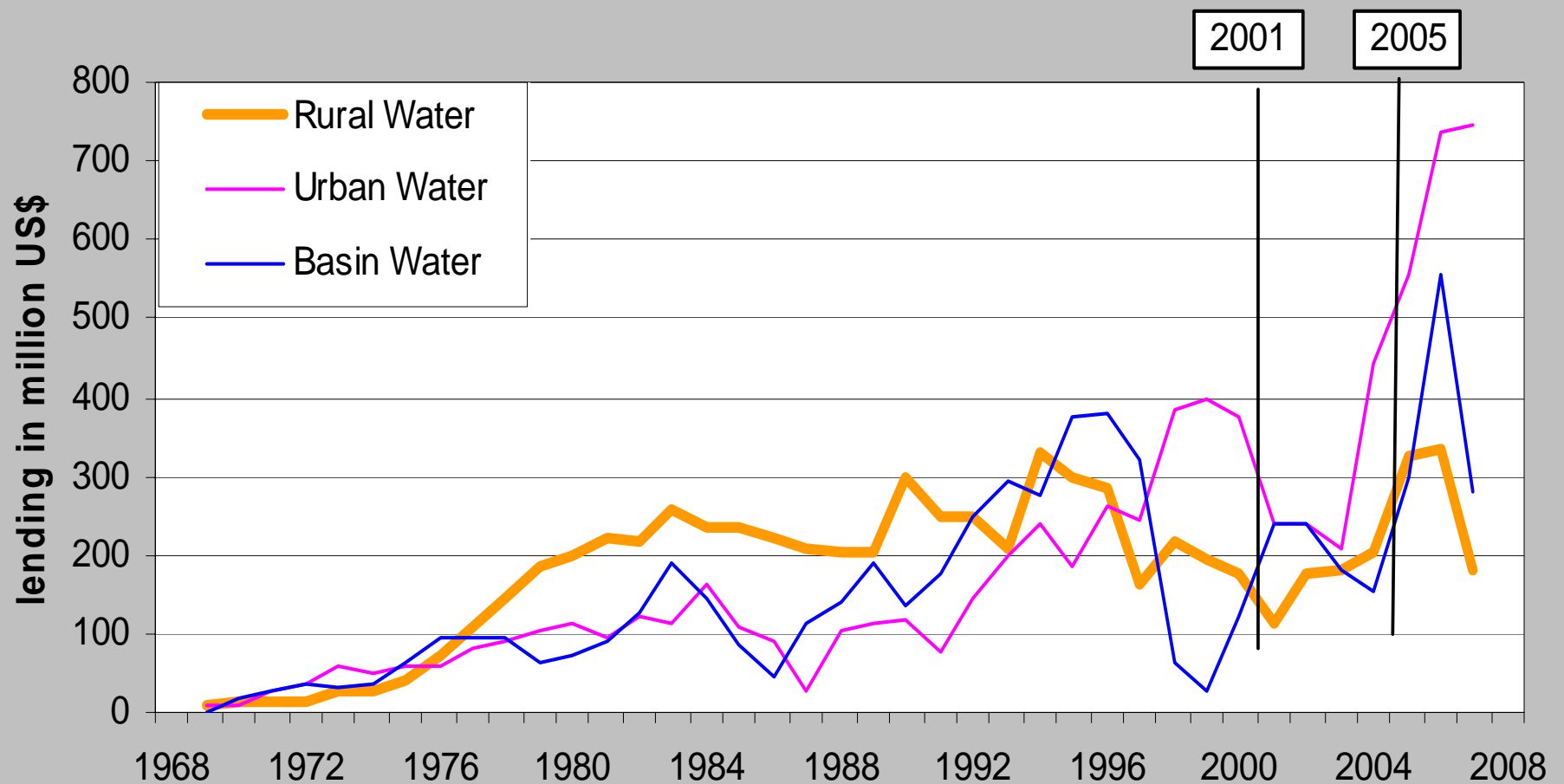
Urban Water

- Urban water services
- Wastewater management
- Environmental improvement

Basin Water

- Infrastructure and management of water resources in an integrated approach in river basins
- Hydropower
- Flood management and disaster mitigation
- Environmental conservation and improvement of ecosystems

3 Areas of Water Investment (1968-2008, 3-year moving average)





Key Challenges

Demand Aspects

- ➔ Insufficient to meet MDGs
- ➔ Lack capacity to uplift investment

Supply Aspects

- ➔ Need better suited financial products
- ➔ Need more organizational development

Investment Projections

- ➔ Doubling over next five years



Water Financing Program (WFP)

- advocate and promote sound water financing policies and practices through ADB's water operations
- expand ADB's financing of water projects where opportunities exist
- disseminate lessons learned and thereby help catalyze water financing in the region



WFP Outcomes

- Sustainable access to safe drinking water and sanitation for 200 million people
- Higher productivity and efficiency of irrigation and drainage services for 40 million people
- Reduced flood risk to 100 million people
- IWRM introduced to 25 river basins
- Improved water governance



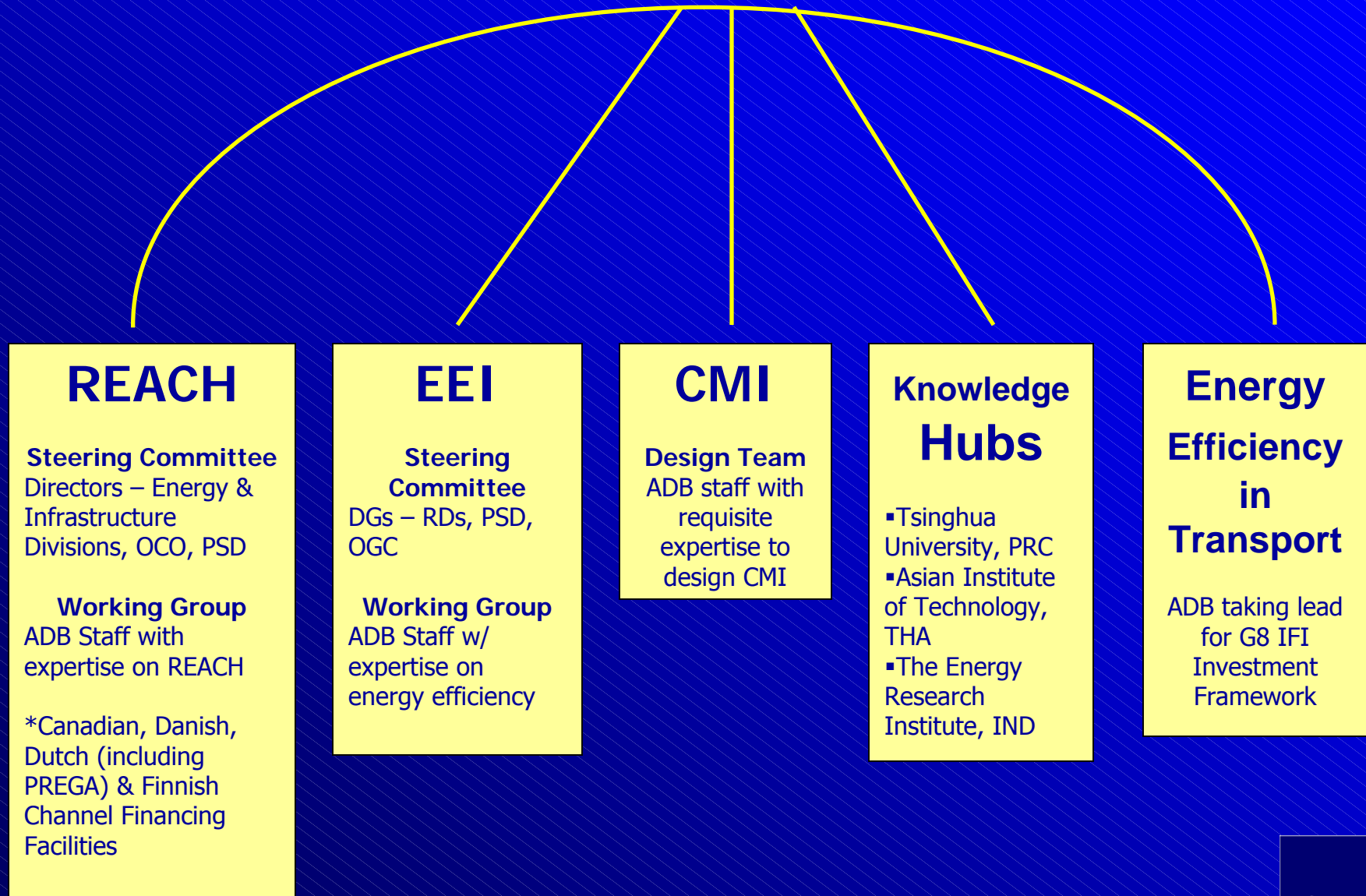
4. ADB's Clean Energy and Environment Program

A photograph of an industrial setting, likely a steel mill, showing a large cylindrical object being processed, with bright sparks flying out from the bottom. In the background, several people are visible, some wearing safety gear, observing the process.

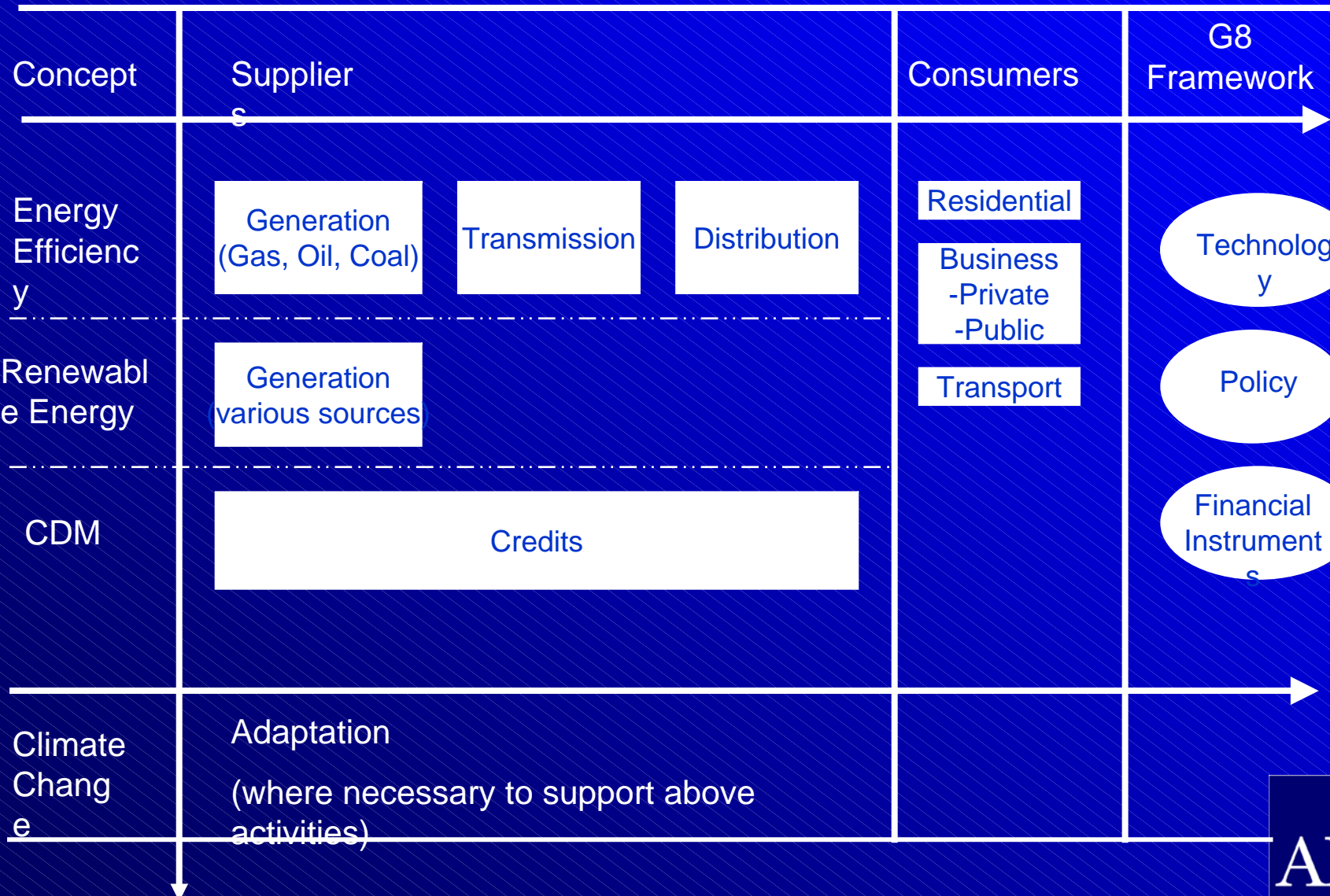
Energy/Carbon Trends and Issues

- Increased CO₂ emission causes global warming
- High energy demand rises international fuel prices
- Transport sector consumes 21% of world wide total energy and will continue to consume more, 60% by 2025
- Financing gaps (e.g., projects with carbon credits require upfront finance)

Clean Energy and Environment



Energy Efficiency Initiative





Energy Efficiency Initiative

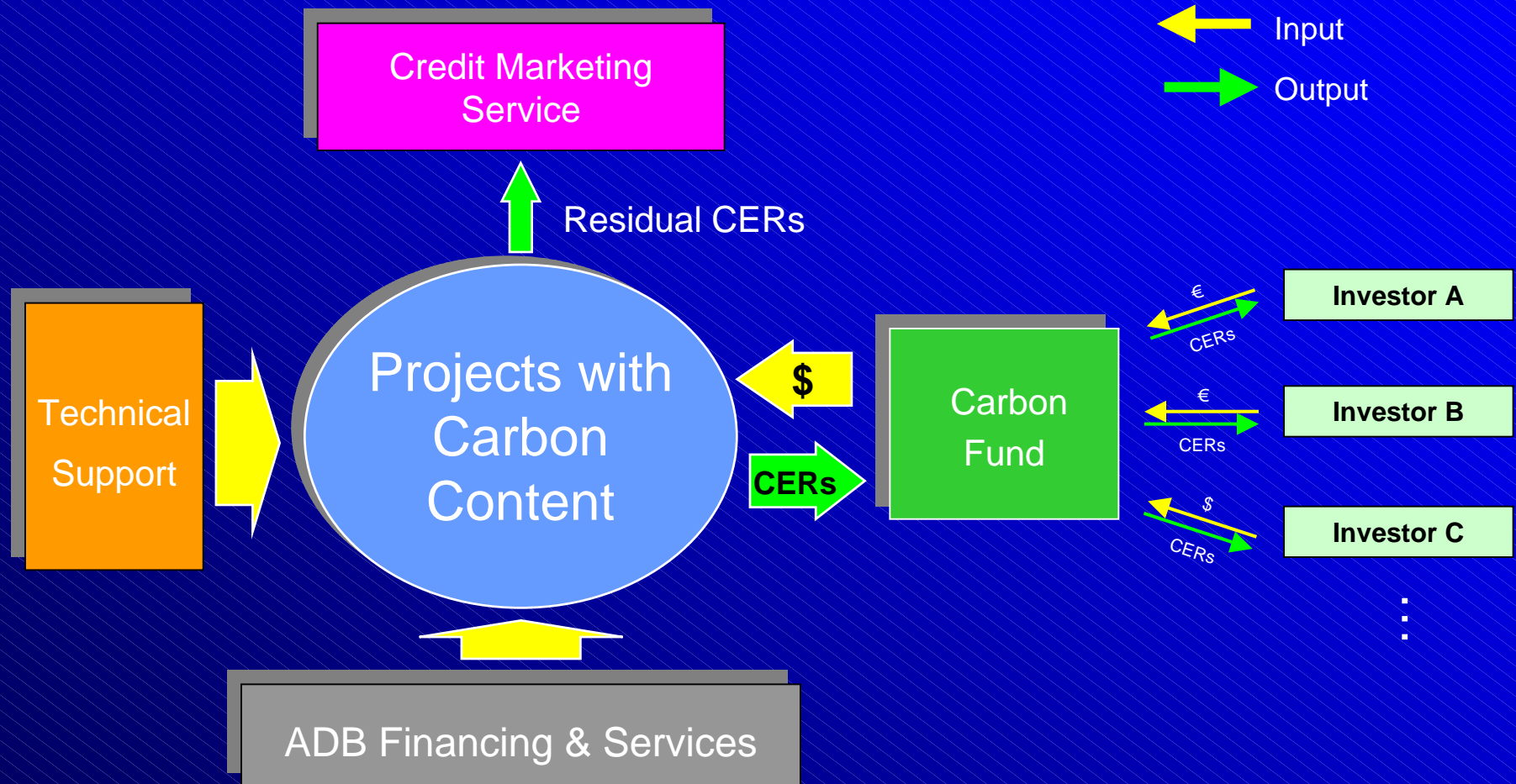
Highest priorities

- Improvement of energy-supply and -use side efficiency
- Expansion of renewable energy

Energy efficiency means

Investments in energy generation, delivery and end-use equipment, facilities, buildings, and infrastructure that deliver higher useful but low-carbon energy outputs or services in many market segments

Carbon Market Initiative: 3 Components



* CERs = Certified Emission Reductions

Other Activities

- REACH
- Energy Knowledge Hubs
- Energy Efficiency in Transport



5. ADB's Transport Program





Transport Trends and Issues

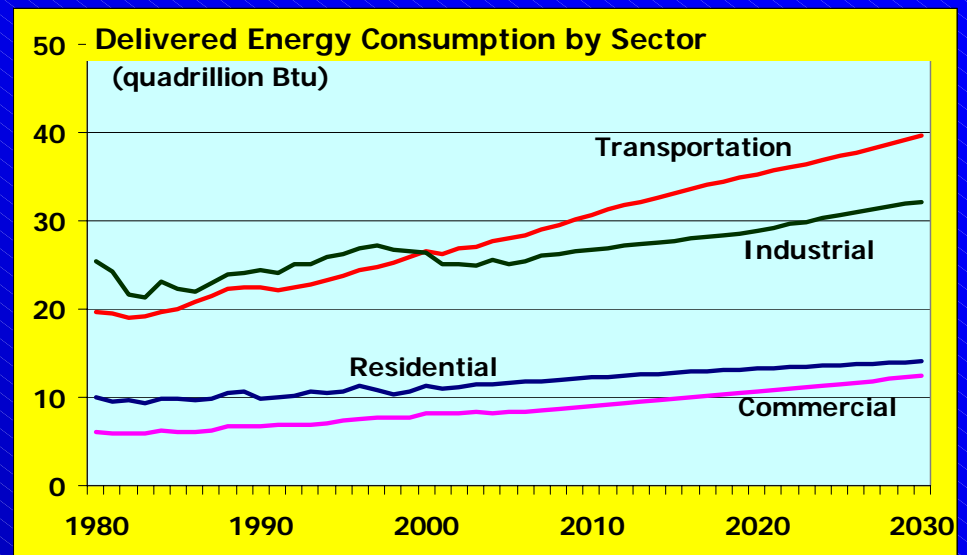
- Increasing number and use of vehicles and CO₂ emissions

1950: 80 million vehicles
70 million tons carbon

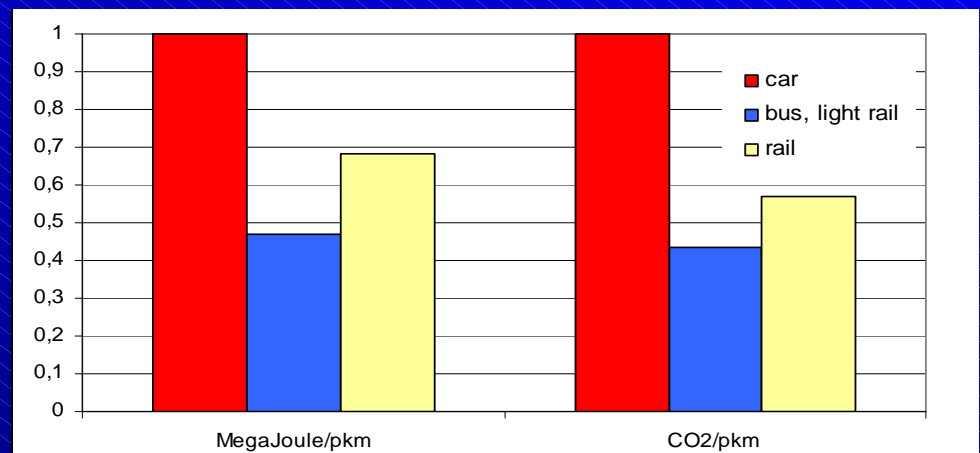
2000: 900 million vehicles
1000+ million tons carbon

2050: 2+ billion vehicles
2-3 billion tons carbon

- Increasing energy consumption by the transport sector



- Declining transport efficiency due to increasing car ownership and use



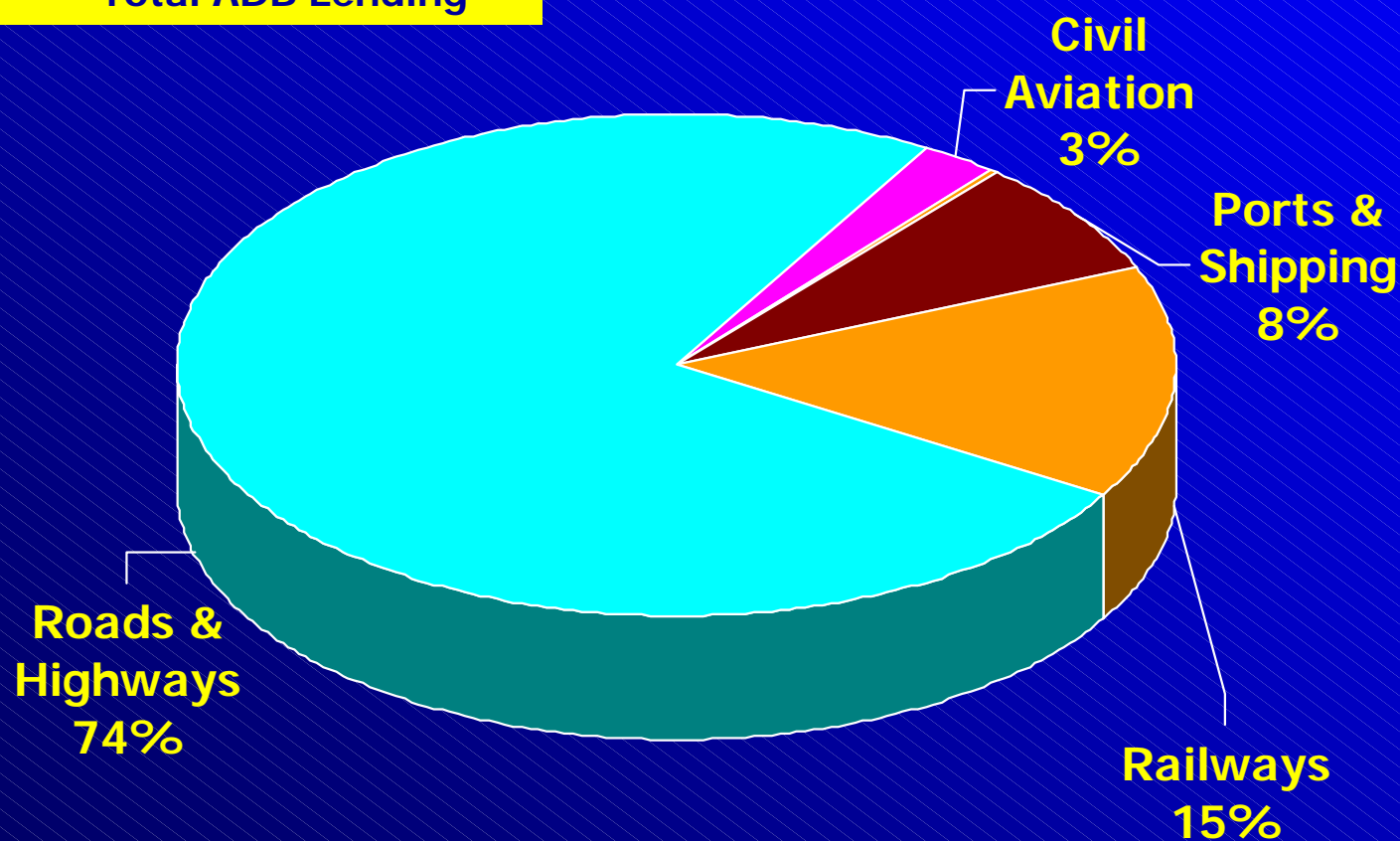


ADB's Operations in the Transport Sector

- To promote equitable and inclusive economic growth by improving access to markets, social services and information through provision of efficient and effective transport infrastructure and services
- To remove infrastructure constraints and support policy and institutional reforms.

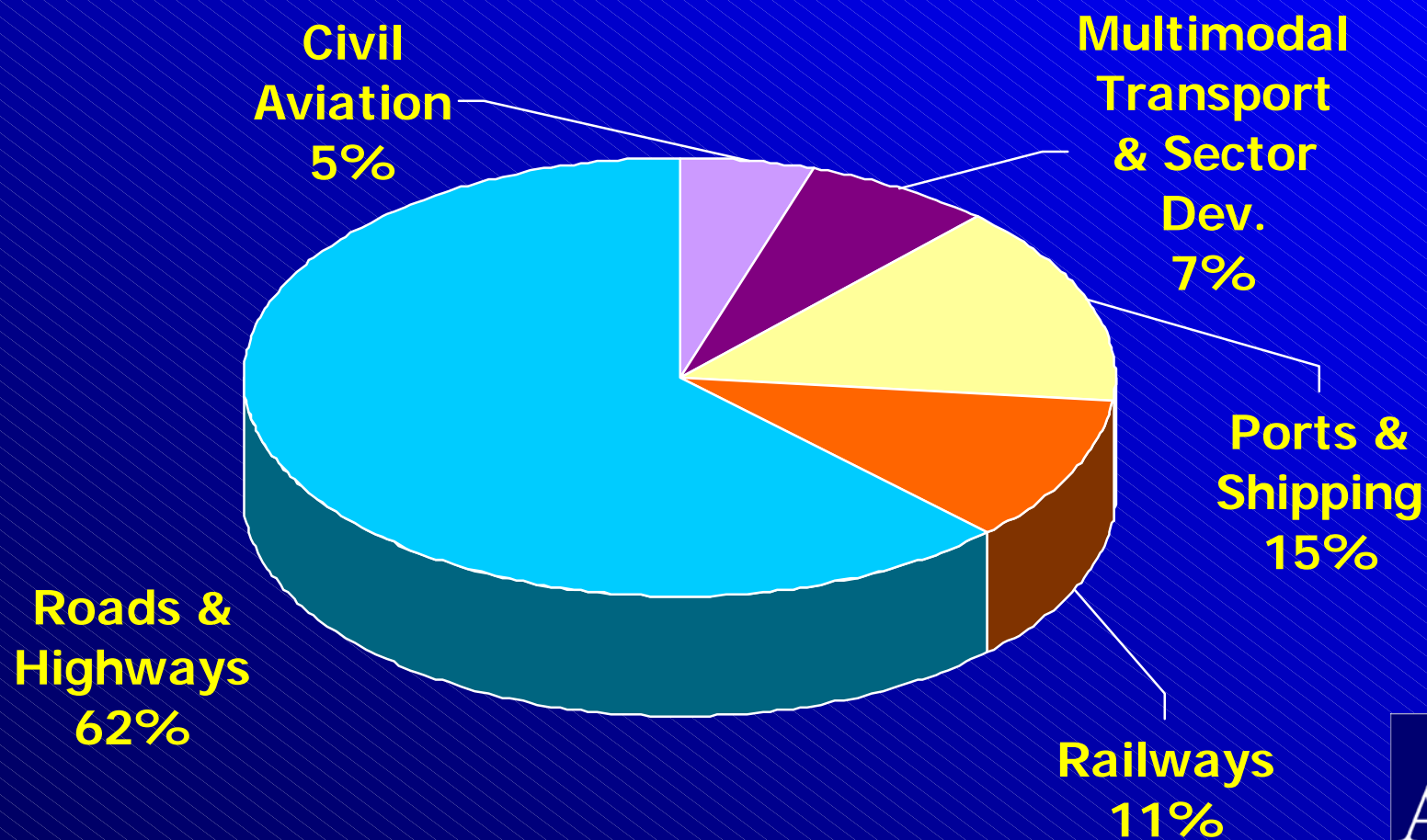
ADB's Transport Lending Portfolio, since 1968 by subsector

Transport sector loans: 333
Amount: \$26 Bn, 21% of
Total ADB Lending



Transport TA Approvals, since 1968 By Subsector

2005 TAs	Amt., \$Mn
ADB Total	129
Transport	22 (17%)





Principal Policy Interventions

- Promote urban reform and land use planning
 - fewer passenger or freight-kilometers;
- Adopt integrated transportation planning
 - promotes lower fuel consumption per passenger- or freight-kilometer traveled;
- Improve vehicle engines and fuel technology
 - Improve the energy efficiency
- Use fiscal measures to influence travel behavior patterns