

Financing Water for All



DMC Officials Orientation Program

22 October 2008

An aerial photograph showing a large body of water, likely a bay or inlet, surrounded by land. The land is a mix of green and brown, suggesting a mix of forest and agricultural or developed areas. The sky is a deep blue, and the water is a darker blue. The overall scene is a natural landscape from an elevated perspective.

**How you invest
will make a big
difference for the
water security of
your country**

**Water is a scarce,
critical resource**

“The world of water will change more in the next 20 years compared to the past 2,000.”

Asit Biswas

2006 Stockholm Water Prize Laureate




Drivers of Change



- Economic development
- Urbanization
- Trade
- Energy
- Climate change

Presentation Outline

- What is the water situation in the region?
 - How does ADB view water?
 - What can you get from ADB?
 - What water investment priorities should you consider in the coming years?
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Asia-Pacific's Water Scene: **Managing Scarcity**

- Marked improvement in water supply coverage since 1990 but...
- 1 in 5 Asians still does not have access to safe drinking water
- 4 in 5 of them live in rural areas
- Drought is an increasing contributor to water-stress

Asia-Pacific's Water Scene: **Managing Excess**

- 49% of world's total floods over the last century
- 91% of total number of people killed
- \$466 billion in flood damages (1992-2001)
- 2 billion people at risk from flood damages by 2050
- Global warming brings more severe disasters

Asia-Pacific's Water Scene: **Managing Pollution**

- Asia's rivers suffering from severe pollution
 - Waterborne diseases kill more people than HIV/AIDs and malaria combined
 - Loss of tourism income, fish catch, and health and cleanup costs significant
 - Cost of water treatment increasing fast
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Asia-Pacific's Water Scene:

Adopting an Integrated Approach

- Governments have adopted integrated water resources management (IWRM)
- IWRM implementation in basins takes time
- Wetlands and watersheds threatened
- Water (re)allocation becoming an issue


Asia-Pacific's Water Scene: **Investing in Sanitation**

- 1 in 2 Asians does not have access to improved sanitation
- Open defecation gradually declining but some 1 billion still practice it
- High economic losses from poor sanitation

Asia-Pacific's Water Scene: **Governments are Engaging**

- Significant improvement in water supply coverage
- IWRM in river basins improving
- Knowledge networking improves solutions
- Asian leaders taking up the challenge

Asia-Pacific's Water Scene: Investing More

- Just \$8 billion needed annually to meet MDG water and sanitation targets
 - Additional investments for irrigation, river basin and flood management, and wastewater treatment
 - Camdessus Panel (2003) recommended to double public and private water investments to meet growth demands
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How ADB Sees Water: “Water for All” Policy


A socially vital economic good that needs careful management to sustain equitable economic growth and reduce poverty

Participatory approach in water management, conservation and protection



ADB's Water for All Policy

7 Pillars

1. Promote a national focus on water sector reform
 2. Foster the integrated management of water resources
 3. Improve and expand the delivery of water services
 4. Foster the conservation of water and increase system efficiencies
 5. Promote regional cooperation and increase beneficial use of shared water resources
 6. Facilitate the exchange of information and experience
 7. Improve governance and capacity building
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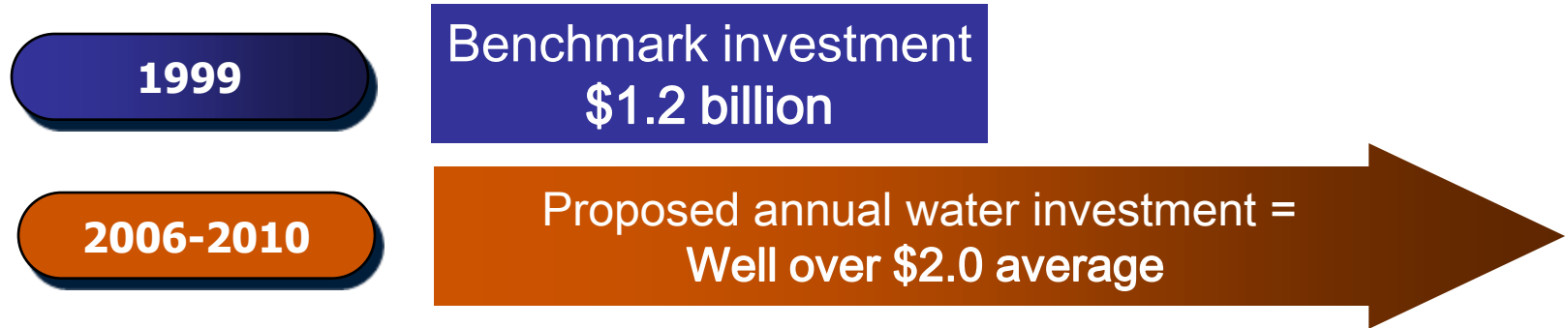
What can you get from ADB?

Support through

- Water Financing Program 2006-2010
- Water Financing Partnership Facility
- Regional Water Knowledge Hubs
- Asia-Pacific Water Forum
- Various water practitioner networks
- Asia-Pacific Water Summits

Water Financing Program 2006-2010

ADB Water Investments



Promotes actions in infrastructure, reforms, and capacity development, with regional cooperation as overarching strategy

Water Financing Program Investment Areas



Rural Water



Urban Water



Basin Water

Water Financing Program Investment Areas

- IWRM
- Flood management
 - Water quality
 - wetlands



Basin Water

Water Financing Program Targeted Outcomes

Indicators	Units	Target	Progress*
Sustainable access to safe drinking water and improved sanitation	million people	200	65
More productive and efficient irrigation and drainage services	million people	40	6
Reduced risk of flooding affecting people	million people	100	35
Introduction of IWRM in river basins	river basins	25	24

* Expected from projects approved since 2006

Water Financing Program

ADB financing modalities you can use

- Multi-tranche financing facility
- Sub-sovereign lending
- Refinancing
- Local currency lending

Water Financing Partnership Facility

- Project Support (70%)
 - Rural, urban, basin
- Program Quality Support (30%)
 - Knowledge, capacity, and innovation services
 - Empowering civil society
 - Regional cooperation

7 Investment Priorities for the Region



- Rural water services
- Bankable urban water projects
- Sanitation and river cleanups
- Climate change adaptation
- Disaster preparedness
- Leadership and knowledge sharing
- Leveraging investments


Financing Water for All

Money and Governance

- Investing more in water necessary and possible
- Water crises often crises of water governance
- Leadership essential to improve governance and performance
- Improvements come from reforms, knowledge, and capacity development
- Finance and planning ministry officials have important roles to play


Financing Water for All

What Ministries of Finance Can Do

- Ensuring sound policies (including tariffs)
 - Facilitating coordination among water agencies
 - Deciding decisions to increase water financing
 - Ensuring investment programs to achieve MDG targets
 - Ensuring transparent subsidies to poor communities
 - Facilitating utility reforms for bankable urban water projects
 - Ensuring credible regulation of water services
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Financing Water for All

What You Can Do

- Requiring accountability by water agencies for performance and results
 - Facilitating private sector partnerships and investments in water services
 - Investing in sanitation where \$1 can yield as much as \$6 in economic benefits
 - Investing in disaster risk management, IWRM, environment, water quality
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Financing Water for All

What You Can Do (Contd)

- Recognizing links with trade, energy, agriculture, transport, environment
- Promoting investments in data and information systems for decision-making
- Requiring sufficient investment in O&M of water infrastructure
- Allocating funds for response to water disasters
- Others...

Follow up with

- ADB Country Director
- WooChong Um
Director, Infrastructure Division (RSID)
Regional and Sustainable Development
Department
wcum@adb.org

If you make water a priority,
ADB can help you deliver the results.

For More Information

Email water@adb.org

Visit <http://www.adb.org/water>

Thank you

