

Establishment of the Partnership for the Creation of FutureCity



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ADB

Outline of Presentation

Discussion Point 1

I. Challenges Faced by Regional Cities

Discussion Point 2: Keys to Success in Increasing Urban Strengths

I. Urban Visions/Concepts

II. Success Factors and Lessons Learned

Discussion Point 1

Challenges Faced by Regional Cities

Population

Rapid urbanization and increasing demand for basic infrastructure and services



In 2014 Asian urban population is
2.06 billion

15 (out of 28) megacities from Asia

By 2050, Asian urban population
will be 3.2 billion or 65% of Asia's
population will live in urban areas.

Urban Issues

- **Sustainability of urban environment**
- **Vulnerability to climate change impact**
- **Widening gap in social inequality**
- **Weak urban governance**



Industry Promotion

- **Disconnect in policies for industrial growth and urban development**
- **Changing political regimes**
- **Need to enhance the competitiveness of cities**



Discussion Point 2

Keys to Success in Increasing Urban Strengths

I. Urban Visions/Concepts

ADB's Strategy 2020

- Asia Pacific region free of poverty
- Investments based on integrated area development plans
- Partnerships with institutions and private sector
- Innovative finance/leverage

STRATEGY2020

The Long-Term Strategic Framework
of the Asian Development Bank
2008–2020

ADB

Urban Operational Plan 2012–2020

ADB

Inclusive Cities

ADB

Competitive Cities

ADB

Green Cities

Livable and Sustainable Cities in Asia

Asian Development Bank

Asian Development Bank

ADB's Finance++

Leverage resources through partnerships for Finance and Knowledge solutions

ADB



- Emphasis on partnerships
- ADB Innovation Fund
- ADB Operations will average at \$22 billion annually (2014-2016)
 - Annual Co-financing: \$8.7 billion
 - Annual Technical Assistance: \$300 million

Knowledge Management Directions
and Action Plan (2013–2015):
Supporting “Finance ++”
at the Asian Development Bank

Asian Development Bank

ADB

ADB's Strategic Partnerships

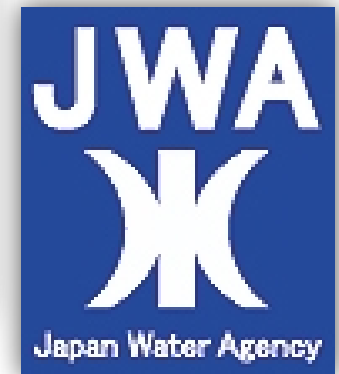
- **Multilateral Organizations**
- **Bilateral organizations**
- **United Nations**
- **Other organizations**
 - **Civil Society**
 - **Foundations**
 - **Think tanks, research and academic institutions**



ADB Partnership with Japan



Japan
Fund for
Poverty
Reduction



**Japan Fund for Joint
Crediting Mechanism
(JFJCM)**



Flagship Study on Future Cities (2050) in Asia and the Pacific

- Address urban development challenges by providing growth models
- Coverage: 8 selected cities
- Complementary Inputs: CDIA
- Implementing partners: WRI and CRCWSC
- Partnership: Office of Public-Private Partnership (OPPP) and Private Sector Operations Department (PSOD)



ADB's Promoting Smart City Development in Asia and the Pacific

- Financing: Japan Fund for Poverty Reduction (JFPR)
- India, Sri Lanka, Bangladesh, Mongolia, Philippines, Viet Nam, Indonesia
- Smart city partnership (city twinning)
 - Yokohama City as Mentor City
- Y-port urban knowledge hub



II. Success Factors and Lessons Learned

Some Critical Success Factors

Community Engagement (for better ownership)

- **Linking communities to good governance structures**
- **Professionally managed NGO**
- **Quality of consultation and engagement**

Private Sector (for innovation, finance and management capacity)

- **Policy and investment framework**
- **Bankable projects and sufficient resources**
- **Strong governance and institutional structures**
- **Good understanding and capacity of public sector partner**

Lessons Learnt...1

- **Development strategy from national to provincial to cities level must be seamless**
- **Inclusive stakeholder consultation during planning and implementation is essential**
- **Funding sources for upscaling necessary**
- **Appropriate institutional good governance structures are the key to success**
- **Performance-based allocation can incentivise public ownership and delivery of services**

Lessons Learnt ...2

- **Develop public-private partnership to support SMEs and local enterprises**
- **Promote industry clusters for financing economic growth as a part of integrated area (urban) development**
- **Partner with professional NGOs as effective channels to finance and manage community upgrading services**

BACK UP SLIDES
Some Examples
Projects and Partnerships
Public Sector
Private Sector and NGOs

MYN: Yangon Heritage Renovation and Integrated Infrastructure Development



- Upgrade infrastructure and improve living conditions
- Manage the density
- maintain residential function & livelihood
- Keep historic identity, unique character & streetscape

MON: Combined Heat and Power (CHP #5)

Auxiliary infrastructure under the PFS

- Heating transmission main infrastructure from the Plant to the city network;
- Water conveyance infrastructure which will be feeding water into the Plant for power and heat generation; and
- Rapid urban development assessment of the expansion area where the plant will be built.

Technical and financial assessments on:

- Water supply
- Heat transmission lines
- Urban development of the CHP5 neighboring area



PRC: Natural Gas for Land and River Transportation Project

Total project cost: \$1.1 billion
ADB Assistance: \$150 million
Co-financing: \$300 million
Approval date: 4 December 2014



Source: ADB. 2014. *PSOD Brochure*. Manila.

Development impacts:

- Deploy natural gas in PRC for multimodal transport and diversify energy source mix
- Avoid GHG emissions – about 2 million tons/year starting 2020

PHI: Mactan–Cebu International Passenger Terminal Project

Total project cost: \$782 million

Total ADB assistance: \$75 million

Approval Date: 2 December 2014

Borrower: GMR-Megawide Cebu Airport Corporation

Sponsors: GMR Infrastructure, Megawide Construction Corp.



Source: ADB. 2014. *PSOD Brochure*. Manila.

Development Impacts:

- Establish a sustainable transport system in the Philippines that will improve the mobility and increase provincial development.
- Contribute to improved international and domestic air transport services
- Encourage greater private sector investment in airport public–private partnerships.

ACME–EDF Solar Power Project

Total estimated project cost: \$260 million

ADB investment: \$100 million

Approval Date: 16 October 2014

Sponsors: ACME Solar Energy, ACME Cleantech Solution, MKU Holdings, EDF Energies Nouvelle, and EREN Renewable Energies



Source: ADB. 2014. *PSOD Brochure*. Manila.

Development Impacts:

- Diversify India's energy mix and strengthen the country's energy security and development of renewable energy capacity.
- Add 200 megawatts of clean solar energy power generation capacity.
- Attract new foreign investors into India's energy sector.

PRC: Wastewater Treatment and Reuse Project

ADB investment: \$240 million

Investee: Beijing Enterprises Water Group

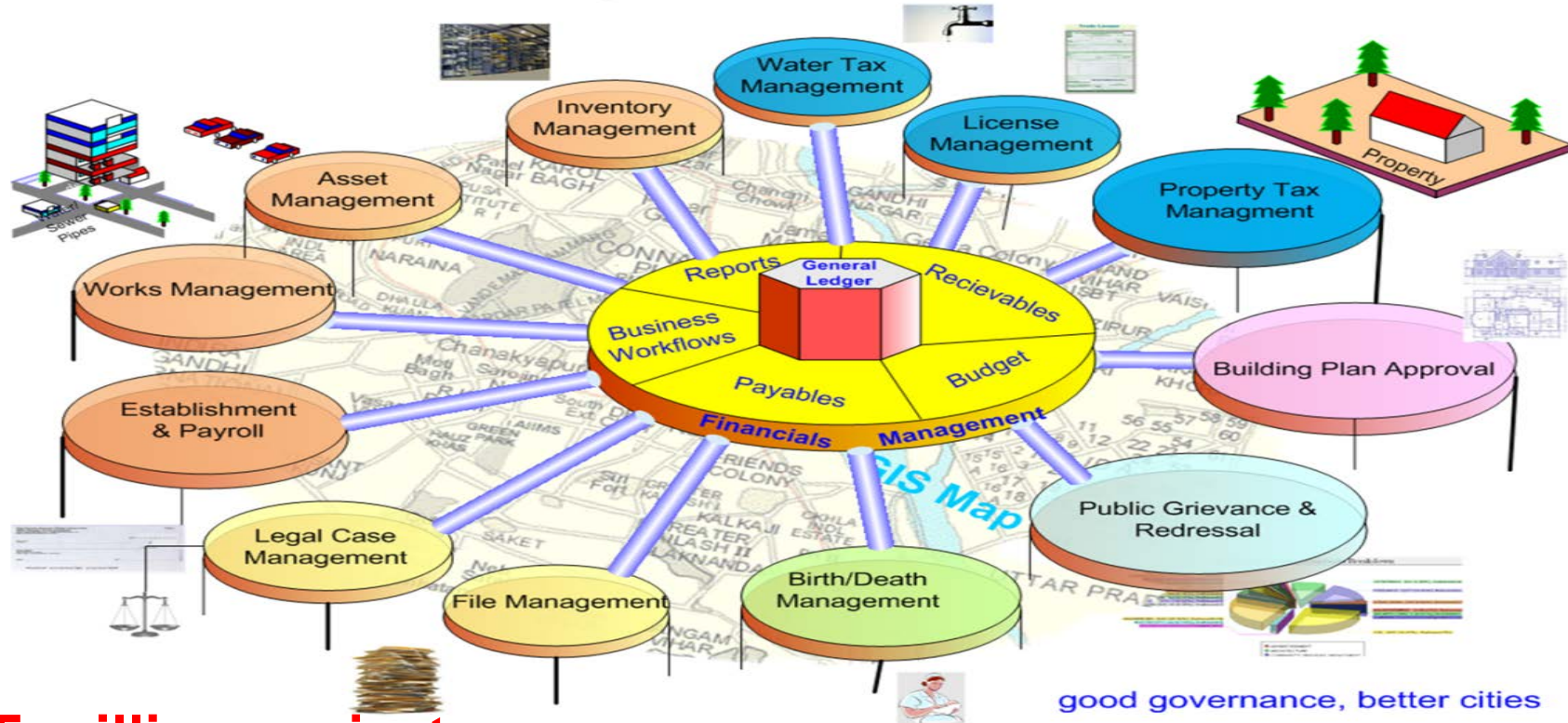
Date approved: September 2013



- **Annually treat an additional 600 million tons of wastewater to grade 1A standard by 2019**
- **Treated wastewater can be reused to meet industrial demand**

IND: Strengthening Municipal e-Governance Reforms in Karnataka

Municipal eGovernance Product Suite



- **\$75 million project**
- **First of its kind in India**
- **Standardized set of systems & processes**
- **Mix skill set in the organization- professionals**
- **Creation of urban cell in every district**

Strengthen Resilience in Coastal Towns of Bangladesh



- **Building climate resilient roads**
- **Protecting natural assets**
- **Ensuring escape routes and adequate access of emergency services**
- **Building cyclone shelters**
- **Strengthening capacity of local government in disaster-risk sensitive urban planning**
- **Community awareness raising on DRM and CCA**

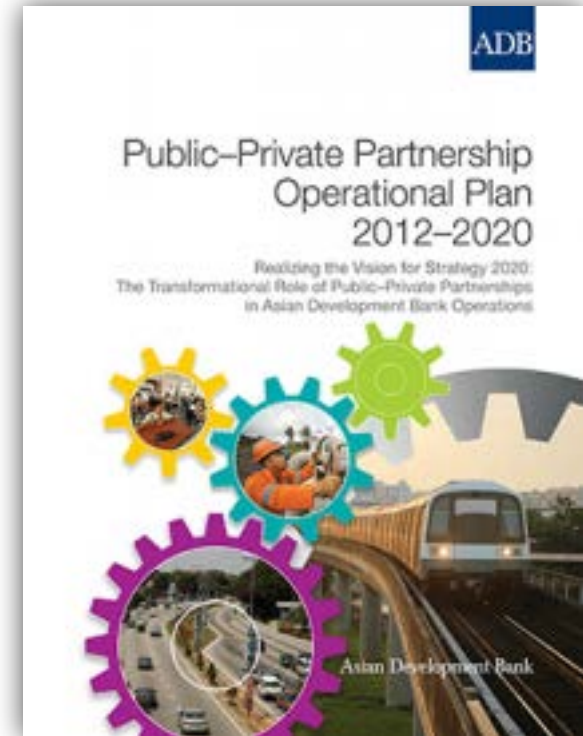
PHI: Strategic Private Sector Partnerships for Urban Poverty Reduction (STEP-UP)

- **NGO-led project (PBSP)**
- **Project Category: Slum upgrading**
- **Strategic business sector involvement**
- **Created multi-sectoral coalition**
- **Improved living conditions of 5,823 households**
- **Undertook integrated urban poverty reduction program**



ADB's Office of Public-Private Partnership (OPPP)

- **Established in September 2014**
- **Assist developing member countries (DMCs) in securing private investments for services**
- **Provides transaction advisory services (TAS) to deliver PPP projects**
- **Established the Asia Pacific Project Preparation Facility (A3PF)**
- **Four (4) Pillars**



ADB's PPP Operational Plan (2012-2020)

Pillar 1	Pillar 2	Pillar 3	Pillar 4
Advocacy & Capacity Development	Enabling Environment	Project Development	Project Financing

Private Sector Operations Department (PSOD)

Finance private transactions in sector investments

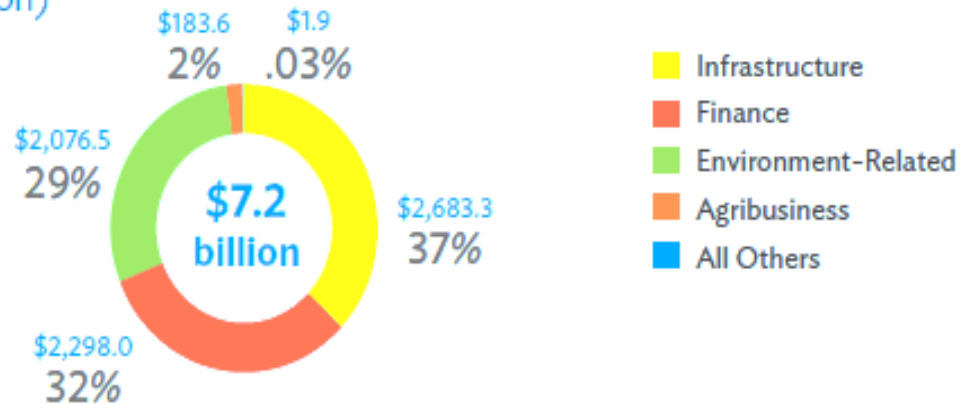
Mobilize third-party capital

Fund investments

Portfolio Management

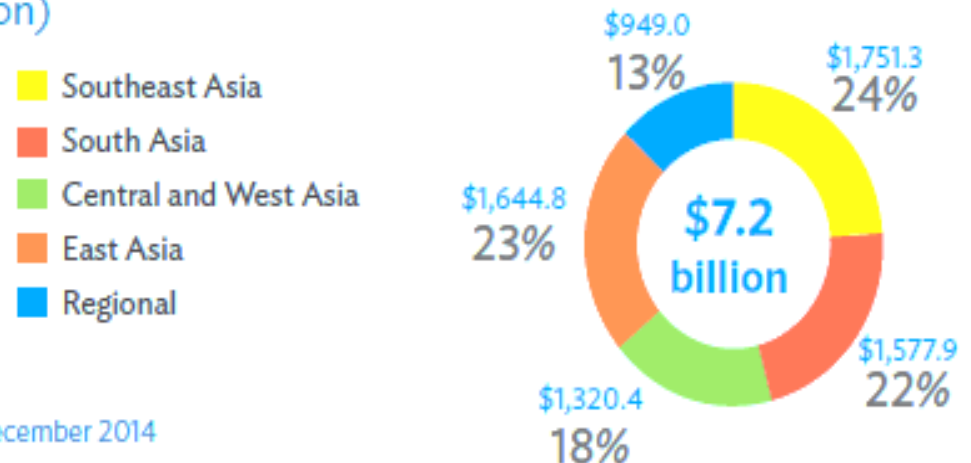
PSOD's Current Portfolio, by Industry Sector, 2014

(\$ million)



PSOD's Current Portfolio, by Geography, 2014

(\$ million)



As of 31 December 2014