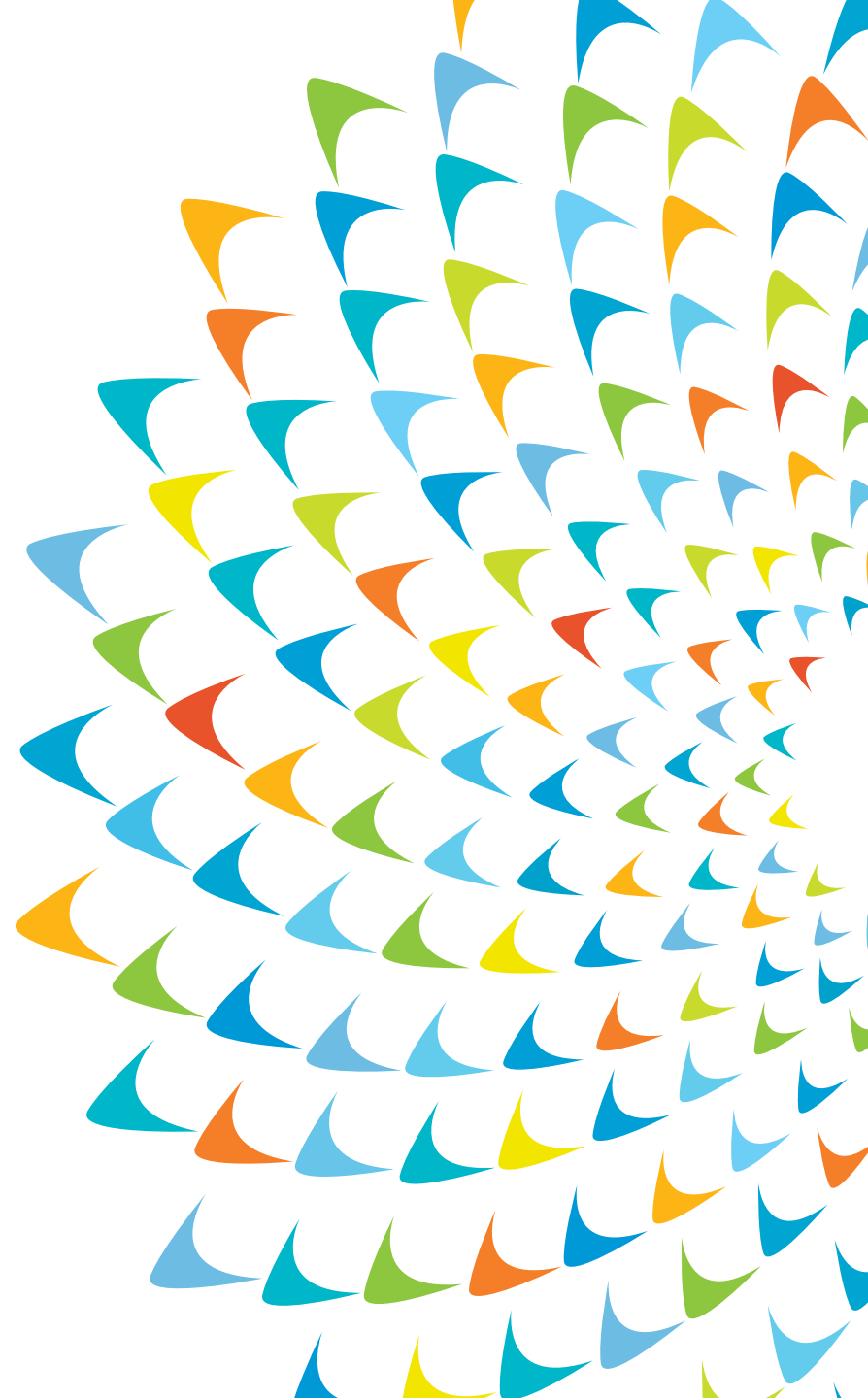




ASIAN DEVELOPMENT BANK

**Investing in a Prosperous,
Inclusive, Resilient, and
Sustainable Asia and the Pacific**





AGENDA

- Introduction
- Funding Operations
- Thematic and Green Bonds
 - Gender
 - Health
 - Water
 - Green
 - Education



WHO WE ARE



- Founded in 1966
- A multilateral development bank
- Headquartered in Manila, Philippines
- 40 field offices
- 3,548 employees spanning 64 nationalities



THE REGION'S POVERTY CHALLENGE

VISION

To achieve a *prosperous, inclusive, resilient, and sustainable* Asia and the Pacific, while sustaining its efforts to **eradicate extreme poverty**.

- Asia and the Pacific region is still home to around 40% of the world's extreme poor¹
- An estimated \$1.7 trillion per year is needed until 2030 to fill infrastructure gaps
- Of the 10 countries most exposed to climate change, environmental stress, and natural disaster risk, 7 are ADB developing member countries

¹/ Extreme poverty is measured by the \$1.90/day threshold at 2011 purchasing power parity. World Bank. PovcalNet. <http://iresearch.worldbank.org/PovcalNet/home.aspx>.



STRATEGY 2030

OPERATIONAL PRIORITIES



Addressing remaining poverty and reducing inequalities



Accelerating progress in gender equality

At least 75% of the number of committed operations by 2030



Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability

At least 75% of the number of committed operations by 2030, \$80 billion from own resources from 2019–2030



Making cities more livable



Promoting rural development and food security



Strengthening governance and institutional capacity



Fostering regional cooperation and integration



Expanding private sector operations



Catalyzing and mobilizing financial resources for development

\$1 in private sector operations financing matched by \$2.50 of cofinancing by 2030



Strengthening knowledge services



ADB'S OPERATIONAL PRIORITIES MAPPED TO THE SDGs

ADB has worked to align its strategy and policies with the 17 Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly.





Response to the COVID-19 Pandemic



ADB President Masatsugu Asakawa lent a helping hand to deliver needed supplies to poor homes in Metro Manila.

- Since early February 2020, ADB has deployed about \$180 million in grant resources to help our developing member countries (DMC) procure essential medical goods and services, strengthen local health systems, among others.
- In April 2020, ADB unveiled a COVID-19 response package of \$20 billion to help the DMCs address the pandemic.
- In December 2020, ADB approved a \$9.0 billion vaccine facility to support the development of national vaccine allocation plans, the building of vaccine delivery systems, and the purchase of vaccines in a timely manner.
- ADB has committed \$16.1 billion towards COVID-19 related operations, and has mobilized development partner cofinancing of \$10.6 billion, thus raising the total COVID-19 response to about \$27 billion.¹

¹/As of 8 January 2021.



FUNDING OPERATIONS



AAA RATING BASED ON STRONG FUNDAMENTALS

- ADB is a leading AAA borrower in international and domestic capital markets, having issued bonds across various markets in 40 currencies.
- Borrowings finance regular Ordinary Capital Resources (OCR) operations. Regular OCR loans are generally made to developing members that have attained a higher level of economic development.
- ADB's debt securities carry the highest possible investment ratings from major international credit rating agencies.

Moody's assessment of credit strengths November 2020

Strengths

- Ample capital adequacy and robust asset performance, supported by demonstrated preferred creditor status
- Strong access to funding markets and sufficiently large liquidity buffers
- Large buffer of callable capital and very strong willingness and ability of global members to provide extraordinary support

Standard & Poor's assessment of major rating factors February 2020

Strengths

- Extremely strong capital position anchoring the extremely strong financial profile
- Extremely strong enterprise and financial risk profiles
- Unwavering public policy mandate and prudent loan book growth
- Expected continued robust treatment as a preferred creditor

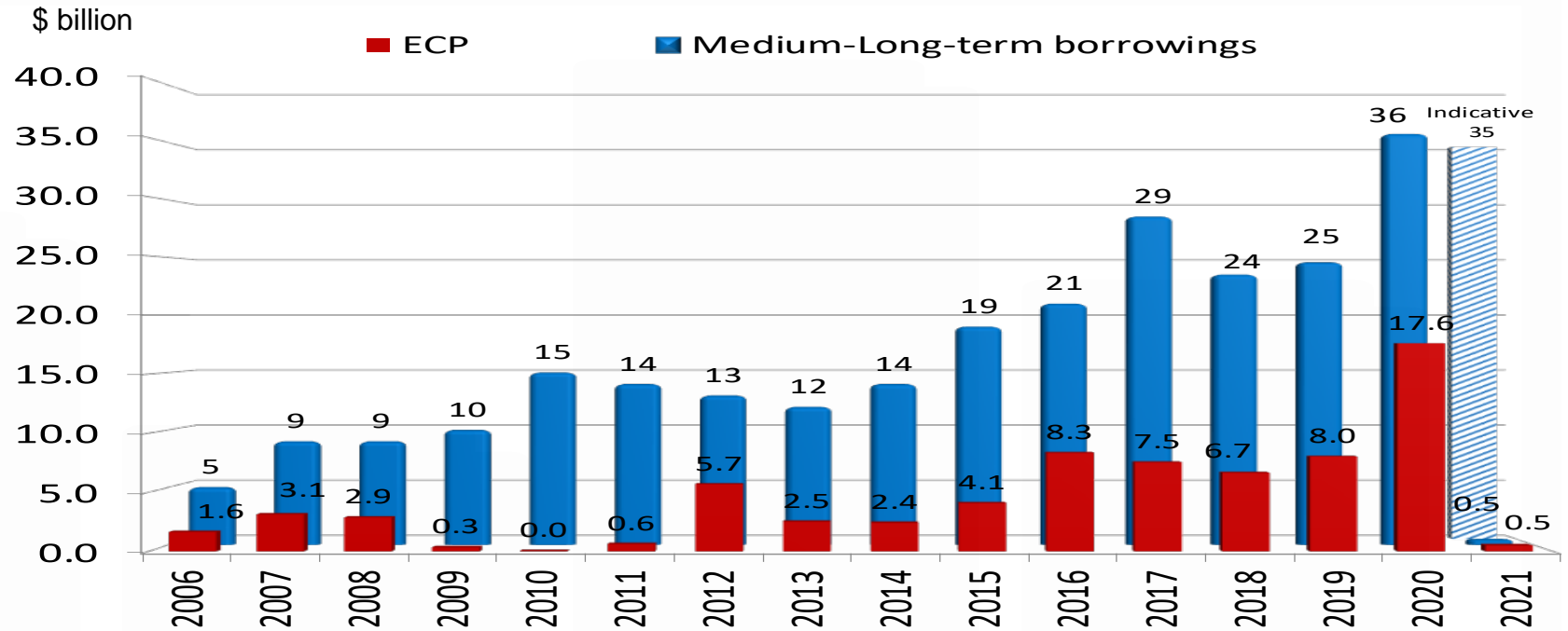
Fitch assessment of key rating drivers September 2020

Strengths

- Excellent level of capitalization
- Low risk assessment
- Excellent access to capital markets and a diversified investor base



FUNDING AVAILABILITY AT ALL TIMES



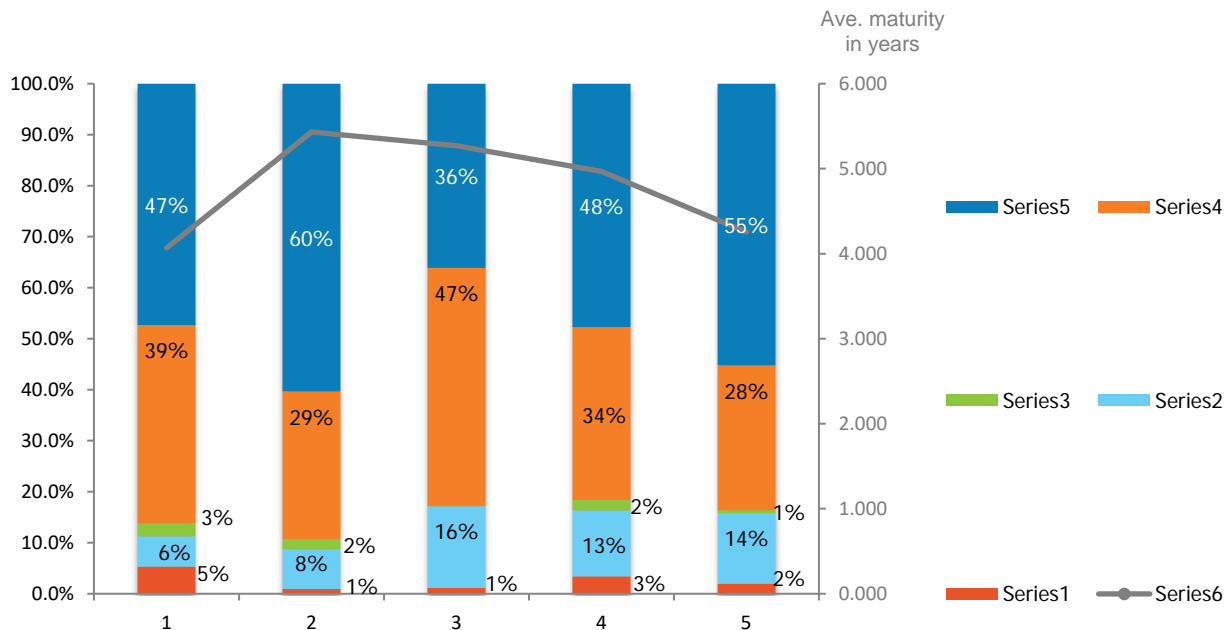
1/ YTD 2021 figures include trades up to 12 January 2021.

2/ ECP dealers include Bank of America Merrill Lynch International, Barclays, BRED Banque Populaire, Citigroup Global Markets Limited, Crédit Agricole CIB, Goldman Sachs, ING Bank N.V., and UBS.



DIVERSIFIED PRODUCT AND CURRENCY MIX

Borrowings by Type: 2016 – 2020



YTD 2020 Currency Mix

- Benchmark Bonds (USD)
- Public Bond Issues (AUD, CNH, EUR, GBP, NZD, USD)
- Structured Private Placements (EUR, GBP, JPY, TRY, USD, ZAR)
- Other private placements (institutional, uridashi) (AUD, CAD, CNH, EUR, JPY, GBP, GHS, HKD, NOK, NZD, PLZ, RUB, SEK, TRY, UAH, USD, ZAR)
- Local Currency (INR, KZT, MNT, PKR)

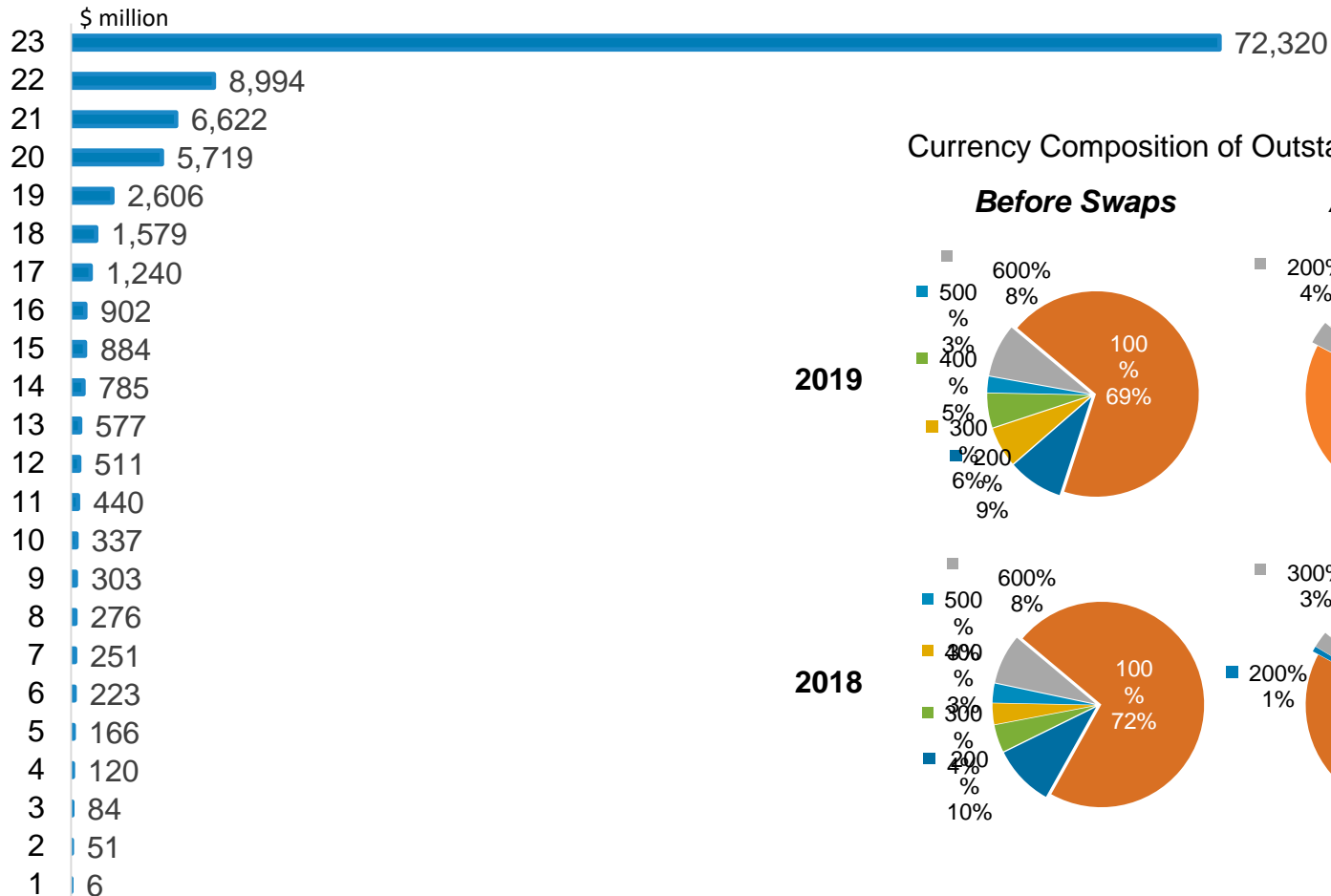
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
No. of Currencies	7	7	9	9	8	10	11	11	14	15	17	18	22
No. of Transactions	113	44	92	68	77	58	50	56	74	91	130	120	146

Note: Excluding Euro-Commercial Paper issuances (ECPs).
Totals may not add up because of rounding.

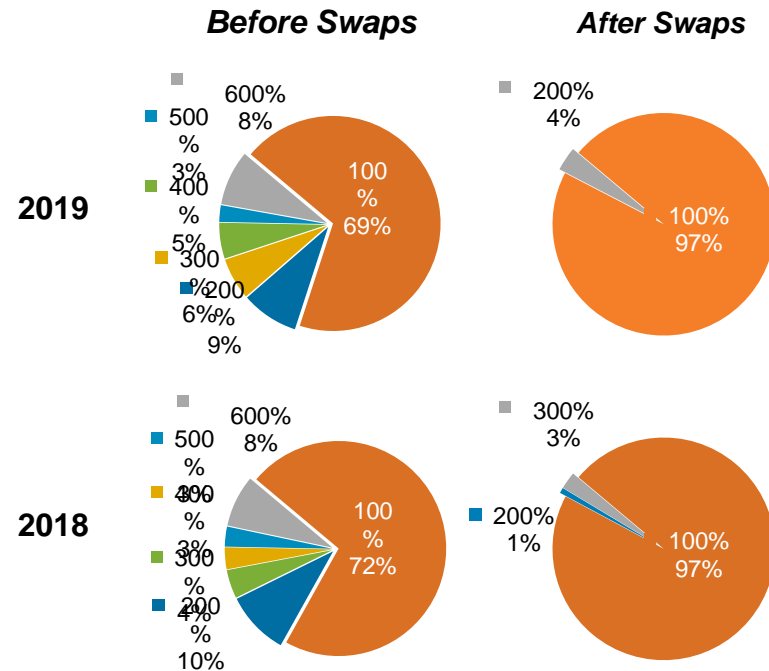


DIVERSIFIED ISSUANCE CURRENCIES

OUTSTANDING ISSUANCES



Currency Composition of Outstanding Borrowings



Note: Percentages may not total 100% because of rounding.

- Total principal of outstanding borrowings stood at \$105.0 billion as of 31 December 2019 (2018: \$90.4 billion). This includes accrued interest and commission. Reported at fair value except for unswapped borrowings which are reported at principal amount net of unamortized discount/premium.



THEMATIC AND GREEN BONDS



- ADB's thematic bonds highlight its efforts to support key initiatives such as its water programs, gender and health projects through its AAA quality notes.
- ADB has issued approximately \$3.2 billion equivalent in thematic bonds since 2010.
- ADB has issued approximately \$8.3 billion equivalent in green bonds since 2015.
- As of 31 December 2020, the amount of outstanding thematic bonds and green bonds is approximately \$8.3 billion equivalent.

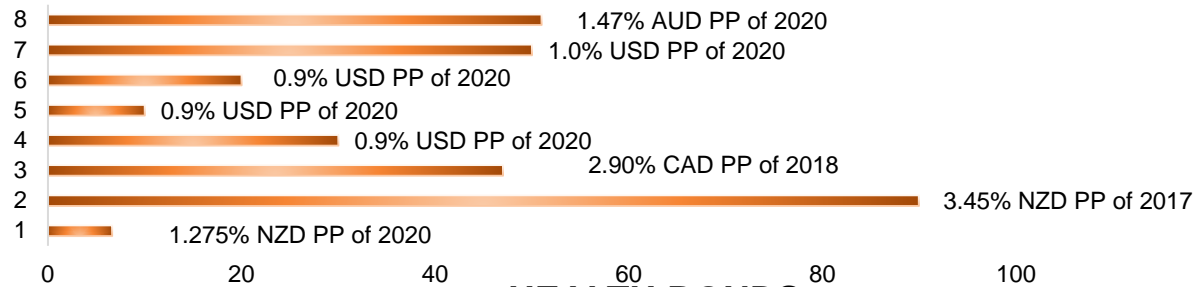


OUTSTANDING THEMATIC BONDS



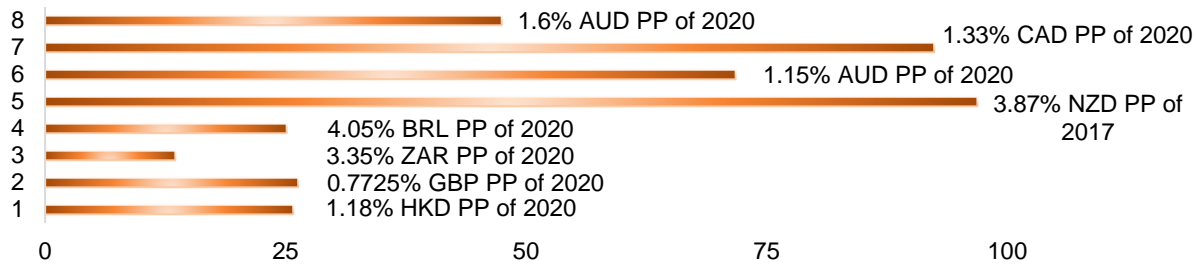
Year of Maturity

GENDER BONDS



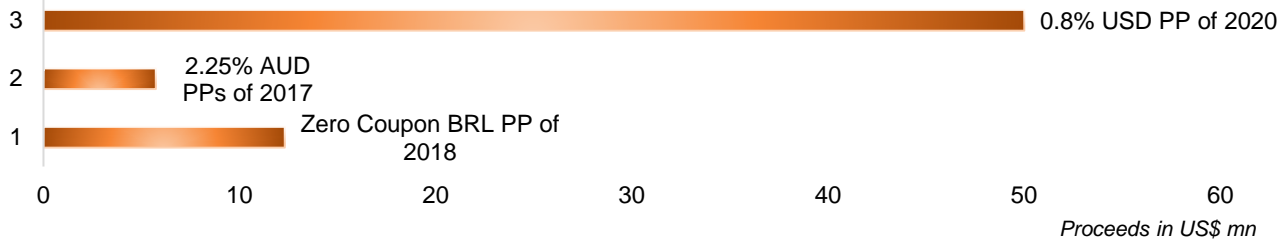
Year of Maturity

HEALTH BONDS



Year of Maturity

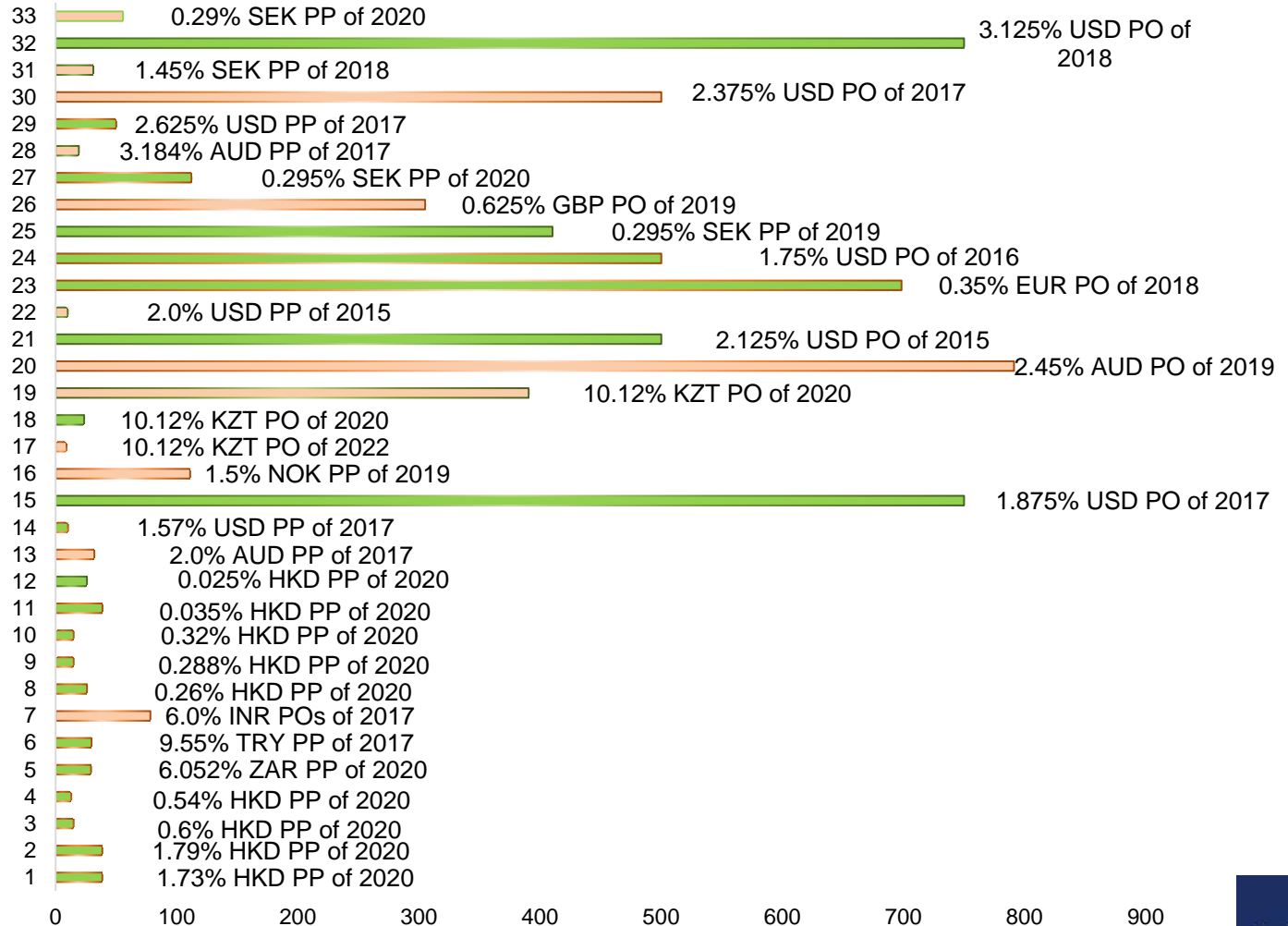
WATER BONDS





OUTSTANDING GREEN BONDS

Year of Maturity





THEMATIC AND GREEN BONDS



GENDER

*Accelerating progress in
gender equality in Asia and
the Pacific*





GENDER

- Strategy 2030 Operational Plan for Priority 2: Accelerating Progress in Gender Equality, 2019–2024
- ADB's Gender Mainstreaming System
- Gender Performance at Entry and at Completion
- Project Examples



Operational Priority 2

Accelerating Progress in Gender Equality

- Build on good practices on gender in operations
- Go beyond gender mainstreaming in country partnership strategy
- Develop stronger gender pipeline
- Improve quality of project gender designs and target setting
- Continue to improve gender equality results in projects
- Conduct pilots and technical assistance (TA) on innovative and transformative approaches
- Enhance gender knowledge products, events, and partnerships
- Update and strengthen business processes and tools
- Combine ordinary capital resources with TA and concessional resources
- Build knowledge and expertise in emerging areas

Strategic Operational Priorities

1 Women’s economic empowerment increased

2 Gender equality in human development enhanced

3 Gender equality in decision making and leadership enhanced

4 Women’s time poverty and drudgery reduced

5 Women’s resilience to external shocks strengthened

Operational Approaches



Scale up gender mainstreaming in operations across sectors and themes



Integrate Sustainable Development Goal (SDG) 5’s “transformative” gender agenda, e.g., economic assets and resources for women, unpaid care and domestic work, digital technology/ ICT, and gender-based violence



Expand gender mainstreaming in nonsovereign operations



Tackle multiple gender inequalities through integrated solutions, e.g., livable cities program



Develop capacity of developing member countries and clients in tracking and achieving gender-related SDGs

Sub-pillars

- Women’s access to job skills improved
- Women’s financial inclusion increased
- Women’s entrepreneurship supported
- Women’s access to infrastructure and services improved

- Women’s and girls’ participation in nontraditional education and training increased
- Quality and access to women’s and girls’ health services improved
- Protection from gender-based violence strengthened

- Women’s leadership capacity improved
- Regulatory, legal, and institutional environment for gender equality improved

- Provision of time-saving or gender-responsive infrastructure improved
- Quality and access to child and elderly care services improved

- Resilience-building community-based initiatives for women and girls implemented
- Provision of climate and disaster-resilient infrastructure for women and girls improved
- Financial protection systems for women strengthened
- Dedicated crisis-responding social assistance systems for women and girls strengthened



Multilateral Development Bank Good Practice: ADB's Gender Mainstreaming System

- 1998 Gender and Development Policy
- Strategy 2030 Operational Plan for Priority 2: Accelerating Progress in Gender Equality, 2019–2024
- Well-regarded 4-tier system
 - Gender equity theme (GEN)
 - Effective gender mainstreaming (EGM)
 - Some gender elements (SGE)
 -
 - No gender elements (NGE)
- Use of Project Gender Action Plans as a tool of gender mainstreaming and results monitoring (required for GEN+EGM)
- In-house check-and-balance before Management meeting
- Targets: Under Strategy 2030 both sovereign and nonsovereign operations
- Emphasis on sector ministries' gender capacity

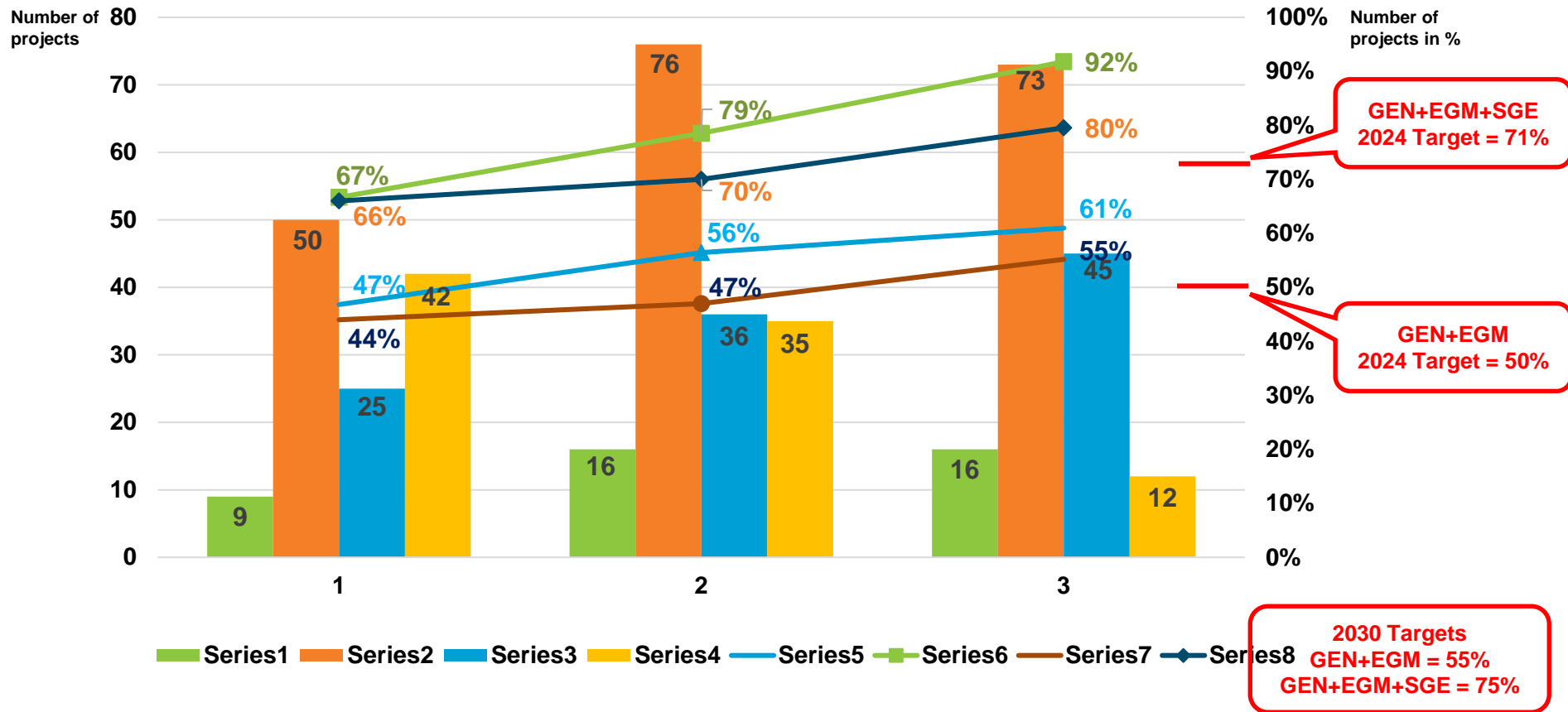
Projects with "gender mainstreaming" (2030 target: 55%)

Projects with "gender elements" (2030 target: 75%)



Gender Mainstreaming and Elements at Entry

Annual and 3-year averages, by Commitment, Sovereign and Nonsovereign



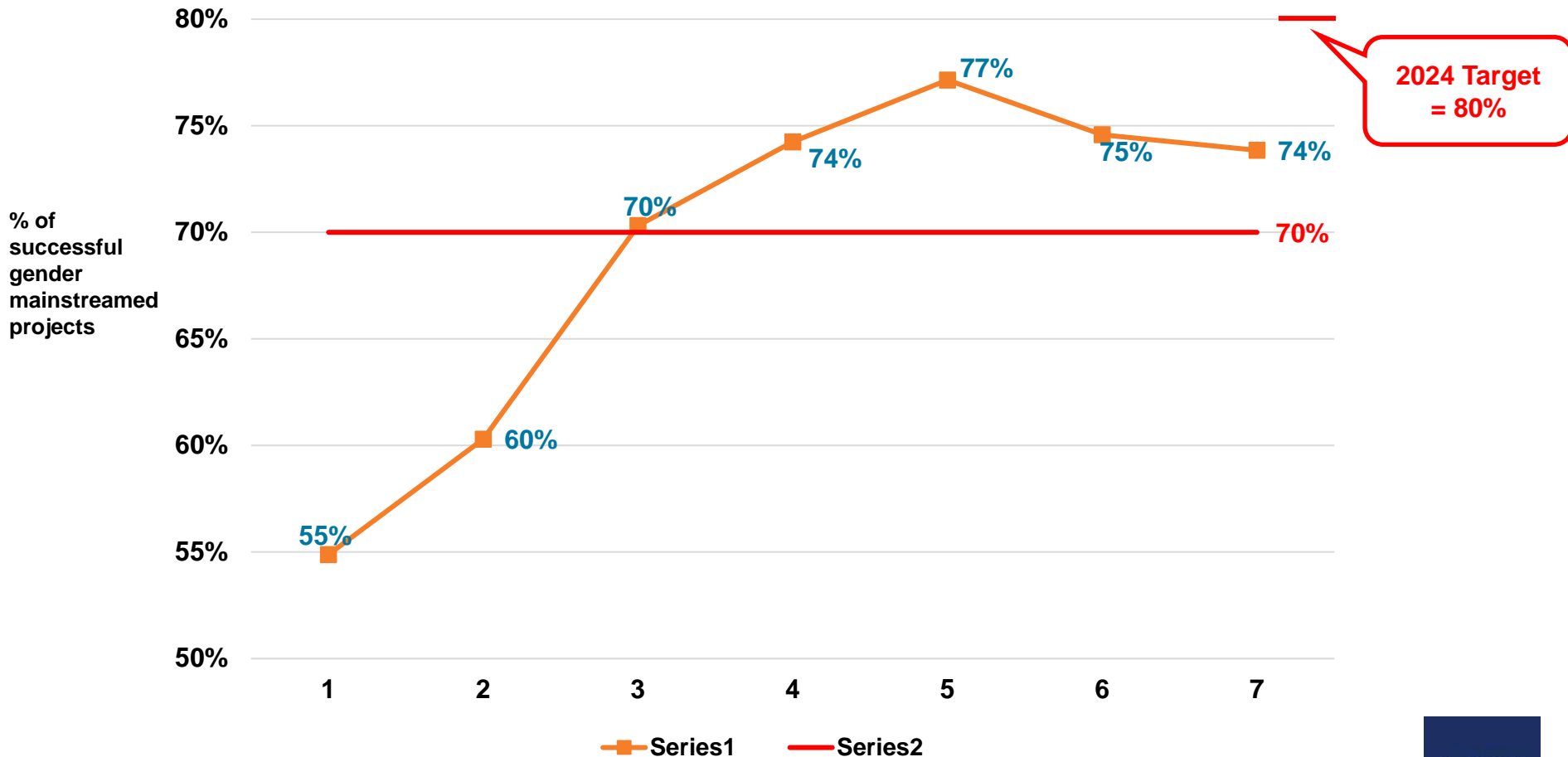
GEN=Gender Equity Theme; EGM=Effective Gender Mainstreaming; SGE=Some Gender Elements; NGE=No Gender Elements; GM=GEN+EGM





Completed Operations Achieving Intended Gender Equality Results

3-year Averages, Project Completion Reports' Gender Rating, Sovereign and Nonsovereign





PROJECT EXAMPLE

Gender & Covid-19 Pandemic Response

Gender-mainstreamed Countercyclical Support



- Quick disbursing budget support to help governments finance their crisis-related social protection programs, with complementary technical assistance
- **Approach**
 - Targeted gender-responsive social assistance, economic stimulus, and health measures
 - Intersecting inequalities of women addressed (age, disability, ethnicity/caste, class)
 - All categorized as 'Effective Gender Mainstreaming'
 - Gender monitoring matrix for gendered impact monitoring
- **Value addition**
 - Mitigate disproportionate gendered impacts of COVID-19
 - SDG 5 transformative agenda (uninterrupted reproductive health services, support to survivors of gender-based violence)



PROJECT EXAMPLE

Promoting Women's Entrepreneurship

Bangladesh: Microenterprise Development Project



- \$50 million OCR, committed in February 2019; \$50 million OCR additional financing, committed in December 2020
- **Approach**
 - Expand funding to microfinance institutions (MFIs) for microenterprises with at least 70% of total loan portfolio for female borrowers
 - Conduct gender gap assessments in policies and operations
 - Extend microenterprise development support using e-commerce platform
- **Value addition**
 - 14,000 female borrowers use mobile-based apps
 - 1,400 female microenterprises use e-commerce for product marketing
 - Additional financing to help revive microenterprises severely affected by COVID-19





PROJECT EXAMPLE

Sustainable, Efficient, and Inclusive Water Services

Viet Nam: Binh Duong Water Treatment Expansion Project



- \$8 million OCR, committed in October 2020
- **Approach**
 - First nonsovereign transaction in the water sector in the Greater Mekong Subregion
 - Effective support in transitioning from reliance on sovereign to private sector financing
 - Target number of jobs for women in corporate and operations
- **Value addition**
 - Gender policy to increase hiring, retention, and promotion of female staff
 - Flexible work arrangement policy to support work-life balance in response to COVID-19



HEALTH

Achieving universal health coverage and health security





HEALTH

- Health in Asia and the Pacific Trends
- Challenges
- CPROs
- COVID-19 Loans and Grants
- Project Examples






HEALTH IN ASIA AND THE PACIFIC OVER THE LAST 50 YEARS

- In the last 50 years, the region's average life expectancy at birth has risen from 46 years to 71 years.
- Disease-specific programs have drastically reduced deaths from infectious disease and childbirth.
 - Smallpox has been eliminated globally (caused 300-500 million deaths)
 - Polio has been eradicated in all but 3 countries (Afghanistan, Pakistan, and Nigeria)
- Increasing focus on achieving Universal Health Coverage (UHC)
- But challenges of rapidly aging populations, increasing prevalence of non-communicable diseases (NCDs), persistent high out of pocket spending, and the risk of pandemics remained
- Health has again become an ADB priority sector



HEALTH SECTOR OPERATIONS AT A GLANCE **end 2019**



-  DMCs with both ongoing projects and pipeline projects
-  DMCs with ongoing projects
-  DMCs with pipeline projects

- In 2014, only \$0.03 billion of ADB lending for health
- **By 2019, 14 new committed projects for health in 2019 are in Armenia, Georgia, Mongolia, Pakistan, PRC, PNG, Samoa, Tonga, Tuvalu, Vanuatu and Viet Nam with total value \$0.64 billion.**
- 36 ongoing loan and grant projects in 19 DMCs with total value of \$2 billion.
- **9 new projects in 6 DMCs with total value \$1.11 billion are expected to be approved in 2020**
- 22 pipeline loan and grant projects in 18 DMCs with total value of \$2.06 billion in 2020 – 2022.



COVID-19 PANDEMIC RESPONSE OPTION FINANCING



CONTINGENT DISASTER FINANCING

- Indonesia -Disaster Resilience Improvement Program
- Philippines-Disaster Resilience Improvement Program

- Central and West Asia
 - Afghanistan, Georgia, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Uzbekistan
- East Asia
 - Mongolia
- Pacific
 - Cook Islands, FSM, Palau, PNG, RMI, Tonga, Samoa, Solomon Islands, Tonga, Vanuatu
- South Asia
 - Bangladesh, Bhutan, India, Maldives, Nepal
- Southeast Asia
 - Cambodia, Indonesia, Myanmar, Philippines, Thailand

\$10.408 billion of which \$2.13 billion is indicative for supporting implementing health responses against COVID19



HEALTH SECTOR COVID-19 LOANS OR GRANTS

- **SARD**
 - Bangladesh: COVID-19 Response Emergency Assistance Project (\$100 million)
- **SERD**
 - Lao PDR (\$30 million) and Myanmar (\$30 million) – Additional Financing of Greater Mekong Regional Health Security Project
 - Philippines - Health System Enhancement to Address and Limit COVID-19 (\$125 million)
- **EARD**
 - Mongolia (Additional Financing of Fifth Health Sector Development Project) - \$30 million
- **CWRD**
 - Afghanistan (Emergency Assistance for COVID19 Pandemic response) - \$40 million
 - Pakistan (Emergency Assistance for Fighting Against COVID10 Pandemic) - \$100 million health out of \$ 300 million
 - Kyrgyz Republic (COVID19 Emergency Response Project) - \$20 million
 - Uzbekistan (COVID-19 Emergency Response Project) - \$100 million



NON-SOVEREIGN HEALTH PROJECTS



- COVID-19 Emergency Response Project (Jointown)
- COVID-19 Emergency Energy Supply Project (China Gas)
- COVID-19 Hospital Service Delivery Project (Global Health Private Limited)
- COVID-19 Hospital Capital Support Project (Apollo Hospitals Enterprise Limited)
- COVID-19 Generic Pharmaceutical Project (Imexpharm)
- COVID-19 Pharmaceutical Distribution Expansion Project (Jointown)

UHC-RELATED PROJECTS

- PNG PBL Subprogram 3 - Health Services Sector Development Program (\$75 million for health out of a total \$150 million)
- Philippines Social Protection Support Project (\$50 million for health out of total \$200 million)
- India RBL Strengthening Comprehensive Primary Health Care in Urban Areas under Pradhan Mantri Atmanirbhar Swasth Bharat Yojana (\$300 million)
- Philippines Expanded Social Assistance Project (\$250 million out of \$500 million)



ASIA PACIFIC VACCINE ACCESS FACILITY (APVAX) - 2021 to 2023



- **A \$9 billion** facility to finance access and delivery of COVID19 vaccines in ADB's DMCs
 - **\$6.8 billion from OCR**
- Builds on ADB's \$20 B **Comprehensive Response to the COVID-19 Pandemic** composed of CPRO loans and grants, health sector loans and grants, APDRF grants, TAs, and other support to DMCs
- **Non-pharmaceutical interventions (NPIs)** including quarantines, mobility restrictions, and school closure have reduced the spread of COVID-19. However, these measures significantly constrain economies and only slow down transmission.
- In addition to the NPIs, widespread vaccinations are needed to control the pandemic
- **APVAX will provide rapid support** to DMCs as they procure and deliver COVID-19 vaccines in a safe and effective manner.
- APVAX will employ **fast-tracked business processes**, enhancing ADB's ability to process individual support faster and with lower transaction costs

APVAX Components

Rapid Response Component (RRC)



Timely and focused financing

for vaccine access in the areas of vaccine procurement and logistics costs



Diagnostic and analytical work

to prepare for vaccinations, payments to COVAX, procurement of vaccines, and logistics related to bringing vaccines from place of purchase to the DMC



Advance financing

for quick disbursing support, streamlined project documentation and balanced due diligence

Project Investment Component (PIC)



Systems

for distribution, delivery, and administration of vaccines



Physical infrastructure

for vaccine delivery and distribution (cold-chain storage and transportation, vehicles, processing facilities)



Vaccine manufacturing capacity

(expansion or establishment)



Training and capacity support

for health workers, public communications and outreach, surveillance systems to monitor and track implementation progress

Eligible RRC Expenditure Items

Analytical/diagnostic work and policy development including needs assessments, vaccination strategy development, regulatory gap assessments, data safety and security policies, vaccine pricing and distribution regulations, and disease surveillance

Advance market commitments, self-financing payments or procurement costs **for vaccines acquired through COVAX**

Vaccines from manufacturers that meet any of the eligibility requirements, including advance payments

International logistics and related services required for the transportation of vaccines from their place of purchase to designated delivery points in the borrower's country

Indirect management fees, with reasonable percentage normally below 10% of the loan amount managed, charged as required by the UN agencies' financial regulations or similar authoritative guidelines



WATER

Towards a water-secure and resilient Asia and the Pacific





WATER

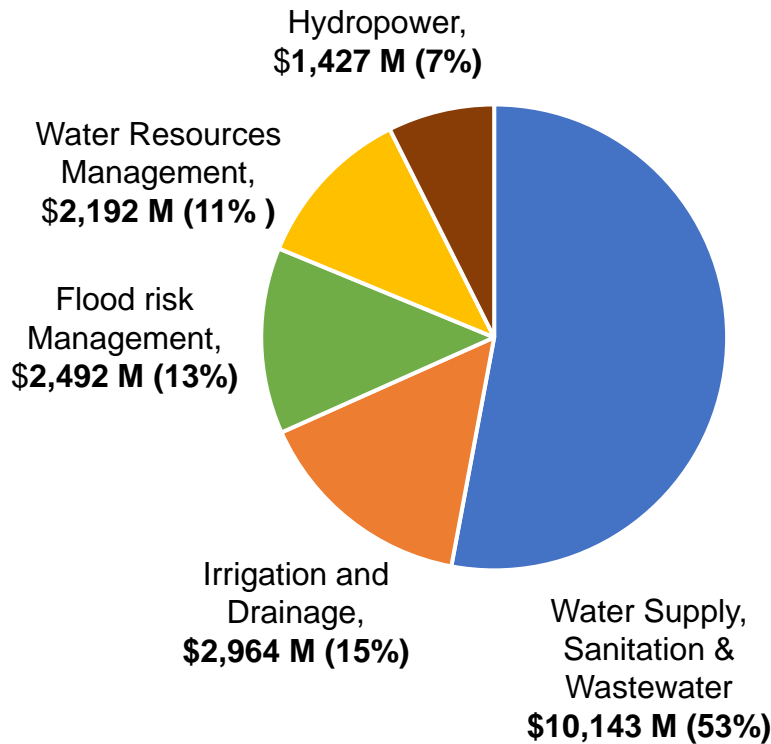
- Water Portfolio
- Lending History and Pipeline
- Innovation and Trends
- Project Examples



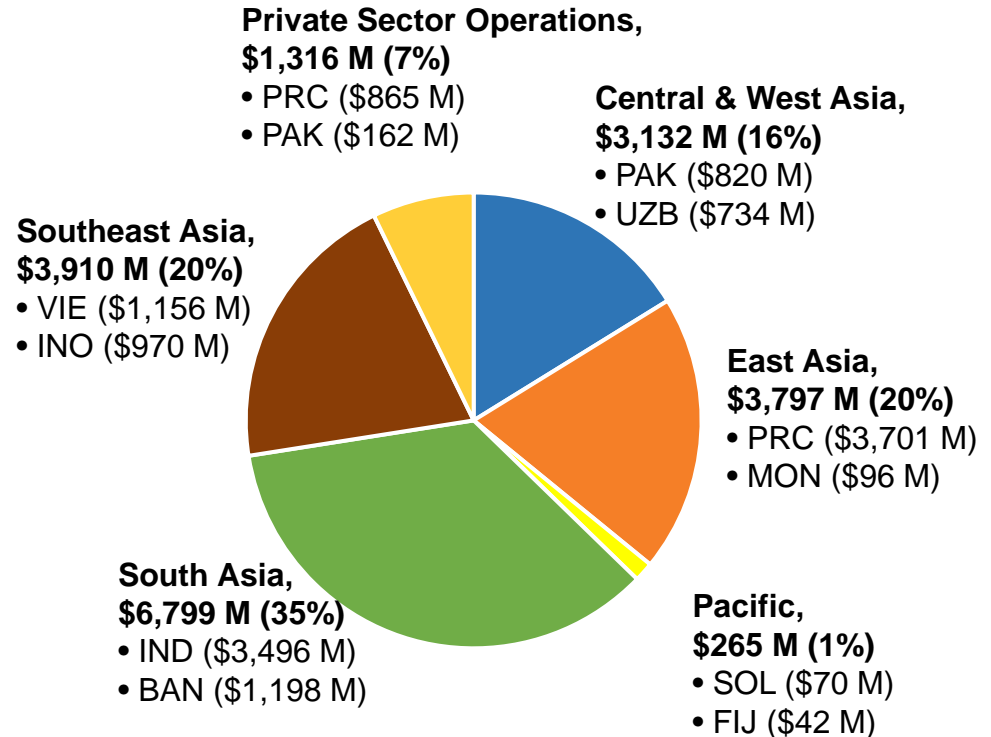
ACTIVE WATER PORTFOLIO

\$19.2 billion (as of December 2020)

SUBSECTOR



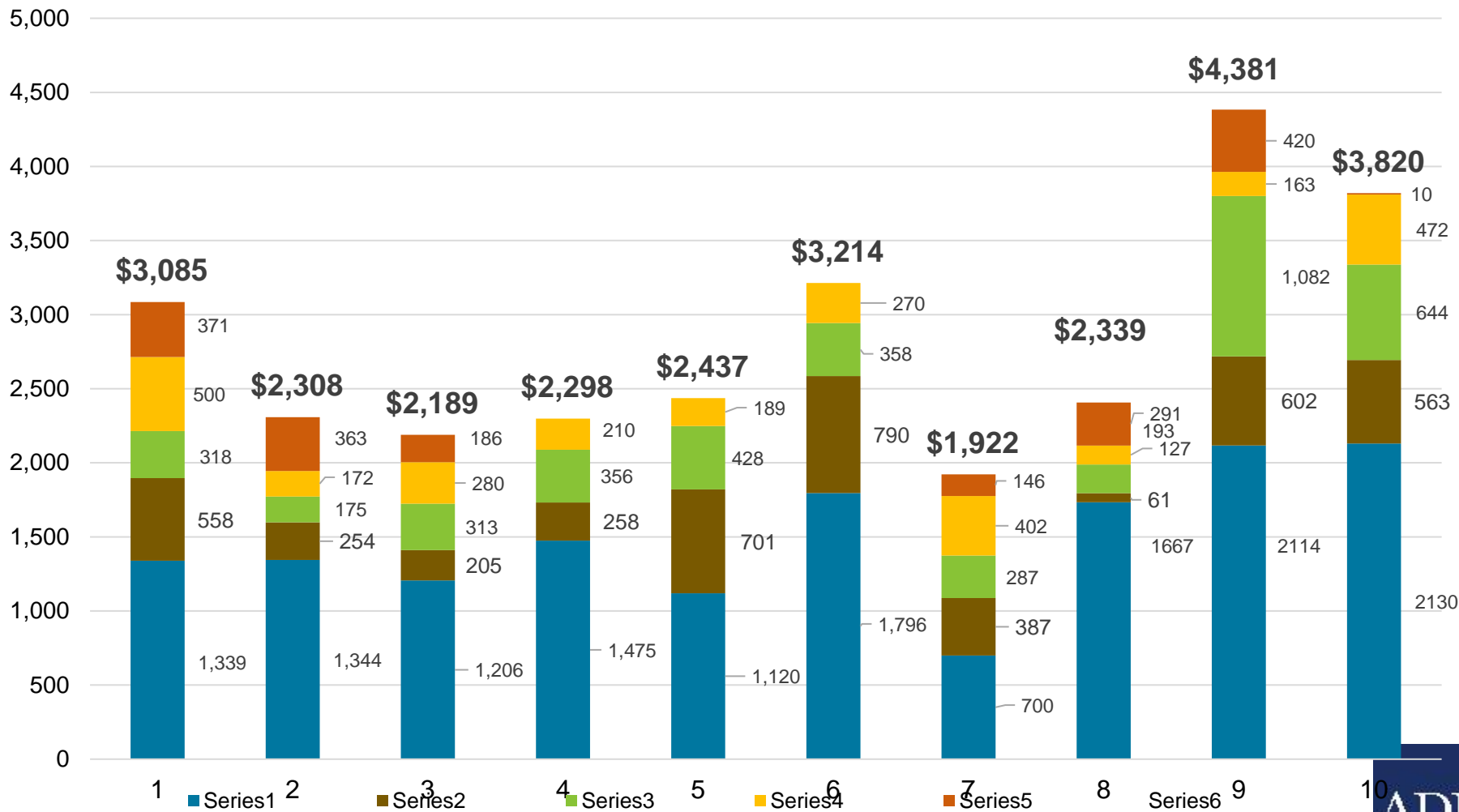
OPERATIONS DEPARTMENT





WATER LENDING HISTORY AND PIPELINE

By Subsector (in \$ million)





INNOVATION AND TRENDS

Across the Water Portfolio



Focus on asset management

asset management plans developed, sustainable financing and cost recovery, application of remote sensing and other technology, planning and budgeting



Innovative financing and transaction mechanisms

results based lending, sector development programs, local currency, bonds, prepaid metering, public private partnership, design build operate contracts



Nature-based Solutions

sustainable management and use of nature for tackling socio-environmental challenges



INNOVATION AND TRENDS

Across the Water Portfolio



Technology and data

GIS, decision support systems, supervisory control and data acquisition (SCADA), wireless sensor and pressure management, solar powered wastewater treatment, reuse of wastewater, remote sensing/satellite information



Integrated projects, climate resilience, environment

stronger urban and rural linkages, environmental conservation, sponge cities for flood management, disaster and climate resilient infrastructure



Governance, performance and capacity building reforms

water user associations, utility and regulatory reforms, tariff policy, non-revenue water, private sector management, performance-based urban governance incentives, river basin and water resources management institutions



PROJECT EXAMPLE

India: Rajasthan Secondary Towns Development Sector Project



- \$300 million OCR, committed in October 2020
- Improving water supply and sanitation (WSS) services
- Strengthening capacity for sustainable service delivery, gender equity and improved public health
- Supporting COVID-19 through improved WSS services to households; helping revive tourism industry once COVID-19 related restrictions are relaxed by improving WSS services in two heritage towns
- *Implementation period:* September 2020 – May 2028



Philippines: Angat Water Transmission Improvement Project Additional Financing



- \$126 million OCR, committed in October 2020
- Expanding the scope of the ongoing project to include a new aqueduct to provide operational flexibilities to the downstream water transmission system and enable rehabilitation of existing aqueducts without disrupting water supply.
- Providing new capacity development support for (i) gender and development programs; (ii) training on operation and maintenance (O&M) of tunnels and aqueducts; and (iii) expanding awareness programs on water conservation, hygiene promotion, and health-related risks
- *Implementation period:*
October 2020 – January 2024



Georgia: Sustainable Water Supply and Sanitation Sector Development Program



- \$150 million OCR, committed in October 2020
- Improving water supply in Telavi, a strategically important city for job creation and economic growth
- Strengthening water utility capacity for operation and maintenance (O&M)
- Preparing for national scale rural water supply and sanitation investments
- Introducing high level technology into asset management systems to enhance efficiency and effectiveness of O&M and water services delivery in select cities
- *Implementation period:* October 2020 – June 2025



GREEN

Towards a low-carbon and resilient development in Asia and the Pacific





GREEN

- Overview
- Green Bond Framework
- Joint MDBs Framework on Tracking Climate Finance
- ADB Climate Finance Commitments
- Project Examples
- Approach to Building Resilience and in Recovery from COVID-19

GREEN OVERVIEW

1
Strategy
2030: OP3

Operational Priority 3
Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability



- Integrated approach in CPS/COBP
- Deploy approaches for capturing co-benefits in coordination with other OPs
- Promote innovative clean technology
- Expand private sector operations

- Build partnerships with think tanks, NGOs, academe, and private sector
- Access to finance: use of concessional finance in a targeted and catalytic way – maximizing delivery of outcome

Targets: 75% committed operations (3-year rolling average) and **\$80 billion** of own resources (2019-2030, cumulative) will support climate actions

Strategic Operational Priorities

1 Mitigation of climate change increased

2 Climate and disaster resilience built

3 Environmental sustainability enhanced

Operational Approaches

Clean energy



Green business and jobs

Sustainable transport and urban development



Clean air and water, waste management

Climate smart agriculture and sustainable land use



Climate and disaster resilience



Physical (climate-proof), eco-based, financial, social and institutional

Water food energy security nexus



Air and water pollution management

Natural capital and healthy oceans

Environmental Governance

Results Framework Indicators: Sub pillars

- Access to climate finance increased
- Developing member countries' capacity to implement climate actions enhanced
- Low-carbon infrastructure improved
- Renewable energy capacity increased
- Low-carbon development solutions implemented
- Integrated flood risk management measures supported
- Resilience building initiatives implemented
- Financial preparedness for post-disaster response enhanced
- Planning for climate change adaptation and disaster risk management improved
- Infrastructure assets made more resilient
- Pollution control infrastructure assets implemented
- Pollution control and resource efficiency solutions promoted and implemented
- Conservation, restoration and enhancement of terrestrial, coastal and marine areas implemented
- Solutions to conserve, restore, and/or enhance terrestrial, coastal, and marine areas promoted and implemented
- Water-food-energy security nexus addressed



GREEN BOND FRAMEWORK

Project eligibility: ADB's Green Bond Framework defines eligible projects to support developing member countries seeking to adapt to and mitigate the consequences of climate change.

Project Selection: The project selection criteria will be implemented by sector specialists in coordination with the treasury department

Proceeds: Green bond proceeds will be allocated to a subportfolio and tracked against disbursement of eligible projects

Reporting: ADB will make available eligible project list and green bond annual newsletter online

Source: ADB Green Bond Framework.
<https://www.adb.org/sites/default/files/adb-green-bonds-framework.pdf>

Eligible Projects: selected pool of projects funded, in whole or in part, by ADB that promotes the transition to low-carbon and climate resilient development as determined by ADB.

Examples of climate change mitigation projects would typically include, but not limited to, the following sectors:

- **Mitigation**
 - Renewable Energy (Solar, Wind, Geothermal, Small Hydro (20MW and below)
 - Energy Efficiency¹
 - Sustainable Transport (excluding roads) - Urban public transport, Non-urban railway projects, Non-motorized transport
- **Adaptation**
 - Energy¹
 - Water and other Urban Infrastructure and Services
 - Transport

^{1/} Excludes fossil fuels.



ADB CLIMATE FINANCE

Tracking and Reporting Climate Finance in ADB

Follows the joint MDBs methodology on tracking climate finance established in 2012

Definition: Climate finance is the amount of financial resources that contributes to climate change **mitigation** and/or **adaptation** activities.

Mitigation finance is the cost associated with the activity that promotes “**efforts to reduce or limit GHG emissions or enhance GHG sequestration.**”
Follow a **positive list**, which includes:

- 1. Energy:** renewable energy , storage systems, energy efficiency, transmission and distribution...
- 2. Transport:** mass transit (bus, rail), e-vehicles, management systems...
- 3. Agriculture:** efficient tillage, irrigation, paddy rice reproduction, reforestation, etc...
- 4. Waste and wastewater:** treatment plants, waste to energy, waste management, etc...

among others.....

Adaptation finance is the cost of activities undertaken to lower the current and expected risks to or vulnerabilities of the project, or community, economy or the environment posed by climate change.

Follow **three key steps:**

1. setting out the climate change **vulnerability context** of the project
2. making an explicit **statement of intent** of the project to reduce climate change vulnerability, and
3. articulating a clear and direct link between specific project activities and the **project’s objective to reduce vulnerability** to climate change.

PROJECT AT A GLANCE

1. Basic Data		Project Number: 0137-000
Project Name: Dhaka and Western Zone Transmission and Distribution Project	Department/Division: SARF/SARF	
Country: Bangladesh	Executing Agency: Power Grid Company of Bangladesh Ltd. (PGCL)	
Country Economic Indicators: http://www.adb.org/Documents/Indicators		
Portfolio at a Glance: http://www.adb.org/Documents/Indicators		
2. Sector: ✓ Energy	Subsector(s): Electricity Transmission and Distribution	ADB Financing (Million USD): Total: 200.00
3. Operational Priorities:		Climate Change Information:
✓ Accelerating progress in gender equality		CO ₂ reduction (t/annum): 456,785
✓ Facilitating climate change, low-carbon and disaster-resilient and enhancing environment sustainability		Climate Change Impact on the Project:
✓ Making climate more Resilient		ADB Financing:
✓ Strengthening governance and institutional capacity		Adaptation (\$ million): 70.70
✓ Fostering regional cooperation and integration		Mitigation (\$ million): 117.30
		Cofinancing:
		Adaptation (\$ million): 47.10
		Mitigation (\$ million): 60.30
Sustainable Development Goals:		Gender Equity and Mainstreaming:
SDG 13		Score-gender-spectrum (0-100): ✓
SDG 7		Poverty Targeting:
SDG 18		Gender Intervention on Poverty: ✓
4. Risk Categorization: Common		
5. Safeguard Categorization: Environment: B; Involuntary Resettlement: A; Indigenous Peoples: C		
6. Financing:		Amount (\$ million)
Modality and Sources:		
ADB		200.00
Sovereign Project (Regular Loan): Ordinary capital resources		200.00
Cofinancing:		200.75
Asian Infrastructure Investment Bank: Project loan (Public-ADB Administration)		200.00
People's Republic of China: Poverty Reduction and Regional Cooperation Fund: Project loan (Public-ADB Administration)		0.75
Government:		200.75
Total:		200.75
Currency of ADB Financing: Euro		



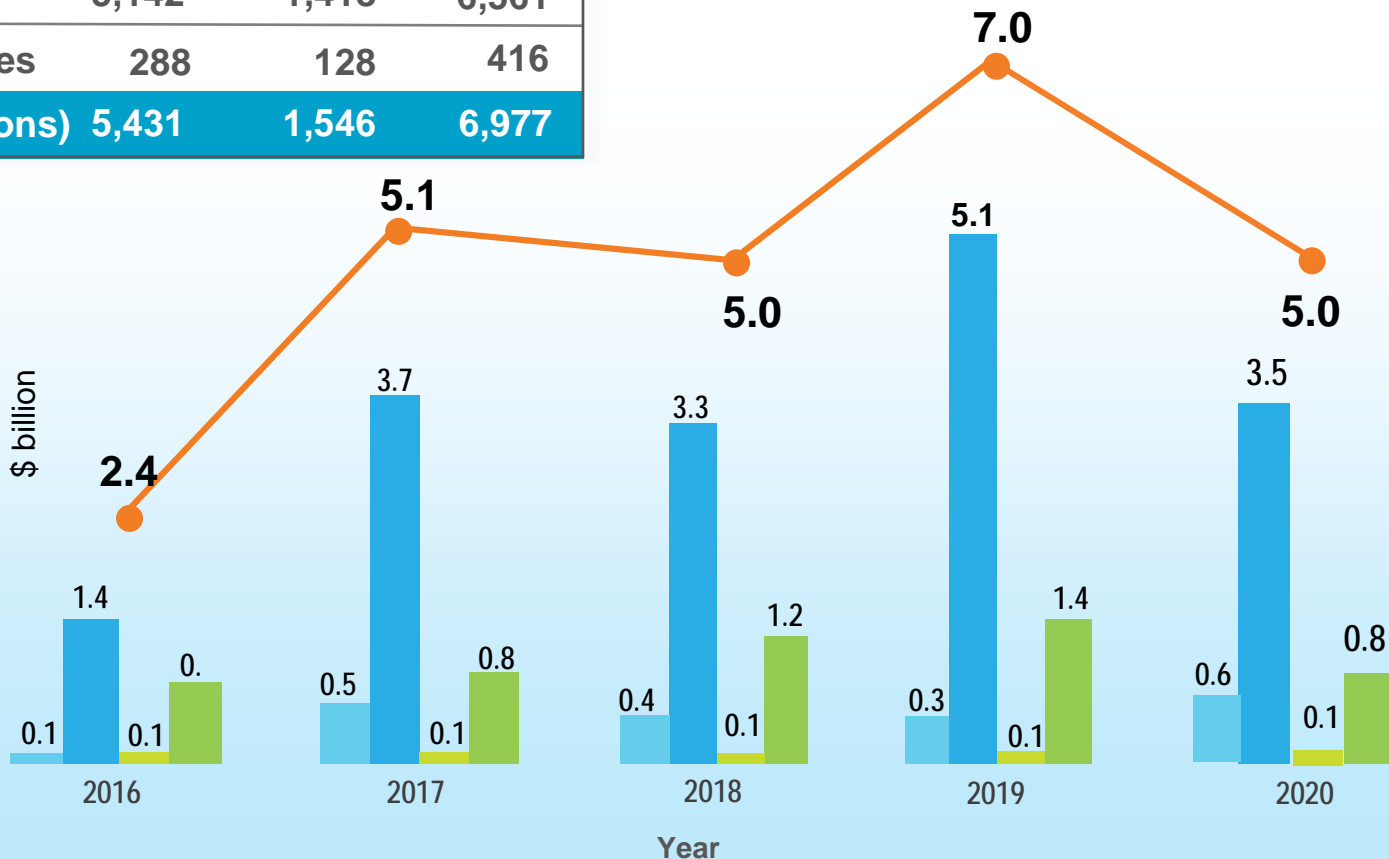


ADB CLIMATE FINANCE

Based on Commitments

2019 Climate Finance	Mitigation	Adaptation	TOTAL
ADB resources	5,142	1,418	6,561
External resources	288	128	416
TOTAL (In \$ millions)	5,431	1,546	6,977

- Mitigation External
- Mitigation ADB resources
- Adaptation External
- Adaptation ADB resources
- Total Climate Finance





PROJECT EXAMPLE

Mongolia's Sermsang Khushig Khundii Solar Project

- In March 2019, ADB and the Leading Asia's Private Infrastructure Fund (LEAP) signed an \$18.7 million loan with Sermsang Power Corporation Public Company Limited (SSP) and Tenuun Gerel Construction LLC (TGC) to build, operate, and maintain a 15-megawatt solar power plant supplying electricity to Mongolia's central grid system.
- The solar power plant is located in the Khushig valley at Tuv aimag (province) Sergelen soum (county) and will supply electricity to the Central Energy System, which delivers power to an area accounting for about 80% of the country's energy demand.
- The solar power plant generates 22.3 gigawatt-hours of clean electricity annually, while reducing carbon emissions by 26,400 tons annually. This increases the share of renewable energy in the country's energy mix from 12% in 2017 to a targeted 20% by 2023 and 30% by 2030.
- The use of renewable energy reduces electricity imports, improves Mongolia's energy security, and mitigates air pollution.





PROJECT EXAMPLE

Pakistan: Karachi Bus Rapid Transit Red Line Project

- Committed on 20 June 2020 with \$235 million OCR loan and additional cofinancing of \$249 million from AFD, AIIB and GCF.
- The project will help increase the use of quality public transport in Karachi by delivering the 26.6-kilometer (km) Bus Rapid Transit (BRT) Red Line corridor and associated facilities, directly benefiting 1.5 million people. The project is economically justified by major time savings for BRT passengers; vehicle operating cost savings; and better air quality and reduced carbon emissions through an innovative waste-to-fuel scheme, which will improve the public health and mitigate climate change. It will also make Karachi safer, greener, and more inclusive and competitive, low-carbon transport that reduces greenhouse gas emissions.
- In addition to being a mitigation activity, adaptation measures will be integrated into the project design addressing impact of higher temperature and increased precipitation, through i) Improved urban water drainage system along the BRT corridor; ii) Bioswales and water retention measures; and (iii) rainwater collection and grey water system.





PROJECT EXAMPLE

Cambodia's Climate-Friendly Agribusiness Value Chains Sector Project

- Committed on 6 July 2018 with ADF finance of \$90 million and \$40 million from the Green Climate Fund.
- supports fulfilling the government's Agriculture Sector Strategic Development Plan and the Industrial Development Policy, by improving the competitiveness of agribusiness value chains in Kampong Cham and Tboung Khmum provinces along the Greater Mekong Subregion (GMS) southern economic corridor, and in Kampot and Takeo provinces along the south coastal economic corridor.
- boosts the climate resilience of critical agricultural infrastructure and help commercialize rice, maize, cassava, and mango production.
- help increase crop productivity and diversification; improve the capacity for storage, processing, and quality and safety testing; and promote the use of solar and bioenergy.
- strengthen the technical and institutional capacity for climate-smart agriculture (CSA) and create an enabling policy environment for climate-friendly agribusinesses.
- *Implementation period: July 2018 – March 2025*



BUILDING RESILIENCE

- Advance different aspect of resilience through **cross-sectoral investments** – beyond infrastructure in social, environmental and financial sectors.
- Build **system-wide resilience** through projects that recognize the independency of critical infrastructure.
- Investments that bring **transformational change** through resilience - e.g. risk-informed land use planning to inform selection of infrastructure projects.





BUILDING RESILIENCE

Integrating Climate and Resilience in the COVID-19 Recovery

Rapid Assessment Framework

Systematic process for evaluating, and comparing, the potential of climate and resilience recovery interventions to achieve recovery objectives.

Recovery Measures	Climate and Resilience Results and Benefits	Type of Measure	Requirements of Covid-19 Recovery Measures							
			Short Implementation Timeline	High Employment Intensity	Skills Development	Strong Supply Chain	High Economic Multiplier	Contribution to the Productive Asset Base	Support for Long Term Transformation	Positive Environmental and Social Outcomes
Low Carbon Development										
Investment in low-carbon (renewable) energy production and energy storage infrastructure		DI	Medium	High	High	Medium	High	High	High	High
Climate and Disaster Resilience										
Reorientation of labor market programs to support resilience-building measures (e.g., water resource conservation, reforestation)		DI	High	High	Medium	Low	Medium	Medium	High	High

What is needed to support COVID-19 recovery?

- Short implementation timeline
- High employment intensity
- Skills development
- Strong supply chain
- High economic multiplier
- Contribution to the productive asset base
- Support long term transformation
- Positive environmental and social outcomes





EDUCATION

Towards inclusive and equitable quality education and lifelong learning opportunities for all



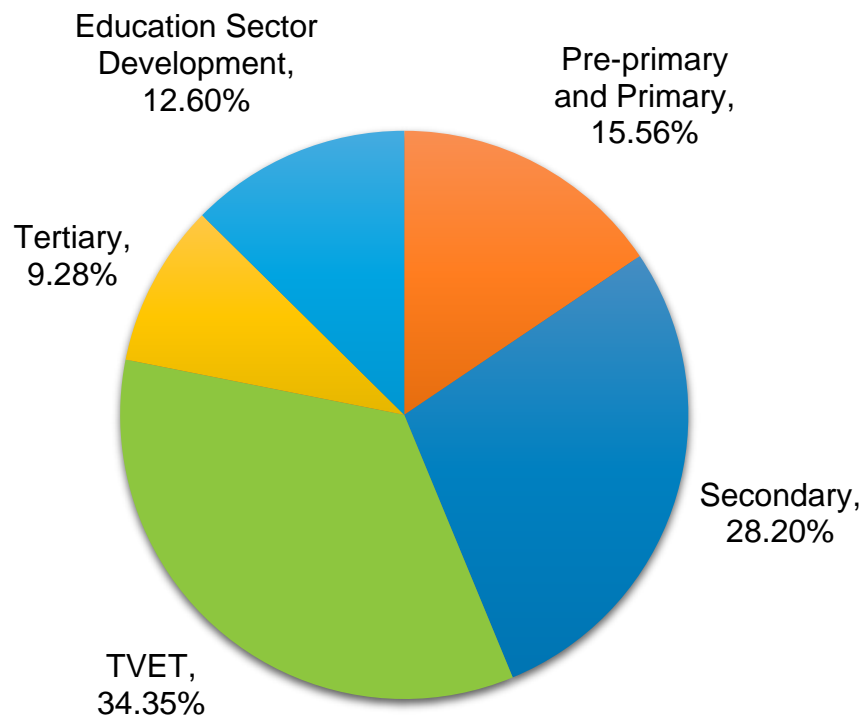


EDUCATION

- Education Portfolio
- Lending History in Education
- Innovative Features
- Project Examples



EDUCATION PORTFOLIO - ONGOING



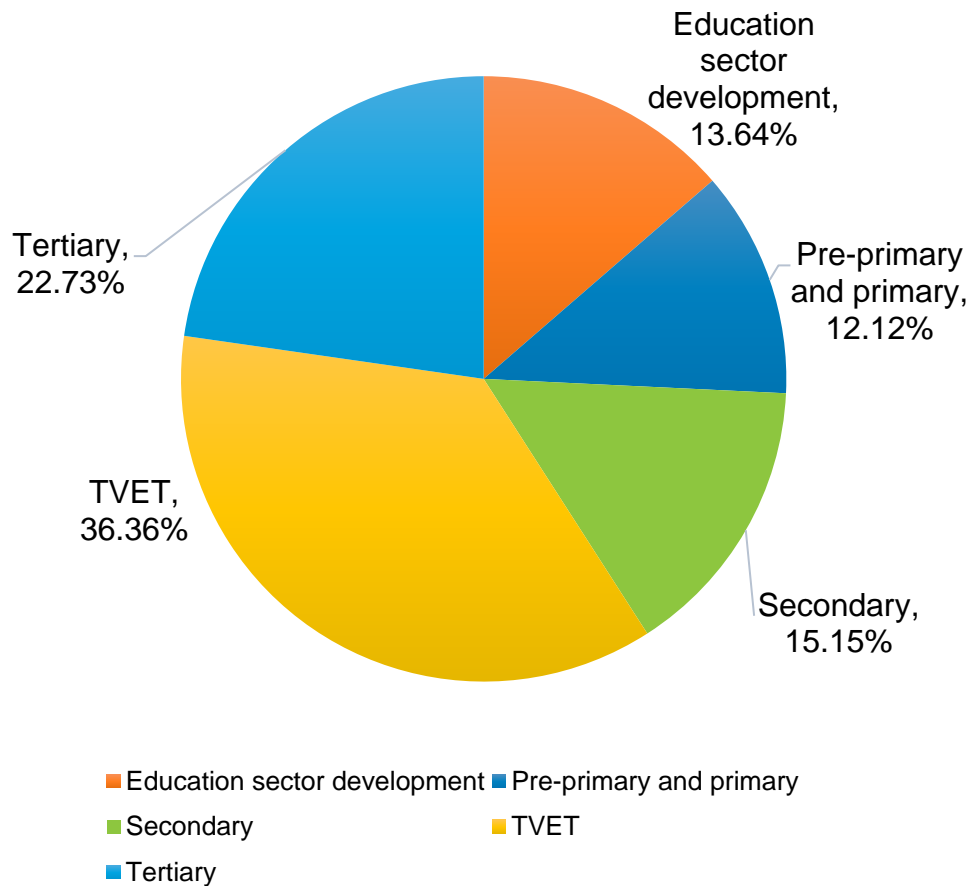
- Pre-primary and Primary
- TVET
- Education Sector Development
- Secondary
- Tertiary

Ongoing projects (\$6.63 billion):

- 73 ongoing projects in over 20 countries – 29 projects in TVET, 15 education sector development, 13 secondary education, 9 pre-primary/primary, 7 tertiary education

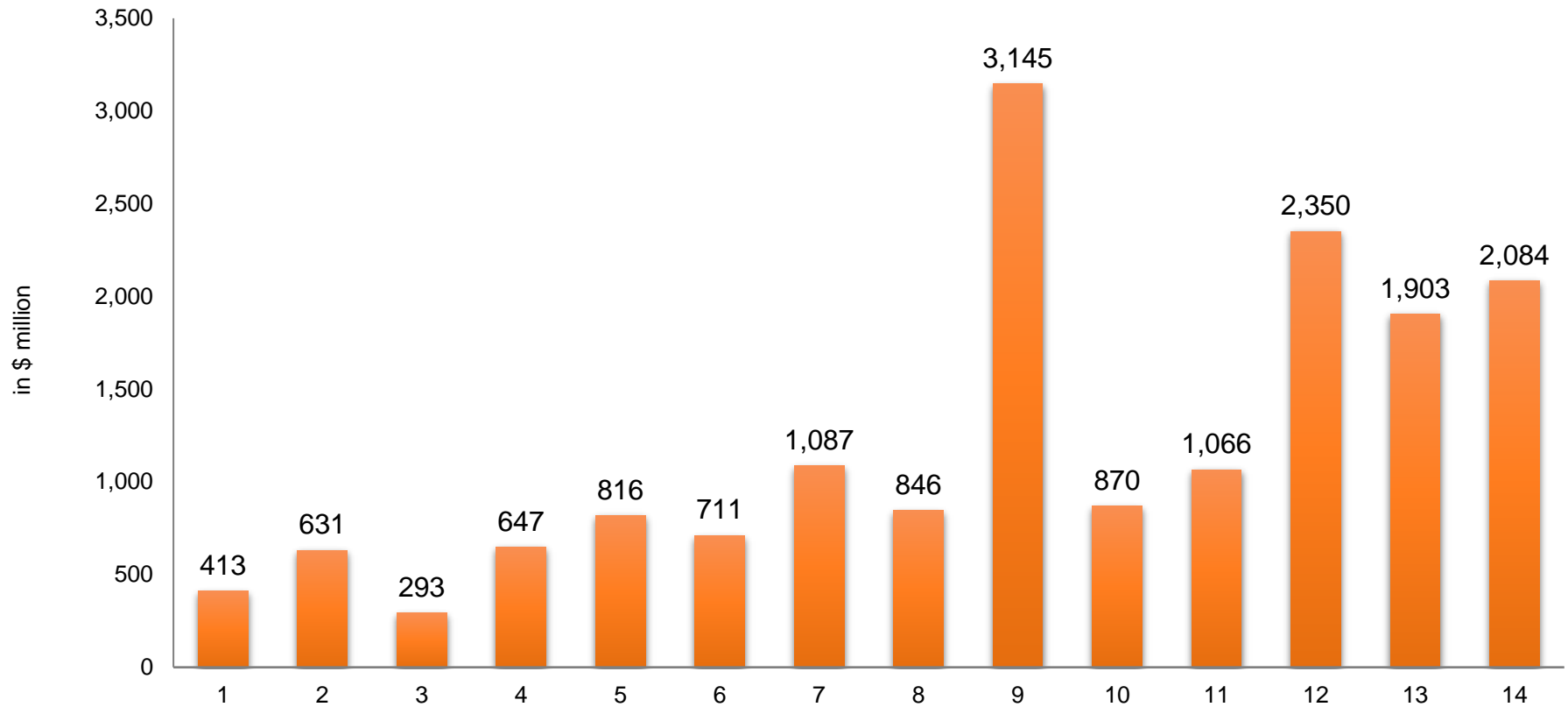


EDUCATION PORTFOLIO - PIPELINE



- Pipeline projects (\$6.78 billion):
 - Over 50 projects
 - 19 projects in TVET,
 - 11 tertiary education,
 - 9 education sector development,
 - 6 secondary education,
 - 6 pre-primary and primary

EDUCATION LENDING HISTORY AND PIPELINE





INNOVATIVE APPROACHES

- Skills and talent for high-tech agriculture (Bangladesh)
- Use of high-tech in training equipment and international partnerships (India)
- Skills for elderly care (The People's Republic of China)
- Skills for digital occupations and startups (The People's Republic of China)
- Skills for health work force (Viet Nam)
- Blockchain for degrees and credentials (High-Level Technology Fund, Indonesia)
- Information and communication technology for education (ICT4E) intervention for better learning opportunities (Pacific - Fiji, Samoa, Solomon Islands).
- Skills for migrant workers (Tajikistan)
- Transforming skills ecosystem (The Kyrgyz Republic)



PROJECT EXAMPLE

Philippines: Secondary Education Support Program



OCR: \$ 300 million



Modality: RBL Loan



Executing Agency: Department of Education (DepEd)



Objectives, Expected Results, and Impact Channels

- Support system-wide secondary education reforms in the Philippines during 2019-2023
- Support upgrading of science, math, English and Filipino curricula and increase teacher proficiency through professional development and career advancement opportunities
- Increase completion rates at junior high school level by at least 4% and increasing pass rates in national certificate assessment by 2%
- Contribute to an increase in the quality of secondary education and enhanced skills and competencies of high school graduates

Inclusion, Equity, Innovation:

- DepEd's Alternative Learning System (ALS) that is targeted at out of school youth, will roll out a senior high school curriculum that is aligned with the new K to 12 curriculums of the Philippines government.
- The program will further strengthen school-based management to empower schools to improve student learning outcomes.

Covid-19 Response and Beyond:

- DepEd has expanded DepEd Commons, an online educational platform supporting alternative learning modalities, during the extended quarantine period due to COVID-19. It contains open educational resources developed by public school teachers who are subject experts.
- ADB has supported the development of a learning management system for students and will also collaborate with the government of Philippines to provide learning support to students who do not have access to connectivity and devices.

India: Madhya Pradesh Development Project



OCR: \$ 150 million; JFPR \$ 2 million



Modality: Project Loan



Executing Agency: Department of Technical Education, Skill Development and Employment, Government of Madhya Pradesh (MP)



Source: <https://www.ndtv.com/india-news/>

Image credit: skilldevelopment.gov.in

Photo source: NDTV

Objectives, Expected Results, and Impact Channels

- Assist to establish a Global Skills Park, a TVET institute of international standards for technology-oriented skills training for the state's priority sectors and help to modernize 10 industrial training institutes.
- 18,000 youth to receive internationally recognized advanced skills certificates relevant for quality jobs. Over 60,000 students and youth will benefit from skills training and industry-led training programs.
- Contribute to increasing employability, productivity, and incomes of the workforce, especially youth, women, and disadvantaged groups.

Inclusion, Equity, Innovation:

- 30-35% of all training beneficiaries will be women.
- All facilities constructed or upgraded with barrier-free designs for people with disability.
- 1500 persons with disability will get opportunities for training in the Global Skills Park.

Covid-19 Response and Beyond:

- MP and ADB have put in place Standard Operating Procedures for Covid-19 Management at the Global Skills Park (GSP) supported by the project. This provides for extensive health and safety management plans in the site of the GSP.
- Upskilling and reskilling short-term training programs will facilitate job market re-entry after COVID.