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Water Financing Program

ADB works closely with clients to ensure that water resources and services support inclusive and sustainable economic growth

- Challenge** Annual investments of at least \$8 billion¹ are needed to meet the United Nations Millennium Development Goal for safe drinking water and sanitation alone. Additional investments are needed for irrigation services, river basin management, wastewater management, flood management, and climate change adaptation.
- Strategy** To meet the expanding water needs of Asia and the Pacific, ADB launched the Water Financing Program (WFP) to make water a core investment area in its operations.
- Response** WFP aims to strengthen country-focused investments, increase technical assistance, and develop research, policy advice, and project proposals to facilitate increased water investments, supported by water sector reforms, capacity development, and regional cooperation.

“Through the Water Financing Program, ADB is making water investments in rural communities, cities, and river basins, including support for reforms, capacity development, and regional cooperation.”

—Amy Leung, Chair, ADB Water Committee; Director, Urban and Social Sectors Division

ADB’s Strategy 2020 meeting the needs of Asia and the Pacific

Strategic Direction

- Inclusive Economic Growth
- Environmentally Sustainable Growth
- Regional Integration

Drivers of Change

- Private Sector
- Good Governance
- Gender Equity
- Knowledge Solutions
- Partnerships

Read more at www.adb.org/Strategy2020/

Water is an essential resource and service. The lack of clean and reliable water service has dire consequences for ADB’s developing member countries.

Economic growth, population pressures, and increased urbanization have combined to sharply increase water use in the region. Pollution and climate change pose additional threats. Today, about 600 million people across Asia and the Pacific lack access to safe drinking water, and nearly 1.8 billion people have inadequate sanitation facilities.

ADB views water as a socially vital economic good, and sees water management as a crucial challenge. The region has sufficient technology and expertise to solve both existing and future water problems, and ADB experts are partnering with national and local governments, the private sector, civil society, knowledge hubs, and other development professionals to help clients deliver targeted, knowledge-based water solutions.

Water for All

Adopted in January 2001, ADB’s Water for All policy promotes a national focus on water sector reform. It

recognizes that sustainability of water resources is key, and that it is best achieved through the active involvement of people at all levels.

The policy fosters the integrated management of water resources in river basins, and supports improving and expanding the delivery of water services. In the face of climate change and an increase in water-related disasters, ADB President Haruhiko Kuroda has emphasized the need for partnerships to increase water security for all.

Doubling investment to achieve program goals

ADB aims to increase the number of people in Asia and the Pacific with access to reliable and affordable water services for safe water, sanitation, and productive livelihoods. ADB is also helping reduce disaster risks and introduce integrated water resources management in river basins.

To meet the objectives of ADB’s long-term strategic framework for 2008–2020 (Strategy 2020), WFP is working to increase water investments to achieve targeted goals for rural water services, urban

¹ Estimates are from the report, Asia Water Watch 2015, published by ADB and partners in December 2005. Read more at www.adb.org/water/actions/REG/target-ten.asp

ADB's seven-point agenda for water

The agenda is designed to help governments, the private sector, civil society, local communities, and other development partners prioritize the region's water investments in these strategic areas:

1. Rural water services
2. Bankable urban water projects
3. Sanitation and integrated water resources management
4. Climate change adaptation
5. Disaster preparedness
6. Leadership and knowledge sharing
7. Investing in partnerships

“Working in partnership, we can catalyze and leverage investments and pool the region’s knowledge in seven priority areas, to raise the standard of living for hundreds of millions of poor people in the region and increase water security for all.”

—Haruhiko Kuroda, President and Chair, Board of Directors, Asian Development Bank

water services, and basin water management.

Also included are reforms, capacity development, knowledge management, and regional cooperation, with support from the Water Financing Partnership Facility. WFP has gained momentum since 2006, and has generated a substantial pipeline of new investments.

APWF's network of regional water knowledge hubs to catalyze networking and capacity development for water security. Seventeen hubs are now working to connect project clients and policy makers with expertise and examples of good practice in the region in all areas of water services and resources management.

To link water management practitioners to each other to find better solutions and lift their performance, ADB has helped to set up professional networks and partnerships in the region, especially among water utilities and river basin organizations. The Network of Asian River Basin Organizations was established in 2004 in collaboration with the Japan Water Agency and the ADB Institute to support the Integrated Water Resources Management process in river basins. It has more than 70 member organizations, including many ADB project clients.

Cooperation among water utilities in Southeast Asia, South Asia, and Central Asia has also been initiated, and ADB has recently pioneered innovative Water Operators Partnerships (WOPs) in Asia under the auspices of the United Nations Secretary General's Advisory Board for Water and Sanitation, to help water utilities lift their performance through twinning. Sixteen pairs have been established to date. In addition, a separate WOPs program specifically for Indonesia has been approved in December 2010, under which an additional nine pairs are expected to be in place by end of the first quarter of 2011. ADB's WOPs also supports technical training, continuous improvement, and performance benchmarking.

Going forward. WFP will continue during the period 2011–2020 to be guided by the priorities set out in the Water Operational Framework (2011–2020):

- Improved water use efficiencies across the range of users;
- Expanded wastewater management and reuse;
- Embedded integrated water resources management (including flood and drought management, and water-food-energy nexus);
- Expanded knowledge development; and
- Enhanced partnerships with the private sector.

Strengthening partnerships to implement its action agenda

Evolving priorities for WFP are guided by the seven-point agenda for prioritizing water investments in the region, outlined by ADB President Kuroda at the Water Leaders Summit in Singapore in 2008. The agenda is helping clients and development partners prioritize water investments for the region in the coming years.

Because water management affects almost all sectors, investing in partnerships is essential to delivering results. ADB has developed collaboration with partners through the Water Financing Partnership Facility.

This will better position ADB to increase cofinancing and leveraging of financial resources to catalyze investments toward water security for all.

Strengthening regional cooperation

As part of its services, ADB is also helping its clients to improve their capacity, standards, and practices through regional cooperation, by supporting exchanges and networking among practitioners, professionals, scientists, funders, and leaders. ADB leads the Asia–Pacific Water Forum's (APWF) priority theme for water financing and capacity development in collaboration with the Japan International Cooperation Agency. ADB also leads collaboration for APWF's key result area of increasing public outreach, where it has introduced the Asian Water Development Outlook. In partnership with Singapore's national water agency, PUB, and the United Nations Educational, Scientific and Cultural Organization (UNESCO), ADB has also paved the way to establish

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ADB Focal Points

Amy S. P. Leung
East Asia Department

Wouter Lincklaen Arriens
Regional and Sustainable
Development Department

www.adb.org/Water/

For inquiries, contact
ADB Media Center
mediacenter@adb.org
Tel +63 2 632 5090