

Financing the City: ADB's Perspective

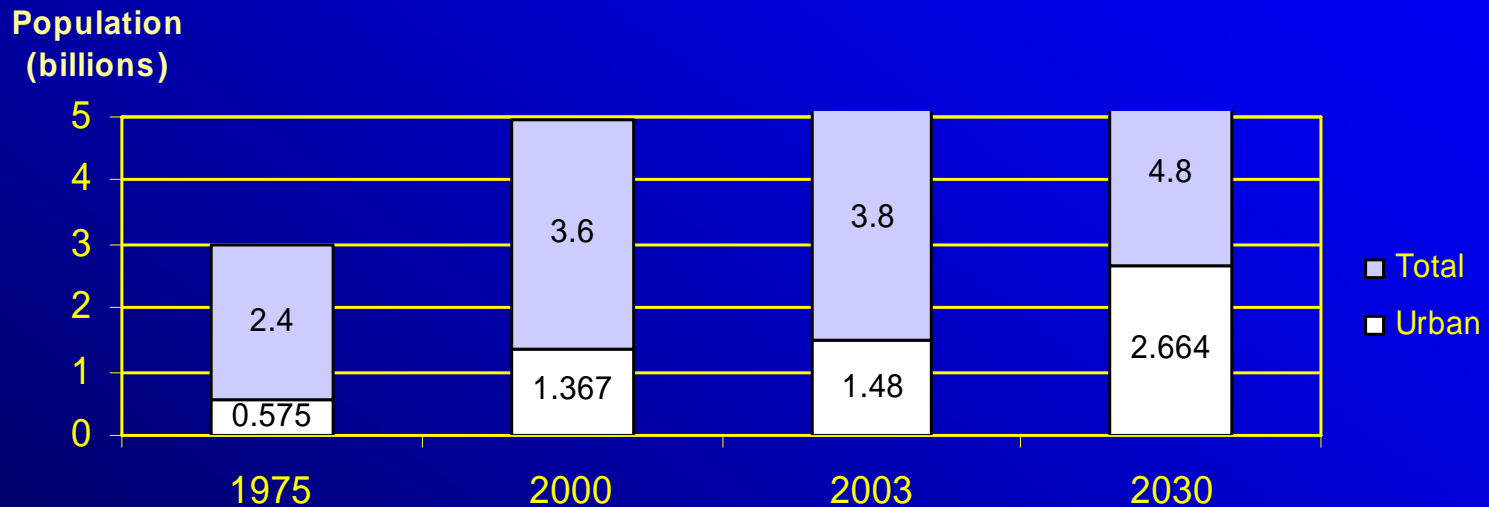
Presentation by
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Development Department

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The ADB logo consists of the letters 'ADB' in a white, serif font, centered within a dark blue square background.

ADB

Population and Urbanization Growth in Asia

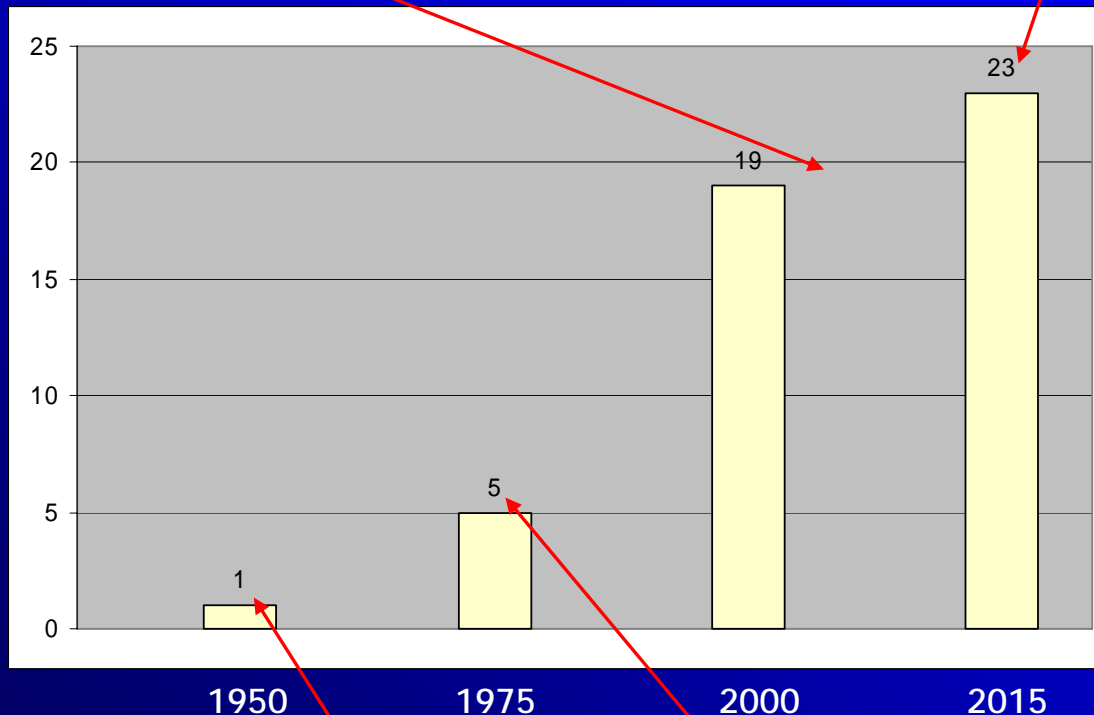


Source: *World Urbanization Prospects, 2004. United Nations*

The Emergence and Growth of Megacities

Population (million)

Tokyo	19.8
Mexico City	18.1
Bombay	18.1
Sao Paulo	17.8
New York	16.6
Lagos	13.4
Los Angeles	13.1
Calcutta	12.9
Shanghai	12.9
Buenos Aires	12.6
Dhaka	12.3
Karachi	11.8
Delhi	11.7
Jakarta	11.0
Osaka	11.0
Metro Manila	10.9
Beijing	10.8
Rio de Janeiro	10.6
Cairo	10.6



Tokyo	26.4
Bombay	26.1
Lagos	23.2
Dhaka	21.1
Sao Paulo	20.4
Karachi	19.2
Mexico City	19.2
New York	17.4
Jakarta	17.4
Calcutta	17.3
Delhi	16.8
Metro Manila	14.8
Shanghai	14.6
Los Angeles	14.1
Buenos Aires	14.1
Cairo	13.8
Istanbul	12.5
Beijing	12.3
Rio de Janeiro	11.9
Osaka	11.0
Tianjin	10.7
Hyderabad	10.5
Bangkok	10.1

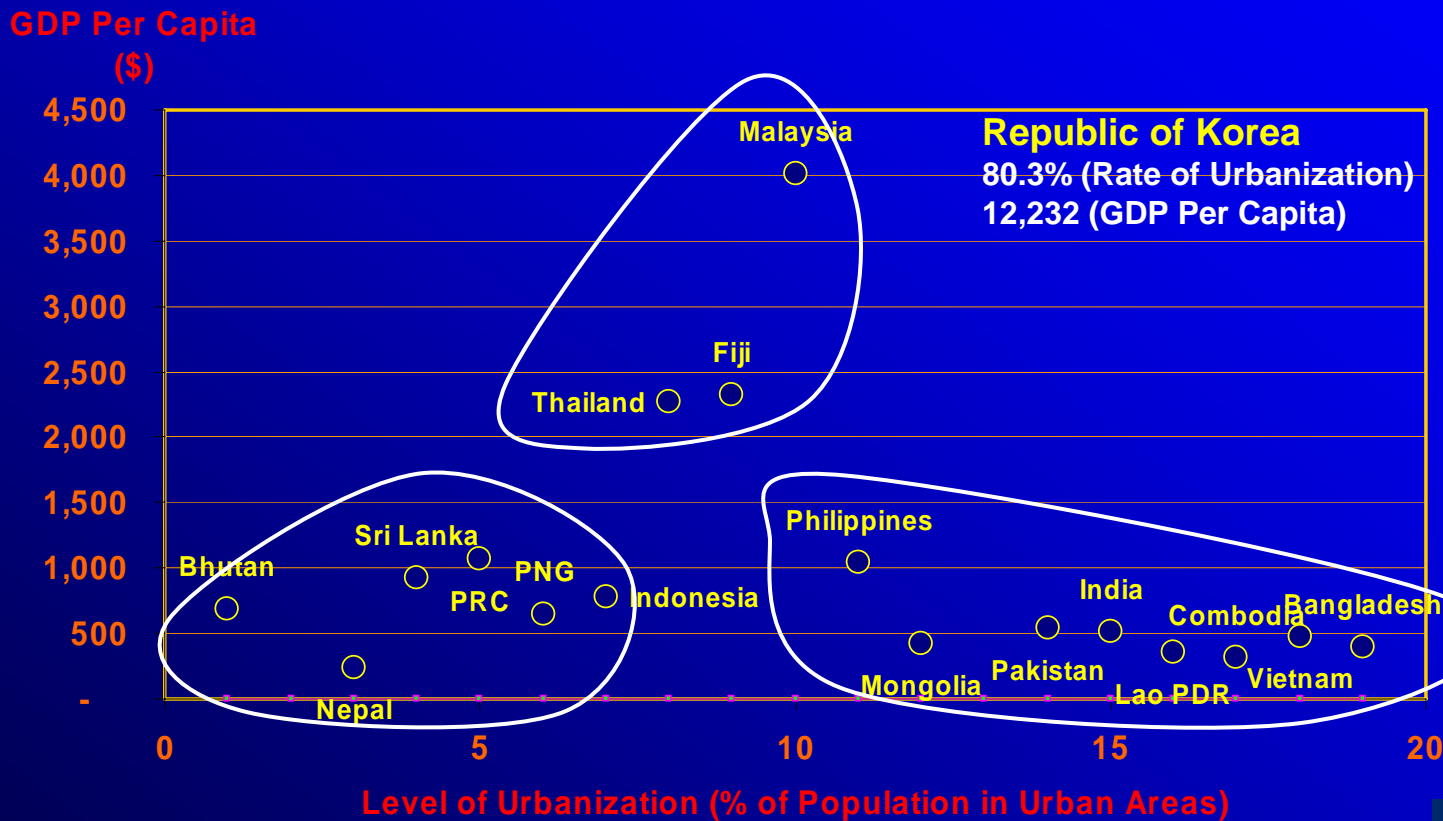
New York 12.3

Tokyo	19.8
New York	15.9
Shanghai	11.4
Mexico City	11.2
Sao Paulo	10.0

Source: United Nations, 2004

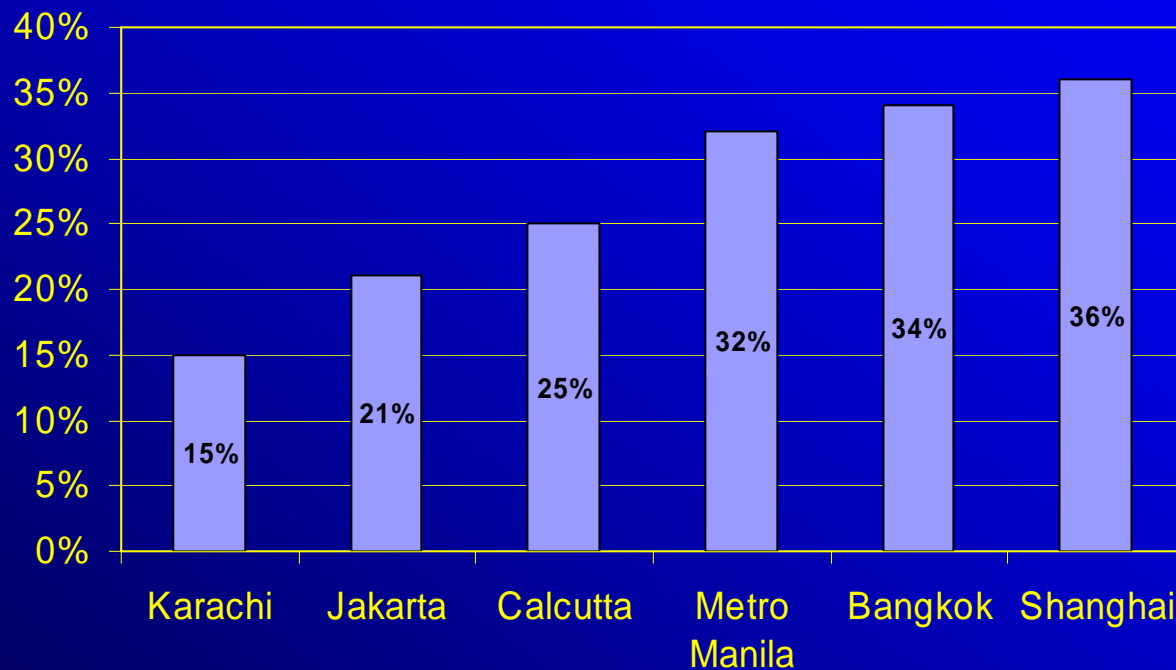
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Urbanization and Productivity



Sources: World Development Indicators, 2004. World Bank.
World Urbanization Prospects, 2004. United Nations.

Large Cities Are More Productive



Source: *Urban Sector Strategy, 2000. ADB*

Environmental Issues

Basic Services

Large numbers of Asian cities lack access to basic services.

- Only less than half of the cities' population is covered by water supply.
- About 50% of the population in cities in developing countries have sewerage connections.
- Only 50% of solid wastes are collected and disposed. Majority of the cities do not have sanitary landfill facilities.



Solid Waste Management



Air Pollution

2000-2003 compared to 1990-1999 Air Quality Data

	SO ₂	NO ₂	SPM	PM ₁₀
Bangkok	≥	>	<	<
Beijing	<	?	?	<
Busan	<	>	?	≥
Colombo	>	<	?	≤
Hong Kong	>	<	<	<
Kolkata	<	>	<	<
Manila	?	?	<	?
Mumbai	<	<	<	<
New Delhi	<	<	<	<
Seoul	<	>	<	<
Shanghai	<	<	<	?
Taipei,China	<	<	?	>
Tokyo	<	≤	?	<

Notes:

≥ - about 5%

> - more than 5% increase

? - data not available

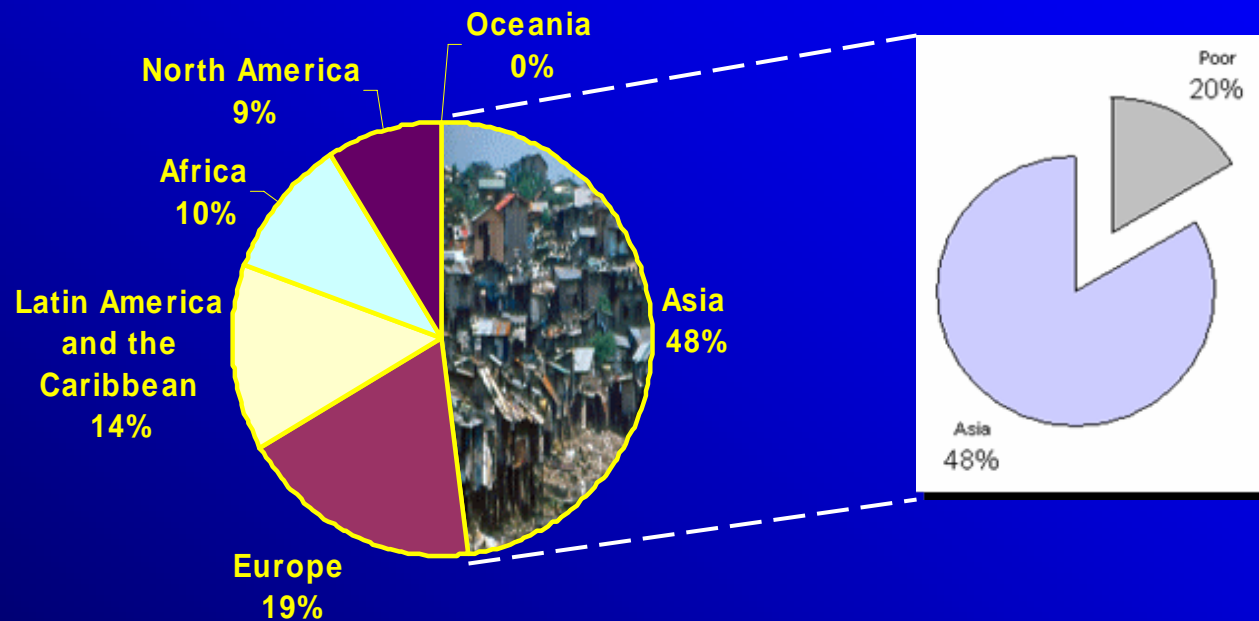
≤ - about 5% decrease

< - more than 5% decrease

Source: CAI-Asia Research. 2004.

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Urban Poverty in Asia and the Pacific



Source: World Urbanization Prospects, 2004. United Nations.

Challenges:

- Rapid Urbanization
- Diverse Economic Opportunities
- High Poverty Incidence
- Environmental Problems
- Low Institutional Capacities

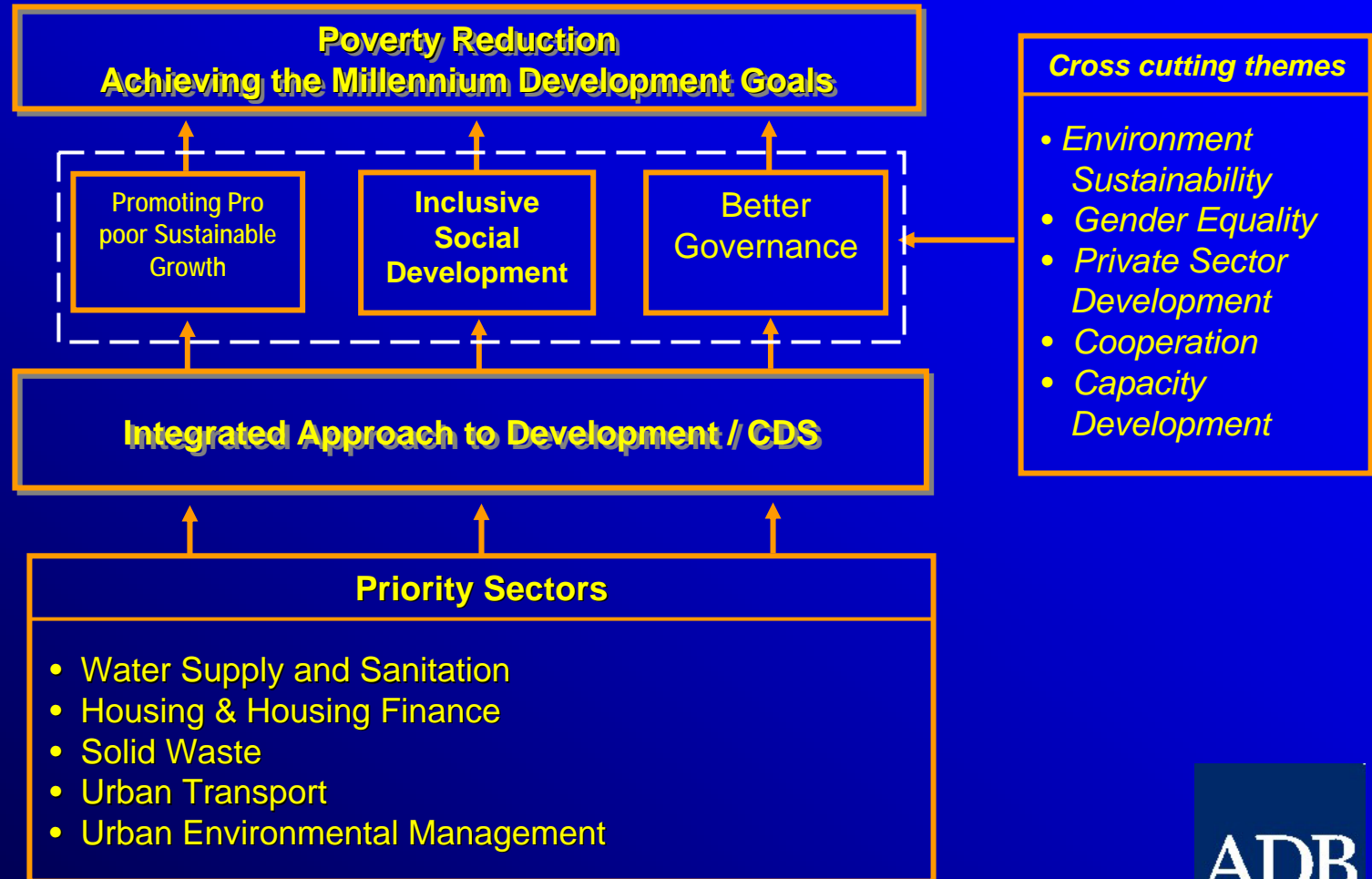
How to go forward?

Enhancing Urban Infrastructure Investments



- Asia's requirement - \$40 billion/year (2000)
- ADB's Investments - \$3.2 billion/year (2002-2005)
- New Financing Modalities
- Enabling Environment

Providing the Framework for Development



Lessons Learned: Five C's for Making Progress



ADB's Response



Souzhou Creek



Pasig River



House Financing

Increased investment to meet the diversity of needs and capacities in the region requiring varied approaches.

Together with investments on the hardware ADB has helped governments, NGOs, local governments and private sector to

- institute reforms
- build capacities of institutions
- develop human resources

Way Forward

- **Technology and the Future of Cities**

- e.g. Adoption of 3R's, Towards a Sustainable City
 - CNG run buses, LRT
 - Green city, Kitakyushu model and other best practices

- **Innovative financing approaches**

- e.g. Issuance of local currency bond, financing recurrent expenditures

- **Creating enabling environment for private sector investments**

- e.g. Local currency bond issuance

- **New thinking and approaches**

- e.g. City region states, sub sovereign lending

- **Strengthening collaboration**

- e.g. Cities Alliance, partnerships, etc.



Thank you.