Regional: GREEN (Growth, Resilience, Energy Efficiency, and Nature-Based) Solutions for Livable Cities

Project Name
GREEN (Growth, Resilience, Energy Efficiency, and Nature-Based) Solutions for Livable Cities

Project Number
57040-001

Country / Economy
- Regional
- Armenia
- Azerbaijan
- Georgia
- Kazakhstan
- Kyrgyz Republic
- Pakistan
- Tajikistan
- Turkmenistan
- Uzbekistan

Project Status
Active

Project Type / Modality of Assistance
- Technical Assistance

Source of Funding / Amount
TA 10223-REG: GREEN (Growth, Resilience, Energy Efficiency and Nature-based) Solutions for Livable Cities

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tr>
<td>Technical Assistance Special Fund</td>
<td>US$ 4.50 million</td>
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Operational Priorities
- OP2: Accelerating progress in gender equality
- OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
- OP4: Making cities more livable
- OP6: Strengthening governance and institutional capacity
- OP7: Fostering regional cooperation and integration

Sector / Subsector
- Energy / Energy efficiency and conservation
- Information and communication technology / ICT strategy and policy, and
capacity development

• **Public sector management** / Decentralization

• **Water and other urban infrastructure and services** / Other urban services - Renovation and protection of cultural heritage - Urban housing - Urban policy, institutional and capacity development - Urban sanitation - Urban sewerage - Urban solid waste management - Urban water supply

Gender

Effective gender mainstreaming

Description

The regional technical assistance (TA) for GREEN (Growth, Resilience, Energy Efficiency, and Nature-Based) Solutions for Livable Cities will support policy advice, research and development, capacity building, and project preparation in Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan to plan and create livable cities that are green, resilient, inclusive, smart, and competitive by applying innovative and integrated solutions. The TA will foster participatory urban and regional planning and integrate climate resilience and disaster risk management. The TA will tackle climate mitigation and adaptation challenges and help develop transformational adaptation projects responding to climate change priorities in developing member countries. The TA will strengthen the capacities of government officials, agencies, and stakeholders in integrated urban planning, municipal finance, governance, climate change, tourism development, housing, private sector participation, basic urban services, and other emerging areas.

The Asian Development Bank (ADB) Strategy 2030 identifies making cities more livable as one of its seven operational priorities for achieving a prosperous, inclusive, resilient, and sustainable Asia and Pacific region. The proposed TA is aligned with other operational priorities to reduce inequalities, foster gender equality, promote climate and disaster resilience, strengthen institutional capacity, and advance regional cooperation. The TA will help achieve the Sustainable Development Goals of sustainable cities and communities, good health and well-being for all, gender equality, clean water and sanitation, climate action, and partnerships.

Project Rationale and Linkage to Country/Regional Strategy

Unbalanced urbanization. Urbanization across Central and West Asia is not uniform, but its general trajectory is characterized by unbalanced and rapid urban growth, widening social and spatial inequality, and increasing environmental degradation and pollution. Cities across the region suffer from unregulated growth and climate change, which present challenges to livability. Livability is the quality of life and well-being supported by robust governance systems and equitable access to efficient urban services and quality infrastructure. Unplanned urbanization leads to pressure on urban systems and services that, in turn, can lead to instability, increased violence, crime, and social unrest. Building urban resilience helps mitigate such risks and achieve prosperous, inclusive, and sustainable development. Countries need national urban assessments (NUAs) that can inform evidence-based decision-making for urban and
regional planning, economic development, and environmental resilience to help cities balance their investment needs. Improved spatial planning, smart growth management policies, and the use of technology can make financing more efficient. Cities need stronger capacities in urban planning, municipal finance, high-level technologies, and private sector participation to provide integrated solutions.

Need for economic diversification and balanced regional development. Strategic planning is needed to ensure the balance between unequal development in the regional distribution of populations and related economic development. The need for balance raises two significant issues for sustainable urban development outside of capital and secondary cities: (i) the lack of scale in the cost-effective delivery of urban services, and (ii) the inability to attract and retain business investment and human resources and sustain demand for local market growth. NUAs can identify a region's competitive advantages to promote economic diversification, with a focus on prioritizing urban centers, clusters, and corridors. Identifying competitive advantages involves ensuring rural-urban linkages and cross-border public goods and considering their potential to deliver cost-effective urban service, attract investments, sustain local demand, and create jobs.

Climate change and the environment. Cities need to build resilience to mitigate the risks associated with the impacts of climate change, environmental issues, and shocks and stresses such as the coronavirus disease (COVID-19) pandemic. The region has a largely arid and semiarid landscape and is at serious risk from climate change impacts, which threaten ecosystems as well as economies and infrastructure that depend on natural resources, especially water supply. Unplanned and unmanaged urbanization is resulting in a vicious circle of stress on city infrastructure, inefficient utilization of resources, climate vulnerability, and environmental degradation. The region is heavily reliant on energy-intensive economies and must transition to a greener economy. Emitting 70% of greenhouse gases, cities contribute significantly to climate change. Climate-smart and adaptive infrastructure is critical for creating low-carbon livable cities. Proactive adaptive urban planning is essential to reduce and manage climate risk and raise the awareness and resilience of citizens and institutions.

Governance and institutional capacity. In most Central and West Asian countries, the state leads in urban service delivery. Ministries, state committees, and state-owned utility enterprises provide infrastructure. In most of the countries, the city and regional governments are responsible for solid waste management and urban transport, which communal service departments provide. Water supply, sanitation, and other services are delivered by local utility companies, often wholly owned by the city government. Most local utility companies lack the needed scale, finance, or capacity, resulting in weak financial management and operational inefficiency.

Financial sustainability. Cities' investment needs cannot be met by the public sector alone. Private sector participation in urban infrastructure investment and service delivery is limited by a weak enabling environment (policy, legal, institutional, and financial frameworks); short-term budgeting plans and inefficient tariff setting; and the lack of bankable projects and creditworthy cities. Countries must improve the enabling environment for cities to access private sector innovation and finance.

Gender inequality in access. Urban living may offer women and girls opportunities for more income, better work, and increased independence, but challenges persist in
accessing these benefits. In Central Asia, more than 60% of urban women lack at least one of the following: access to clean water, improved sanitation, and durable housing and/or sufficient living area. Women are more vulnerable than men to the impacts of climate change, mainly because they make up most of the poor and are proportionally more dependent on threatened natural resources. One lesson learned from previous ADB-funded projects in Central and West Asia is that when infrastructure projects are designed to be gender-responsive, they can create positive changes for women. Such projects can reduce drudgery and time spent on housework, improve health outcomes for families by promoting the use of cleaner fuel, increase income from livelihood opportunities, improve skills through education and training, and increase women’s leadership by encouraging women’s participation in decision-making.

The TA is aligned with the following impact: climate resilience and livability of cities in Central and West Asia improved. The TA will have the following outcome: inclusive growth, climate resilience, energy efficiency, and nature-based solutions for livable cities promoted. The outcome will be achieved through the development of at least three proposals, integrating transformative adaptation components. The proposals will be based on action plans, incorporating climate-resilient infrastructure and services in a gender-responsive manner.

Output 1: Policy and regulatory environment for integrated planning with climate resilience enhanced. The output will include NUAs, master plans, sector road maps, action plans, and technical studies. They will cover legal and regulatory frameworks; building codes; inclusive and universal design (encompassing accessibility standards for persons with disabilities, older people, women, and children); accessibility audits, energy efficiency audits, e-governance, and climate change risk and vulnerability assessments. The countries will identify the priority sectors based on the nationally determined contribution or NUA or master plans. It will then draw up sector road maps and action plans. The approach will involve exploring climate adaptation and mitigation alternative analysis. Using Spatial Data Analysis Explorer, geographic information systems, and other climate and spatial tools will be essential. High-level digital technologies, including building information modeling (BIM), will be employed. The countries will develop flagship knowledge and innovative solutions in the urban sector, including in emerging areas such as housing, subnational finance, and tourism development, in alignment with Central Asia Regional Economic Cooperation (CAREC) initiatives. The TA will support regional cooperation through (i) tourism development in CAREC countries, (ii) protection of shared cultural heritage, (iii) adoption of common international standards and best practices in urban planning, and (iv) improvement of urban infrastructure and services in border and corridor towns that serve as nodes and centers for regional and international trade and investment.

Output 2: Inclusive urban management and institutional capacity for growth, resilience, energy efficiency, and nature-based shift strengthened. The output includes (i) urban management partnerships for peer-to-peer learning established to build the capacity of institutions, agencies, and stakeholders in urban planning and management, climate change resilience, and subnational finance; and (ii) knowledge sharing, dissemination, and training workshops organized across countries to ensure sustainable green solutions. The TA will improve cities' capacity to support the GREEN shift by, for example, improving cities' access to climate financing and capacity to develop and propose bankable projects (such as green bonds) and city climate financing facilities.
Output 3: Project preparedness and readiness improved. The output includes (i) project preparation, conceptual design, due diligence and feasibility studies, and project concept preparation; (ii) support for detailed engineering design of transnational regional projects; and (iii) support for implementation of ADB-funded projects. Activities will aim to design projects that focus on improving climate change financing and will complement other project-readiness tools such as project-readiness financing, a small expenditure financing facility, and a facility to galvanize readiness of individual projects covered by the TA.

The TA will support inclusive development by ensuring meaningful engagement and participatory planning with stakeholders, including youth, women, persons with disabilities, older people, and the civil society organizations representing the groups. The TA will provide knowledge support aligned with developing member countries' needs and priorities as provided in their country knowledge plans; country partnership strategies; and related regional policies, strategies, and action plans. The TA will prepare digital knowledge products and ensure dissemination through social media and other channels of communication. It will consider lessons from previous interventions of ADB's initiatives, including implementing the livable cities initiative in Georgia and the green cities initiative in Southeast Asia.

ADB value addition. The TA is expected to generate new ideas and green solutions including nature-based solutions, enhancing energy efficiency in buildings and utilities, employing high-level technology to deliver climate-resilient urban infrastructure and services, and exploring innovative financing. The TA will support the first project in Kazakhstan for subnational finance with a sovereign-guaranteed local currency loan directly to the utility companies to build wastewater treatment plants in four cities. The TA will support the application of BIM as an advanced technology, the first such project in Azerbaijan.

Impact

Climate resilience and livability of cities in Central and West Asia improved (ADB Strategy 2030, ADB Climate Change Operational Framework 2017-2030, and UN 2030 Agenda for Sustainable Development)

Project Outcome

Description of Outcome

Inclusive growth, climate resilience, energy efficiency, and nature-based solutions for livable cities promoted.

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Policy and regulatory environment for integrated planning with climate resilience enhanced
Inclusive urban management and institutional capacity for GREEN shift strengthened

Project preparedness and readiness improved

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location
Armenia - Nation-wide, Yerevan; Azerbaijan - Nation-wide, Baku; Georgia - Nation-wide, Tbilisi; Kazakhstan - Nation-wide, Almaty; Kyrgyz Republic - Nation-wide, Bishkek; Pakistan - Nation-wide, Islamabad; Tajikistan - Nation-wide, Dushanbe; Turkmenistan - Nation-wide, Ashgabat; Uzbekistan - Nation-wide, Tashkent

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design
During Project Implementation

Contact

Responsible ADB Officer
Maruyama, Hinako
Responsible ADB Department
Sectors Group
Responsible ADB Division
Water and Urban Development Sector Office (SG-WUD)
Executing Agencies
Asian Development Bank

Timetable

Concept Clearance
20 Jul 2023
Fact Finding
- MRM
Approval
06 Dec 2023
Last Review Mission
- Last PDS Update
25 Mar 2024
# Funding

**TA 10223-REG**

## Milestones

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<th>Closing Date</th>
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**Financing Plan/TA Utilization**

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**Cumulative Disbursements**

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Date Generated: 29 May 2024

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