URBAN FINANCING PARTNERSHIP FACILITY

MID-YEAR REPORT

January to June 2022
## Governance of the Urban Financing Partnership Facility

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Cities Development Initiative for Asia Trust Fund

Joris van Etten, Aimee Orbe
ASEAN Australia Smart Cities Trust Fund
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<th>Full Form</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>AASCTF</td>
<td>ASEAN Australia Smart Cities Trust Fund</td>
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<td>CDIA</td>
<td>Cities Development Initiative for Asia</td>
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<td>CRAFT</td>
<td>City Resource and Finance Tool</td>
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<td>CRP</td>
<td>City Resilience Profiles</td>
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<td>CWIS</td>
<td>citywide inclusive sanitation</td>
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<td>DC</td>
<td>direct charge</td>
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<td>DMC</td>
<td>developing member country</td>
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<td>DMF</td>
<td>design and monitoring framework</td>
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<td>DOH</td>
<td>Department of Health</td>
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<td>DWSSP</td>
<td>Dushanbe Water Supply and Sanitation Project</td>
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<td>GHG</td>
<td>greenhouse gas</td>
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<td>IG</td>
<td>investment grant</td>
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<td>IHHT</td>
<td>individual household toilets</td>
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<td>ISMS</td>
<td>Integrated Safeguards Management System</td>
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<tr>
<td>KSTA</td>
<td>knowledge and support technical assistance</td>
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<tr>
<td>LWUA</td>
<td>Local Water Utilities Administration (Philippines)</td>
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<td>PPP</td>
<td>public-private partnership</td>
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<td>PPS</td>
<td>project preparation study</td>
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<td>PRC</td>
<td>People’s Republic of China</td>
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<td>SDCC</td>
<td>Sustainable Development and Climate Change Department</td>
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<td>SCG</td>
<td>Semarang City Government</td>
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</table>
Notes
(i) In preparing any country program or strategy, financing any project, or by making any designation of, or reference to, a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgment as to the legal or other status of any territory or area. (ii) In this report, “$” refers to US dollars. (iii) ADB recognizes “China” as the People’s Republic of China and “Korea” as the Republic of Korea. (iv) All photos are by ADB unless otherwise indicated.
NEW UFPF-FUNDED PROJECTS AND ACTIVITIES

During the reporting period of January to June 2022, UFPF assistance has led to a total of two newly approved projects (comprised of one direct charge and one project preparatory study): 1 for AASCTF, and 1 for CDIA TF. These amount to $0.725 million in UFPF support.¹

¹ The Urban Financing Partnership Facility was established in November 2009, UEIF in December 2009, UCCRTF in December 2013, and CDIA was established in 2007, but only became part of the UFPF in January 2018.
Culture at the heart of urban renewal. The sun rise over the Bhaktapur Durbar Square in Nepal (photo by ADB).
Introduction

This Mid-year Report covers the period of January to June 2022, detailing the progress made by Urban Financing Partnership Facility (UFPF) and the related trust funds, namely: the Urban Climate Change Resilience Trust Fund (UCCRTF), the Urban Environmental Infrastructure Fund (UEIF), the Cities Development Initiative for Asia Trust Fund (CDIA TF), and the ASEAN Australia Smart Cities Trust Fund (AASCTF).

Despite the challenges of continued remote work, the UFPF trust funds managed to deliver notable achievements during the first half of 2022.

The UFPF, through the CDIA TF, though only managed to approve one city application for project preparatory study (PPS) support, a total of four PPS interventions in Georgia, the Philippines, and Viet Nam were completed, and technical assistance activities were carried out in nine ongoing PPS interventions in Armenia, Bangladesh, Bhutan, Kyrgyz Republic, Lao People’s Democratic Republic, the Philippines, and Viet Nam. The trust fund also completed the formulation of the CDIA Strategy for 2023 to 2027, using findings from the independent mid-term review of the current CDIA Strategy in 2021 and lessons from CDIA’s past operations. In terms of its cumulative work, a total of 128 cities in 22 development member countries (DMCs) have been supported through the conduct of PPS activities for their proposed key urban infrastructure investments as of June 2022. In addition, CDIA conducted three virtual clinics designed to enhance the knowledge of key city officials in formulating climate-resilient, bankable, and sustainable urban infrastructure project proposals in line with the priorities of cities and potential downstream funders.

Meanwhile, the work of UCCRTF has focused more on knowledge work to showcase the achievements of the trust fund since its inception. The trust fund is also now in the process of working on the necessary steps to transition to the Urban Resilience Trust Fund (URTF), which also includes the processing of a new knowledge and support technical assistance to support its operations and administration of activities.

AASCTF, under the Southeast Asia Urban Service Facility (SURF) TA has supported the development of a total of 12 task orders (TOs). To date, these TOs include 10 city-level interventions in various developing member countries in Southeast Asia and two regional-level interventions. A new direct charge (DC) to support the development of the New Indonesian Capital Nusantara was also approved during the reporting period.

Under UEIF, no new commitments are expected, and activities of the trust fund will focus on monitoring and coordination with operations departments on physical progress of projects supported, and closing all projects by the end of 2022.
Financial Performance

For January to June 2022, the UFPF had a total of donor commitment of $149.63 million. The largest share comes from the Urban Climate Change Resilience Trust Fund (UCCRTF). However, commitments only saw a minimal increase during the reporting period. The total commitments of UFPF slightly rose from $147.70 million on 31 December 2021 to $149.63 million as of 30 June 2022. Project disbursements, while remaining to be a challenge, showed a gradual increase from $75.79 million on 31 December 2021 to $89.38 million as of 30 June 2022.

The UFPF Ecosystem

Facility Amount: $194.25 M

- UCCRTF $149.36 M (77%)
- UEIF $21.45 M (11%)
- CDIA-TF $9.21 M (5%)
- AASCTF $14.22 M (7%)

Disbursements (in million)

- Total Disbursed: $186.0 million (64%)
- Total Undisbursed: $8.25 million (27%)

Committments

- Total Committed: $194.25 million (77%)
- Total Uncommitted: $47.95 million (23%)

Disbursements

- UCCRTF: $122.31 million (77%)
- UEIF: $17.02 million (11%)
- CDIA-TF: $8.90 million (5%)
- AASCTF: $13.62 million (7%)

For January to June 2022, the UFPF had a total of donor commitment of $149.63 million. The largest share comes from the Urban Climate Change Resilience Trust Fund (UCCRTF). However, commitments only saw a minimal increase during the reporting period. The total commitments of UFPF slightly rose from $147.70 million on 31 December 2021 to $149.63 million as of 30 June 2022. Project disbursements, while remaining to be a challenge, showed a gradual increase from $75.79 million on 31 December 2021 to $89.38 million as of 30 June 2022.
**Trust Fund Highlights**

**Disbursements**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Total Disbursed (in million)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCCRTF</td>
<td>$63.56</td>
<td>71%</td>
</tr>
<tr>
<td>UEIF</td>
<td>$17.28</td>
<td>19%</td>
</tr>
<tr>
<td>CDIA-TF</td>
<td>$4.05</td>
<td>5%</td>
</tr>
<tr>
<td>AASCTF</td>
<td>$4.50</td>
<td>5%</td>
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**Commitments**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Total Committed (in million)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCCRTF</td>
<td>$110.88</td>
<td>74%</td>
</tr>
<tr>
<td>UEIF</td>
<td>$19.37</td>
<td>13%</td>
</tr>
<tr>
<td>CDIA-TF</td>
<td>$8.89</td>
<td>6%</td>
</tr>
<tr>
<td>AASCTF</td>
<td>$10.49</td>
<td>7%</td>
</tr>
</tbody>
</table>

Within the current CDIA five-year strategy, CDIA has completed a total of 31 PPSs covering 83 infrastructure projects across 48 cities in 14 DMCs. During the same period, a total of 41 PPSs covering 97 infrastructure projects were linked to downstream investments estimated at $3.8 billion.

Disbursements from projects supported by UCCRTF for the first semester of 2022 reached $10.5 million—the highest ever since it was established.

As of June 2022, total fund disbursements from all UEIF-funded activities have reached 83.59% of project commitments.

Under the SURF TA, AASCTF has supported 12 task orders (TOs), to date, which includes (a) 10 city-level interventions in various developing member countries in Southeast Asia, and (b) 2 regional-level interventions. AASCTF also approved a direct charge that will support the development of the new Indonesian capital of Nusantara.
This mid-year report showcases stories from projects supported by UFPF. Amidst the emerging challenges brought by the pandemic and the new normal way of doing things, UFPF still managed to deliver impact on the ground and continue its work aimed to transform developing cities in Asia and the Pacific into safe, inclusive, competitive and resilient urban centers.
Background

Pasar Johar is the largest of 51 traditional markets owned and operated by the Semarang City Government (SCG). Located in Semarang Tengah sub-district, this marketplace has about 7,800 stalls rented out by the SCG to some 6,400 vendors, 80% of whom are women micro-entrepreneurs. Despite its popularity, the market is in dilapidated condition, highly exposed to climate elements, and in need of basic facilities thereby affecting its overall competitiveness.

Highly committed to the revitalization of Pasar Johar, the SCG commissioned several studies, including a feasibility study and program for the redevelopment of Pasar Johar back in 2008, which formed the basis of a national design competition to redevelop the traditional market in 2010. However, technical, financial, and social challenges prevented the city from moving forward and implementing the program.

As a result of its participation in a City Infrastructure Investment Prioritization and Programming (CIIPP) workshop organized by CDIA in late 2012, the SCG submitted a request in 2013 for the conduct of a project preparation study (PPS) for the revitalization and climate-proofing of Pasar Johar. With the approval of the request in early 2014, CDIA dispatched a team of PPS consultants to Semarang to assist the city in developing alternatives for the comprehensive redevelopment of Pasar Johar and its surrounding area to allow it to continue its role as a major trading center while preserving the historic buildings in the area. In particular, the activities supported by CDIA included: (i) preparation of a PPS for the revitalization and climate-proofing of Pasar Johar; (ii) examination of the social, environmental, and financial aspects of the project; and (iii) linking the identified project

Results

• Project preparation study (PPS) for the revitalization and climate proofing of Pasar Johar
• Completion of the redevelopment of Pasar Johar, including the restoration of the two heritage buildings, Johar Utara, and Johar Tengah
• Increase in competitiveness of the traditional market as an economic center of Semarang, gender-responsive and inclusive market redevelopment, and sustained livelihood for 6,896 vendors (80% of whom are women entrepreneurs)

Supporting micro-entrepreneurs. Revitalizing traditional market is also a way to help increase the market competitiveness and promote sustainable livelihoods (photo by CDIA).
components to potential financiers including the private sector. The final PPS report was completed in August 2014.

Specific Interventions Supported

The PPS on the Revitalization and Climate Proofing of Pasar Johar proposed two alternatives for redevelopment that are responsive to the legal land use issues in the area, SCG’s redevelopment needs and vendors’ needs: (i) Alternative 1 – Redevelopment of traditional market only; and (ii) Alternative 2 – Redevelopment of traditional market with Build-Operate-Transfer (BOT) for commercial development. Between the two alternatives, the PPS team recommended Alternative 2 with the redevelopment of Pasar Johar to be implemented in three phases: (i) pre-construction; (ii) construction of commercial development component in Yaik Baru and Yaik Permai and the traditional market in Kanjengan Bioskop and Johar Selatan and associated relocation of affected vendors; and (iii) renovation of heritage buildings in Johar Utara and Johar Tengah and the associated relocation of affected vendors.

In May 2015, less than a year after the PPS was completed, a big fire partially razed the heritage buildings of Pasar Johar prompting the SCG to temporarily relocate the affected vendors to various locations within the city. In 2016, another fire broke out in the Pasar Johar complex resulting in the total relocation of vendors who remained in the partially burned heritage buildings. By the end of 2016, some 4,500 vendors have been relocated to temporary market sites within the city at a total cost of IDR 46.59 billion (about US$ 3.1 million) funded by the SCG.

Simultaneous with the relocation of vendors to temporary market sites, the SCG through the Spatial Planning Office conducted a feasibility study (FS) and detailed engineering design (DED) for the reconstruction of Pasar Johar complex. The DED adopted some of the recommendations under Alternative 1 of the CDIA-assisted PPS including the revitalization and restoration of the original structure of Pasar Johar Utara and Johar Tengah, redevelopment of Yaik Pernai and Yaik Baru, and restoration of Alun-alun (public square). Due to an existing government policy that prohibits the city from using non-government financing in developing traditional markets, the private sector-led commercial development that includes a four-star hotel was excluded in the final rehabilitation plan.

Following the completion of the FS and DED in 2016, actual redevelopment of Pasar Johar complex was commenced in 2017 utilizing funds from the national and local government amounting to IDR 561 billion (about US$ 37.6 million). Reconstruction of the two heritage buildings, Pasar Johar Utara and Johar Tengah, was completed in 2019 while redevelopment of Pasar Kanjengan and Johar Selatan and restoration of Yaik Permai and Yaik Baru are expected to be completed in 2022. Upon completion of revitalization, a total of 6,896 vendors will be accommodated in Pasar Johar area, including the remaining 2,975 vendors to be relocated to the nearby Shopping Center Johar (SCJ). The city had to rehabilitate SCJ in order to accommodate the remaining vendors who could not return to their previous stalls due to the city regulation that sets the maximum number of traders that can operate in cultural heritage buildings.

Results and Impact

Despite the fire incidents that razed the Pasar Johar buildings in 2015 and 2016, the SCG with the financial support of the national government, was able to implement most of the recommendations of the PPS including the rehabilitation and climate proofing of the heritage buildings (Johar Utara and Johar Tengah), redevelopment of Pasar Kanjengan and Johar Selatan markets, and restoration of Alun-alun (public square). Once completed, these infrastructure interventions are expected to result in significant socio-economic impacts as envisaged by the PPS.
Rehabilitation and climate-proofing of heritage buildings. Guided by the PPS recommendations, the SCG realized its objective of restoring the heritage buildings to their original state, including the removal of add-on structures and reducing the intensity of uses in keeping with the original design. In addition, the SCG was able to incorporate climate-proofing measures in the rehabilitated buildings such as raising the ground floor elevation above the street level, installation of new drainage system, and use of energy-efficiency design. Key informants from the Spatial Planning Office reveal that they adopted key “green building” concepts that take full advantage of natural lighting and ventilation as suggested by the PPS.

Improved competitiveness of Pasar Johar. During the PPS back in 2014, it was observed that Pasar Johar was suffering from inadequate maintenance and a lack of amenities, which significantly affected its competitiveness. The redevelopment of Pasar Johar, along with the improvement of support facilities such as the exhibition area on the second floor of the heritage building and open public spaces, will provide opportunities for efficient utilization of space and identification of complementary uses that can attract market visitors including domestic and foreign tourists. This will allow vendors to diversify into selling products with higher value and profit margins, thereby increasing competitiveness of businesses in Pasar Johar.

Sustained livelihood for vendors and their dependents. When fully completed, Pasar Johar will provide sustained livelihood to 6,896 vendors (80% of whom are women entrepreneurs) and their 27,584 dependents. Indirectly, some 400,000 people, including buyers and retailers from other traditional markets, individual market goers, pedicab drivers, porters, and seasonal workers will benefit from the Pasar Johar revitalization in terms of improved access to income and livelihood opportunities. In addition, the climate-proofing measures adopted by the project will allow continuity to business operations through avoidance of climate risks such as flooding.

Gender-responsive and inclusive market redevelopment. The revitalized heritage buildings will provide a more comfortable shopping experience for women, children, the elderly, and persons with disability (PWD) by optimizing the use of available market space, installation of
ramps for PWDs, provision of toilet facilities for men, women and PWDs, etc. Of the potential 400,000 indirect beneficiaries, women comprise 50% while the elderly and PWD account for 6.3% and 0.4%, respectively.

**Lessons from the CDIA intervention.** Overall, the CDIA-supported PPS intervention in Semarang has generated positive results based on feedback gathered from city stakeholders. Specifically, the PPS became the basis for the SCG-initiated feasibility study on the integrated redevelopment of Pasar Johar. Moreover, the PPS guided the preparation of the DED for the Pasar Johar redevelopment with special emphasis on the restoration and climate-proofing of cultural heritage buildings. With financial support from the national government, the city gradually implemented most of the PPS recommendations including the revitalization and restoration of the original structure of Pasar Johar Utara and Johar Tengah, development of Yaik Pernai and Yaik Baru and restoration of Alun-alun.

A number of key lessons can be learned from the Pasar Johar intervention including: (i) the importance of establishing a team composed of representatives from national and local government agencies with the mandate to work closely with the PPS consultants; (ii) the importance of using validated field data as basis for planning of the proposed market redevelopment options; (iii) the value of working with key stakeholders including those from the non-government sector from the PPS stage until project implementation to ensure project ownership; and (iv) the need to engage the city stakeholders to ensure that key PPS recommendations are taken forward after the CDIA intervention.
Background
ADB is helping the Indian State of Karnataka improve water resources management in selected urban areas of the Upper Tunga Bhadra sub-basin. Water supply and wastewater systems suffer from under-investment throughout the state of Karnataka. Current water supply is intermittent. The absence of scientific wastewater treatment and sewerage systems contaminates ground water posing a health risk to the public. If the issues associated with the poor water management in the state are not resolved, the state’s economic growth will be stunted; public health will be deteriorated; and water resource disputes will be escalated.

How UFPF Provided Support
The UEIF investment grant provided funding support for activities under the Grant 0399-IND: Karnataka Integrated Urban Water Management Investment Program – Tranche 1, particularly the engagement of a non-government organization tasked to develop community-based sanitation interventions (e.g., toilets) using an output-based modality. The goal of the output-based toilet and connection program is to install new toilets for poor and vulnerable households.

Supporting Community-Based Sanitation Improvement through Partnerships

Project Title
Karnataka Integrated Urban Water Management Investment Program - Tranche 1

UEIF TF Approval
2013

Trust Fund Support
$1,800,000

Results
• Construction of around 5,539 individual household toilets (IHHTs) in the project towns (target of 6,512 IHHTs);
• Construction of 53 school toilets

Providing safe and accessible water for all. ADB is working with partners in improving water resources management in some urban areas in the Indian State of Karnataka (photo by ADB).
Results and Impact

The grant financing was instrumental in the provision of over 5,500 individual household toilets (IHHTs) in the project towns. This translates to an 85% accomplishment rate against the established target. The remaining IHHTs were constructed under the government-funded Swachh Bharat Mission. An additional 53 toilets were constructed and provided to schools.

The provision of toilets using an output-based modality provided an inclusive approach for poor and vulnerable households to gain access to reliable sanitation infrastructure. Such facilities would contribute to eradicating open defecation as well as help enhance the living conditions and create a healthier environment for the community as a whole.
Historic George Town Moves Toward a Better Future

Preserving the soul of the city. The town hall is one of the many heritage landmarks in Georgetown’s UNESCO World Heritage City. Through the support of the Government of Australia, ADB and Ramboll are helping Penang address urban-related challenges while preserving the city’s heritage and culture (photo by ADB).

**Background**

Penang is said to be the Kuala Lumpur of the north – a bustling center of commerce and culture much like the capital of Malaysia. But it would be a disservice to this coastal state to simply compare it, as Penang is an attraction all on its own. Its state capital of George Town is particularly known for its vibrant street art, charming shophouses, and iconic street food. George Town is also a UNESCO World Heritage Site; and not too far off is another, the Penang Hill Biosphere Reserve.

Capitalizing on tourism has come with a cost, however. Locals and tourists, especially pre-pandemic, find themselves jostling for space in narrow streets, often with double-parked vehicles. There is also a lack of footpaths and reliable public transportation. Managing growth, while preserving history and ensuring livability, can be a tough juggling act; but one the City Council of Penang Island (MBPP) is intent on acing.

The ASEAN Australia Smart Cities Trust Fund – financed by the Government of Australia, managed by the Asian Development Bank (ADB) and implemented by Ramboll – is currently supporting MBPP and Digital Penang (the state agency for digitalization) with the Penang Smart Mobility Micro-Simulation Model Development Project. This will help assess the current traffic and transport scenarios in the city and test a set of potential future interventions by developing a custom, calibrated transport model. The project will enable Penang to address congestion, boost public and active transport, and improve its streets and public spaces, keeping its creative and magnetic energy alive.

**Specific Interventions Supported**

Richard Sprosen, Associate Director for Smart Mobility in Ramboll Singapore and AASCTF project lead, is careful to note that the project is not a silver bullet type of project. “This [project is not] about finding solutions to the problems in Penang...
because there’s no shortage of great ideas [here], and there’s no shortage of great studies that have been done in the past.” He refers to the Penang Transport Masterplan and Penang Green Transport Plan, which outlines a network of pedestrianized streets, public transport improvements, and other transport concepts. Instead, the AASCTF project, by simulation and other technologies, will help review the studies and provide the necessary toolkit to enable smart data capture, analysis, and decision-making which will “improve the lives of people in Penang,” says Sprosen.

In particular, the project team is also working with MBPP and Digital Penang to identify the potential improvements from existing plans that can have the greatest impact on addressing gender equality and social inclusion (GESI) issues. GESI is a crosscutting focus of the trust fund. Investigating the impacts of change in these areas will hopefully prioritize the implementation of such improvements. These may include improved safety, having pedestrian facilities on all roads, and improvements of public transport services.

The development of the micro-simulation model has four main steps: data collection, model development, model calibration, and scenario testing. This will be done for two stages of the project: first is a small pilot area in George Town and second is expanding the pilot to the full UNESCO World Heritage Site of George Town. The model is being developed in PTV Vissim, the leading multimodal traffic simulation software used around the world.

In November 2021, as the country was reopening after the pandemic and the city was getting its usual traffic patterns back, the team conducted surveys as part of data collection. This included traffic surveys, parking surveys, and origin-destination data surveys by using on-site video capture and remote GPS data. Quality data is vital to ensure analysis is based on real-world situations and for accurate simulation. The team also made a full inventory of existing junction and road layouts, traffic signal information, bus stops, public transportation facilities, and other such conditions. These allowed the team to understand traffic flow, speeds and bottlenecks, parking behavior, and people’s movement.

From the data collection, as well as the preliminary desktop assessments and stakeholder consultations, the team developed and calibrated the simulation model for Stage 1, testing various scenarios and comparing the base model or current situation with possible solutions that the city could implement in the years ahead.

Results and Impact

Once Stage 1 is completed, the team will release an interactive guide for the model, detailing the process and results of the trials. Stage 2 will be a similar yet more comprehensive undertaking. The team will be able to evaluate the impact of transport strategies or other interventions and advise on enhancements needed. This will also allow AASCTF to recommend changes to Penang’s Traffic Impact Assessment (TIA) guidelines. In addition, the team will produce and deliver a PTV Vissim training course that ensures the sustainable use of the simulation model by city authorities. At the end of the project, MBPP will receive the full simulation model and software.

With this smart technology, Penang will have the means to assess the implications of development plans in the city and test different transport policies and designs. “This enables MBPP to compare options and find the best solutions, looking at the impacts, without investing capital or making changes on the road network,” Sprosen explains. Also, it can help with communicating plans to the community and getting their support for proposed changes in the city. For example, showing a simulation of how the removal of on-street parking could improve spaces for shop owners and pedestrians, while still maintaining a thriving city center.

Sprosen adds, “you can test anything and everything, all of the different great ideas you have you can test in the simulation model.”

The simulation is micro, but the imagination is macro. Penang can chart its path forward while protecting its rich past.
Background

The design of effective and sustainable waste management systems has become an essential component in enabling a circular economy. The realization of a circular economy brings environmental benefits such as less waste, reduced emissions, and protection of the earth’s natural capital. It has also contributed to poverty reduction due to its potential to create new job opportunities, businesses, and industries.

However, designing and planning diverse and integrated waste management systems that promote circularity is complex, requiring significant technical expertise due to a wide range of factors that need to be considered. These design factors include waste volume, type, and quality, facilities that can sort waste and recover materials and energy, capital expenses, operation expenses, revenue from waste collection fees and selling materials and energy, subsidies, and environmental pollutants. There is also the process of translating the operation of the waste management system into environmental, financial, economic, and social performance indicators so that decision-makers can choose which type of waste management system is best suited for their region.

As waste management is a public service, national and city governments are often responsible for deciding and administrating the waste management system. However, many policymakers and planners in developing countries in Asia lack the technical expertise required to design complex waste management systems and objectively compare each option against a common baseline. As a result, planning such systems can take a lot of effort and a long time for governments, which often leads them to default to conventional and less environment-friendly solutions, such as large waste energy incinerators.

Analytical tools that allow policymakers and planners to
rapidly design and evaluate different waste management systems will enable them to explore the wide range of options that can be considered and choose a system that is best suited to their circumstances while bringing them the highest benefits at the same time.

**Specific Interventions Supported**

With funding from the AASCTF, ADB has developed the ADB Waste Analytical Resource Planning Scenarios Tool (ADB WARPS Tool). This tool facilitates the planning of different waste management systems and measures their environmental, economic, and social performance. The ADB WARPS Tool automates the calculation of waste flows between various processes and generates economic and environmental results that can be used by decision-makers such as policymakers and planners. Users can quickly enter a specific waste profile, select the type of technology they want to use to deal with their waste streams, and modify policy and price conditions.

The tool offers a multi-level analysis by presenting the total system-level environmental, financial, economic, and social performance results and breaks down the results according to the type of agents (such as sorting, recycling, waste-to-energy) selected. This allows the user to see how much each agent contributes to the performance of the entire waste management system. Users can also design and analyze a waste management system by undertaking five steps: creating a waste profile, selecting agents to design the system, setting the policy and price conditions, viewing the results, and visualizing the system through a Sankey diagram.

The ADB WARPS Tool was designed to simplify the process of analyzing and comparing different waste management systems in terms of economic and environmental performance. This can help policymakers and planners, who may have limited technical expertise, design effective waste management systems. The tool is built off Microsoft Excel, a widely accessible office software, eliminating the need for more advanced applications. Users just need to download the Excel spreadsheet file.

As a decision-support tool, the ADB WARPS Tool’s results can inform governments on the most promising options. While the tool does not mean to replace the conduct of a complete feasibility study, it does provide accurate calculations to assist governments at the start of the decision-making process in making an initial comparison between different waste management system options. With this initial level of insight, governments can narrow their focus and take a more targeted approach in the feasibility study they finance to gain additional information beyond the tool’s results, which would be necessary for the final stages of decision-making and investment.

**Results and Impact**

To evaluate the effectiveness of the ADB WARPS Tool, the project team carried out a case study for the city of Balikpapan, Indonesia, with the support of the Indonesian Ministry of Finance (MOF). The case study measured the impacts on the economy (such as subsidy requirements and jobs created) and the environment (such as emissions of greenhouse gases, particulate matter, and unintentionally produced persistent organic pollutants), as well as the social benefits of different waste management scenarios.

The ADB WARPS Tool was able to generate useful insight into the environmental, financial, economic, and social advantages and disadvantages of 14 different waste management systems for managing waste in the city under different price and policy conditions. Each scenario is unique based on deployed technologies, policies, and financial support. It was designed to test out different waste management systems that could be considered and how certain policies could affect their performance.

The simplicity of the ADB WARPS Tool’s interface, combined with the detailed representation of waste management technology,
policy, and financial conditions, offers governments a way to quickly examine potential waste management systems being considered. Once all the data for the scenarios was gathered, it took a short time (between 1-2 hours) to enter the data and generate results for each scenario. In the early stage of the case study, assumptions were entered for certain values due to some data gaps, but as soon as higher quality data was acquired, it was a simple process to enter the new data value and generate updated results.

The findings of the case study demonstrate that it would be beneficial for Balikpapan to invest in a waste management system that features sorting and recycling in the future. Not only will implementing sorting and recycling result in the lowest emissions, but it also provides more jobs, more formalized employment, more jobs for women, and has the lowest human health impacts.

The ADB WARPS Tool was able to show which type of waste management system under specific price and policy conditions would offer the most significant benefits for the Indonesian MOF. This Tool’s capabilities and the case study results demonstrate that there are opportunities to use the tool to support waste management planning and decision-making in ADB’s developing member countries and beyond Asia. The system will be further expanded to over 100 types of interventions based on the initial pilot success.

A video overview on how to use the tool is available here.

The ADB WARPS Tool is an Excel-based tool that simplifies the process of analyzing and comparing different waste management systems for users with limited technical expertise in designing waste management systems.
A Sankey diagram generated by the ADB WARPS Tool illustrating waste flows and how they are managed in the system under the ‘sorting and recycling’ scenario.
Making urban services accessible is crucial in building the resilience of urban communities (photo by ADB).
About UCCRTF

The Urban Climate Change Resilience Trust Fund (UCCRTF) was established in 2013 to help 25 fast-growing cities in Asia reduce the risks people face from floods, storms, droughts, and other climate-related impacts through better planning and design of infrastructure.

The fund prioritizes investments that especially target the poor and vulnerable in eight ADB developing member countries (DMCs): Bangladesh, India, Indonesia, Myanmar, Nepal, Pakistan, the Philippines, and Viet Nam.

UCCRTF is a $150 million multi-donor trust fund with contributions from the Governments of the United Kingdom and Switzerland and the Rockefeller Foundation. The trust fund is operational until December 2021.

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Trust Fund Amount

Total amount ($ million)
149.36

Share in UFPF
76.89%

Financial Status

($ million)
Total approved\(^a\)
119.08

Total committed\(^b\)
110.88

Total disbursed
63.56

\(^a\) Approved by UFPF
\(^b\) Approved and effective

Trust Fund Overview

Projects approved (cumulative)
69

8 Investment grants
35 TA projects
26 Direct charge activities

Projects completed (cumulative)
28

7 TA project
21 Direct charge activities
Fund Usage by Modality
Cumulative ($ million)

- TA $76.86 (69%)
- IG $29.27 (27%)
- DC $4.75 (4%)

Fund Allocation by Department
Cumulative ($ million)

- REG $44.39 (40%)
- SERD $32.9 (29.7%)
- SARD $23.94 (21.6%)
- PSOD $6.01 (5.4%)
- CWRD $3.22 (2.9%)
- OPPP $0.42 (0.4%)
Overview

The Urban Climate Change Resilience Trust Fund (UCCRTF) will be closing in December 2022, nine years after it was established in 2013. The trust fund is no longer approving funding allocations this year and instead is focusing on the completion of ongoing projects and capturing the results and lessons emerging from therein. As of 30 June 2022, the total amount committed and approved by the trust fund is $110.88 million. Of this amount, $97.48 million was contracted and $67.14 million disbursed. Approved allocations which were not successfully linked to contracts by 31 December 2021 will be cancelled and returned to the Financing Partners upon closing of UCCRTF.

With the decline of COVID-19 infections worldwide, many DMCs have opened up this year so the pace of implementation stepped. Disbursements for the first semester of 2022 reached $10.5 million—the highest ever since it was established. But with less than six months left in the year, projects will still have to utilize about $30 million of undisbursed contracts. The UCCRTF Secretariat has been closely coordinating with the project officers on the implementation of project components to ensure that these are completed within the year.

Results

The UCCRTF portfolio has reached maturity and demonstrating more concrete results in terms of building resilience and proof of concept. Three key lessons emerging from the trust fund include: (i) upstream support at the project concept level is more effective in integrating resilience components through the project development chain; (ii) systemic resilience is better achieved by layering interventions across sectors and scales; and (iii) applying more stringent project readiness criteria can better ensure efficient project implementation and sustainability.

Upstream support at project concept level

The trust fund’s theory of change was based on the premise that offering upstream interventions, such as climate risk and vulnerability analysis (CRVA), country diagnostics, sectoral studies, at the project planning stage will ensure that resilience considerations are integrated into the design of sub-components, including detailed engineering drawings. This approach fosters a more robust understanding of climate risk by the project proponents (ADB and DMC), cultivating a shared objective of climate resilience and urban development that is carried through into project design. This approach was applied in the support to the Coastal Towns Climate Resilience Project (CTCRP) in Bangladesh, which is scheduled for Board Approval in Q3 2022. The proposed project includes both hard (municipal infrastructure to make residents more resilient to climate change impacts, nature-based solutions) and soft (resilient livelihoods, gender inclusive open spaces) measures to achieve systemic resilience. CRVAs done at the pourashava level informed the site selection for the proposed cyclone shelters and will further provide guidance to the detailed engineering design. As a result of this tiered approach, 90% of the loan amount was attributed to adaptation finance.

Layering interventions across sectors and scales

UCCRTF has also demonstrated that the layering approach, where interventions are implemented at various scales across different sectors, contributes to building systemic resilience within a city. Once the trust fund had already initiated projects in a number of cities, focus was redirected to “layering” interventions to address climate risks and vulnerabilities at different scales. To illustrate, the City of Bagerhat had six different interventions implemented at various scales, timelines, some of which are also concurrent:

• In 2015, UCCRTF supported the preparation of rapid urban climate change assessments
(RUCCA) for 7 cities in Bangladesh (including Bagerhat), which resulted in the preparation of climate risk integrated urban plans (CRIUP).

- Further regional and city level diagnostics were carried out in the city to determine climate specific vulnerabilities of the city, which informed the selection of subprojects and siting of proposed municipal infrastructure under the forthcoming Coastal Towns Climate Resilient Project (CTCRP).
- The Spatial Data Analysis Explorer (SPADE) platform was used to verify the proposed location of the cyclone shelter (5-, 50-, and 100-year return periods) to ensure that it will not be flooded. This was validated in 2020 when Cyclone Amphan struck Bagerhat and satellite images showed that it was not affected.
- In spite of being identified as among one of the most vulnerable towns in the coastal area, Bagerhat was not included in the Coastal Towns Environmental Improvement Project (CTEIP) so UCCRTF responded by approving additional financing to the loan to build a cyclone shelter and all-weather access roads to ensure that these are accessible during cyclone/flooding event. The same grant included the preparation of an integrated drainage plan to ensure that drainage investments take into consideration future rainfall projections.

**Include project readiness criteria in approving funding allocations**

- The ADB project cycle, from preparation of feasibility studies to completion, can take anywhere from 2-4 years, and in some cases even longer if there are changes in project design, change in government administration and priorities, or a global pandemic. In the case of UCCRTF where the Trust Fund has a fixed duration (2013 to 2022) and where funding allocations are linked to ADB projects, any delays along the project cycle translate to funds not being utilized for extended periods of time. The opportunity cost for such situations is high, given the limited time frame to utilize the funds. Moreover, it puts greater pressure on Project Officers to utilize funds towards the closing of the trust fund. On the other hand, projects that had already secured DMC approval, initiated advanced actions, and the like, are able to implement projects more efficiently. For the next phase of UCCRTF, it would do well to include more stringent project readiness criteria for funding allocations.

**Layering approach in the Municipality of Bagerhat**

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct of country diagnostics, CRVA at regional and poutashava level</td>
<td>• Formulation of climate risk integrated urban plans</td>
</tr>
<tr>
<td>Use of SPADE to simulate flood return periods (25-50-100 years) and other climate events (droughts, salination)</td>
<td>• Identification of specific climate risks in the locality</td>
</tr>
<tr>
<td>Construction of cyclone shelters, emergency access roads, and drains. Formulation of integrated drainage plans Programs for resilient livelihoods</td>
<td>• Identified climate vulnerabilities of different areas</td>
</tr>
<tr>
<td></td>
<td>• Determined site selection for infrastructure investments</td>
</tr>
<tr>
<td></td>
<td>• Climate risk informed detailed engineering design</td>
</tr>
<tr>
<td></td>
<td>• Design of fit-for-purpose interventions</td>
</tr>
</tbody>
</table>
Completed Projects

🎯 India: Strengthening Climate Resilience of Kolkata City through Improved Planning and Disaster Risk Management (closed: 4 February 2022)
UCCRTF TA Support: $1 million

The greatest achievement of the TA was establishing the Kolkata Flood Forecasting and Early Warning System (FFEWS), the first comprehensive citywide system of its kind in India. It is the only system in the country that provides a full spectrum of forecast and real-time data from rain-streets-pumping station and canals. It has the capacity to provide real-time updates on the flooding situation in the city and collect information for forecasts, enabling informed decision-making before and during disasters. It is composed of a network of rain gauges and sensors installed in canals, pumping stations, vulnerable locations (i.e., traffic junctions, schools, hospitals, shops, government offices). The network collects information on rainfall, inundation levels, pump operations, and transmits it to a central server and provides real-time information to city managers and city stakeholders (through a mobile app) on the flooding situation in the city. In addition to flooding, the sensors can also capture data on other climate risks including air pollution, temperature, and humidity. The system was launched in 2018 and was made operational in 2019.

The efforts to ensure the sustainability of the FFEWS and technical improvement were followed by a succeeding TA 9561-IND: Strengthening the Capacity of Kolkata Municipal Corporation for Resilient Urban Services, linked to Kolkata Environmental Improvement Investment Program (KEIIP) - Tranche 3. After nearly four years of operation, the FFEWS – established by TA – has been transferred to Kolkata Municipal Corporation (KMC) in May 2022, and a physical control room was inaugurated in July at the KMC headquarters. The new city government administration has taken a keen interest in the FFEW system and invested in setting up the physical control room with the corresponding staff, with the technical support from the West Bengal Electronics Industry Development Corporation (WEBEL) for its operations. The control room makes greater use of technology so that city engineers and police can make decisions faster in response to heavy rain, waterlogging or some other crisis. With sensors and police CCTV network being connected to the control room, the city can control the traffic during floods.

To sustain the benefits from the project, the city government must act on the following: (i) regular budget allocations for operations and maintenance; (ii) capacity building and use of data for multiple purposes; and (iii) creating demand from stakeholders by increased access to information and forecasts.

🎯 Philippines: Mainstreaming Climate Resilience in the Philippine Health Management System (closed: 5 May 2022)
UCCRTF DC Support: $225,000

Building systemic urban resilience requires interventions across sectors. As demonstrated by the COVID-19 pandemic, integrated approaches are needed to ensure the resilience of the health sector. In 2019, the Philippine Government requested ADB support for the preparation of the Philippine Health Facility Development Plan (PHFDP) with the objective of integrating climate change resilience principles in the health system, specifically in the design of health facilities and its service delivery network.

This is one of three UCCRTF-supported projects in the health sector. The specific deliverable of the project includes the integration of climate resilience considerations in the site selection and design of health facilities in the Philippines. This included, among others: inform on the direct and indirect impacts of climate change, disasters and urbanization on the sector; introduce approaches and low carbon technologies (e.g., water and sanitation, renewable energy, information and communication technologies, nature-based solutions, biomedical waste management) that enhance design and operation of health infrastructure; and enable installation of effective surveillance and response mechanisms to public health security threats, including natural and man-made induced disasters.
These components were incorporated in the Philippine Health Facilities Development Plan (PHFDP) which was approved and adopted by the Department of Health (DOH). The adoption of the PHFDP is one of the policy actions required under the proposed $600 million PHI: Build Universal Healthcare Program (Subprogram 1).

Support to Knowledge Sharing and Capacity Building

A substantial number of capacity development activities were carried out in the past 6 months as projects move towards the closing of the Trust Fund. The same is likewise for the number of knowledge products generated as best practices and lessons learned emerge from project implementation.

A series of webinars and training events were organized by several UCCRTF-supported TAs and were designed to: (i) build capacities of local stakeholders to ensure long-term project sustainability; (ii) encapsulate the key resilience learnings from their respective projects; (iii) highlight case examples from UCCRTF-supported projects in regional conferences. Some details are provided below.

- **Virtual Training Program on Electric Mobility.** The 12 modules were attended by 26 representatives from DMCs and ADB. The session discussed and explored key topics related to e-mobility including latest state-of-the-art technological development across transport modes (e-buses, e-taxis, e-fishing boats, electric passenger cars, electric two-wheelers, and e-trucks), impacts and methodologies for determination of greenhouse gas emissions, local pollution and noise impact, batteries and charging options, hydrogen and ammonia production and usage in transportation, business models, grid resilience and enabling policy and financing environments.

- **Capacity building activities for sustainability of CLPs.** Six out of the eight community-led projects under TA 9329 are almost completed. These include community-based solid waste management facilities, flood control systems, multi-purpose evacuation center, livelihood center, and water supply system. To ensure the community’s ownership of these projects and their long-term sustainability, the project team organized a series of capacity development activities on topics such as financial management, project management, operation and maintenance, home-based composting, and entrepreneurship skills development, among others.

- **PPP Center training activities on project preparation.** The PPP center under TA 7796 organized various training activities for city governments focusing on project preparation for PPP financing. Between January to May 2022, a total of 578 participants (233 male, 245 female) attended these training activities.

- **Women–focused training activities.** TA 9660: Promoting Transformative Gender Equity is working with four towns (two in Bangladesh and two in the Philippines) to enhance the role of women in the decision making processes in urban development, as well as to enhance resilience of their livelihoods. The training sessions were held between April to June 2022 and included, among others: Gender 101, climate resilience for gender groups, financial literacy and business skills, financial instruments to enhance women’s economic resilience to disasters, practical training on gender-responsive urban planning and implementation.

- **Training and awareness raising on green affordable housing.** PSOD is implementing TA 6722: to support the green building ecosystem in the affordable housing sector in India. Part of the efforts to address this is to increase awareness both on the part of developers and among homebuyers on (i) the benefits of operational savings from green buildings versus the higher construction costs; and (ii) lack of knowledge and experience of housing developers on designing green and climate resilience buildings. They organized 12 training activities for home buyers and developers to sensitize them on these issues.

- **Improving health service delivery.** UCCRTF is supporting the construction of a barangay health center under Grant 0635-PHI: Emergency Assistance for the Recovery and Rehabilitation of Marawi. Together with the Department of Health (DOH), the project
organized 10 training activities focusing on improving health services delivery. Topics covered include nutrition, tuberculosis, family planning, infectious diseases, training barangay health workers, mental health, emergency response, safe motherhood, and immunization.

- **Dissemination of City Resilience Profiles (CRP) in Pakistan and the Philippines.** As part of the resilience measurement activities under UCCRTF, TA 9217-REG: Knowledge Management and Resilience Measurement for Urban Climate Change Resilience, carried out a baseline resilience measurement in 2018 covering 17 cities which have some form of UCCRTF-supported intervention. An endline resilience measurement activity using the same methodology is currently being implemented to determine if the intervention has improved the resilience of the project beneficiaries. The findings of the baseline measurement were condensed in the City Resilience Profiles (CRP) to provide reference to local policy makers on opportunities to enhance their resilience across four dimensions—health and well-being, economy and society, infrastructure and ecosystems, and leadership and strategy. The CRPs were rolled-out in four cities in the Philippines (Del Carmen, Janiuay, La Trinidad and Malay) and five cities in Pakistan (Abbottabad, Mardan, Peshawar, Sahiwal, Sialkot). These were presented in a focus group discussion format with the city managers and selected stakeholders to raise awareness on the impacts of climate change on their cities and what they can do to address them.

- **Developing a platform for climate resilient urban development.** TA 9748-REG: Establishing a Platform for Climate-Resilience and Low-Carbon Urban Development, supports the development of a knowledge sharing platform (KSP) that will provide city governments in Asia and the Pacific with access to guidance, methodologies, and tools on pursuing low-carbon and climate-resilient urban development. They organized a series of 6 webinars between March and April, which had a total of 350 participants. The webinar topics include: Institutional Capacity Building and Downscaling National Climate Priorities at City Level; Finance and Governance Climate Mitigation Analysis; Climate Risk and Vulnerability Assessment; Climate-informed Project Appraisal; Climate-Informed Urban Governance; Climate-informed Project Appraisal; Monitoring, Evaluation and Learning from Implementation of Climate Actions; Improved Governance and Public Engagement; Drivers of Risk-Informed Decentralization; Climate-informed Investment Plan; and Financing for Climate Action.

One of the most effective ways of building capacity is to provide opportunities for sharing experiences and lessons learned among peers. As such, several regional TAs brought together the cities/DMCs they are supporting to provide a venue to share their experiences and identify areas for improvement in the current and future projects. The peer-to-peer learning events organized in the first half of this year are listed below:

- **Community-led Urban Resilience: A Peer-to-Peer Learning Event TA 9329 1st Regional Peer-to-Peer Learning Event (15-16 February 2022)
- **TA9608-REG: Strengthening Knowledge and Actions for Air Quality Improvement Virtual Regional Meeting on TA 9608 Progress and Activities (19 May 2022)
- **Five (5) weekly webinars were held(from 9 March to 5 April 2022) under TA 9634: Strengthening Integrated Flood Risk Management (IFRM)
  - Session 1 | A Country-scale View on IFRM and Applications of Global Datasets (9 March 2022)
  - Session 2 | Application of an IFRM Approach at a River Basin Level (15 March 2022)
  - Session 3 | Coastal Flood Risk Assessment: Lessons from Coastal Flood Risk Analysis in the Philippines and Pakistan (22 March 2022)
  - Session 4 | Economic Analysis for Flood Risk Management Project (30 March 2022)
  - Session 5 | Outlook for IFRM and Ways Forward: Reflections on State of the Flood Risk Management Sector in Asia and Development Outlook (5 April 2022)
Knowledge Products

Several knowledge products (KP) are expected within 2022 the final year of UCCRTF to capture results and lessons learned over the past nine years. The range of products includes publications, blogs, articles, brochures, and videos. The KPs and the TAs under which they were produced are listed below:

<table>
<thead>
<tr>
<th>TA No.</th>
<th>Title</th>
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</thead>
<tbody>
<tr>
<td>9901</td>
<td>Good Practice Guidance (GPG) for the Management and Control of Asbestos Explainer: Keeping Workers and Communities Safe from COVID-19 (June 2022) Toolkit for Screening Asbestos Risks in New ADB-Supported Projects A. Background Information  B. Screening Tools and Checklists (March 2022)</td>
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<tr>
<td>9217</td>
<td>17 City Resilience Profiles 3 Infographics 3 Newsletters 29 Event Snapshots 1 City Snapshot UCCRTF Brochure</td>
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<thead>
<tr>
<th>TA No.</th>
<th>Title</th>
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<tbody>
<tr>
<td>9634</td>
<td>Technical Notes Practical Guide for IFRM Gender and Social Inclusion Dimensions of Vulnerability Insurance Economics analysis for flood projects Economic analysis for Flood Forecasting and Early Warning Systems Dynamic adaptive pathways planning Safeguards IFRM project Terms of Reference</td>
</tr>
<tr>
<td>9608</td>
<td>1 Brochure on Air Quality</td>
</tr>
<tr>
<td>9513</td>
<td>Video on Building Resilience for the Urban Poor</td>
</tr>
<tr>
<td>9329</td>
<td>Community Videos from La Trinidad, Janiuay, Sialkot, Patuakhali contribution to UCCRTF chapter in VPKM Book 1 case story featured in the ADB CSO guidebook UCCRTF introduction video presented at the Roundtable of Southeast Asian Mayors and Resilience for the Urban Poor Forum 2022 UCCRTF Phase 2 launch video presented at the ADB COP26 session</td>
</tr>
</tbody>
</table>

Maintain Relations with Financing Partners

UCCRTF maintains regular coordination with its Financing Partners. An Annual Consultation Meeting has not been held in 2022, but will likely be scheduled in the fourth quarter of this year to round up on the trust funds results. Nonetheless, bilateral meetings were held with the three financing partners with a focus on their particular areas of interest.

The process for preparing the FCDO Annual Review began in May, with the final draft submitted to FCDO towards the end of July. Monthly financial meetings are also carried out between FCDO and the Secretariat to monitor contract awards and disbursements. With the closing of the Trust Fund in 2022, there is increased pressure to expedite fund utilization, and most importantly, deliver on the results. The consolidation of the UK Governments International Aid Department with the Foreign
Commonwealth and Development Office has enhanced opportunities for collaboration with the local embassies where UCCRTF is working. In the Philippines, this has resulted in the reallocation of a portion of UCCRTF’s technical assistance to the PPP Center (with the approval of the ADB Philippine Country Office) to enable the latter to engage a team of consultants to assist the Philippine Department of Environment and Natural Resources (DENR) in preparing climate resilience investment portfolios covering 12 provinces and 4 metropolitan cities.

There is also increased collaboration with the Climate Action for Resilience Asia Pacific (CARA) Team as preparations are underway for the establishment of the $92 million (estimated amount) Urban Resilience Trust Fund (URTF). While discussions are ongoing for the signing of the Memorandum of Agreement, the Urban Sector Group (USG) is coordinating with relevant ADB departments to set out the business processing requirements in establishing the new Trust Fund.

In Viet Nam, SECO has earmarked $5 million of its $10 million contribution to the Secondary Green Cities Development Project which includes the pilot of a Disaster Risk Financing (DRF) Project in Hue and the development and implementation of community-led projects in the cities of Hue and Vinh Yen. SECO representatives in Viet Nam were closely engaged in the development of the DRF insurance product and was instrumental in engaging with the relevant government ministries to move these forward. SECO was actively engaged in developing the participatory approach of the project which is now well under way with 14 sites in Hue and 9 in Vinh Yen.

In March this year, UCCRTF joined the Rockefeller Foundation’s Regional Partners Meeting where they laid out their post COVID-19 priorities to identify ways for better collaboration with partners. A follow-up meeting with the foundation was held in May to meet new members in the Rockefeller Foundation’s Team and to discuss possible collaboration on the next phase of UCCRTF.

### Plans for 2022

- **The UCCRTF Secretariat will focus on the physical and financial closing of projects through frequent coordination with the Project Officers and close monitoring of fund utilization. A fortnightly email is sent to the POs and their Directors on the status of contract awards and disbursements, with a regular reminder to expedite disbursements until the end of the year. A list of projects with a high-risk for non-completion of substantive components have been drawn up and discussions have been initiated to map out risk mitigation strategies.**

- **The Trust Fund places equal importance on the delivery of results of the UCCRTF’s portfolio. Detailed progress reporting is captured through the UFPF Annual and Semi-annual reports, as well as the FCDO Annual Review. With the expectation that the TA and grant completion reports will only be completed by mid-2023 at the earliest, the Secretariat is preparing a results outline template which aims to capture the highlights of each project. These will feed into the Project Completion Report for the Trust Fund which will be prepared beginning in the first quarter of 2023.**

- **Discussions for the conduct of a field visit to several UCCRTF projects are also ongoing and may take place in September or October of this year.**

- **The USG and the UCCRTF Secretariat are working in parallel on the requirements to set up the URTF. The MoU has been drafted in consultation with SPD and SDPF and has been sent to FCDO for review. The Concept Note for URTF has also been drafted for approved of SPD, after which the Establishment Paper will be submitted for approval. The implementation guideline on how URTF resources will be utilized have also been prepared and circulated within the USG for review.**

For the status of on-going projects supported by UCCRTF, please see Appendix 1.
Sustainable urban spaces. Parks and open spaces are important in ensuring the well-being of city residents (photo by ADB).
About CDIA

In October 2017, the Asian Development Bank (ADB) approved the establishment of the Cities Development Initiative for Asia (CDIA) Trust Fund under the Urban Financing Partnership Facility (UFPF).

The overall objective of the fund is to support cities in ADB’s developing member countries (DMCs) to prepare urban infrastructure investments and link these to financing. Specifically, the objectives are to: (i) assist secondary Asia-Pacific cities to prepare sustainable and bankable infrastructure projects; (ii) ensure financing for these urban infrastructure projects is secured; and, (iii) strengthen individual and organizational capacities of DMC stakeholders related to the preparation and financing of high priority urban infrastructure investments.

The fund builds on the 10-year track record of the CDIA program in supporting cities in Asia and the Pacific to bridge the gap between their development plans and the implementation of their infrastructure investments through technical assistance in project preparation and capacity building activities. Using a demand-driven approach, CDIA supports the identification and development of urban investment projects that emphasize two or more of the following impact areas: urban environmental improvement, urban poverty reduction, climate change mitigation and adaptation, and improved governance.

Trust Fund Amount

<table>
<thead>
<tr>
<th>Total amount ($ million)</th>
<th>9.21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share in UFPF</td>
<td>4.74%</td>
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</table>

Financial Status ($ million)

<table>
<thead>
<tr>
<th>Total committed</th>
<th>8.89</th>
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<tbody>
<tr>
<td>Total disbursed</td>
<td>4.05</td>
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Trust Fund Overview

<table>
<thead>
<tr>
<th>Project preparation studies (PPSs) commissioned (cumulative)</th>
</tr>
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<tbody>
<tr>
<td>114</td>
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</tbody>
</table>

| PPSs completed | 105 |
| PPSs linked to ADB financing | 43 |
| PPSs linked to non-ADB financing | 45 |
| Total financing secured ($ billion) | 12.2 |

PPSs commissioned (January to December 2021)

| 1 |
| PPSs completed | 4 |
| PPSs linked to ADB financing | - |
| PPSs linked to non-ADB financing | 1 |
| Total financing secured ($ million) | 1.0 |
Approved PPS by Region (cumulative)

- SERD 50 (44%)
- EARD 26 (23%)
- SARD 18 (16%)
- CWRD 18 (16%)
- PARD 2 (1%)

Amount of CDIA Support by Region cumulative (in million)

- SERD $19.9 M (45%)
- CWRD $9 M (20%)
- EARD $7.9 M (18%)
- SARD $6.9 M (15%)
- PARD $1.1 M (2%)

Approved Projects by Sector (cumulative)

- Wastewater management 49 (22%)
- Urban transport 42 (19%)
- Water supply 37 (17%)
- Solid waste management 33 (15%)
- Flood/drainage management 27 (12%)
- Urban renewal 25 (11%)
- Social infrastructure 6 (3%)
- Power/energy efficiency 3 (1%)

PPS Linked to Finance by Region (cumulative)

- SERD 37 (42%)
- EARD 19 (22%)
- CWRD 17 (19%)
- SARD 13 (15%)
- PARD 2 (2%)
In line with Strategy 2018-2022, CDIA continued to work closely with secondary cities in Asia and the Pacific to meet their urban infrastructure needs by providing a range of expertise in the preparation of sustainable and bankable infrastructure projects, linking cities with financing sources, and strengthening local capacities to develop and implement high priority investments.

As of June 2022, CDIA has supported 128 cities in 22 developing member countries (DMCs) in the conduct of project preparation studies (PPS) of various infrastructure projects. As a result of its city interventions, 88 PPSs covering 177 projects in 104 cities have been successfully linked to an estimated $12.2 billion worth of downstream investments. By region, Southeast Asia accounts for the biggest share of the total CDIA PPS support at 44%, followed by Central and West Asia and East Asia at 20% and 18%, respectively. By infrastructure sector, wastewater management, water supply, and urban transport account for almost 60% of total CDIA resources allocated to support PPS interventions.

Within the current CDIA five-year strategy, CDIA has completed a total of 31 PPSs covering 76 infrastructure projects across 38 cities in 15 DMCs. During the same period, a total of 41 PPSs covering 96 infrastructure projects were linked to downstream investments estimated at $3.8 billion.

In the first half of 2022, one city application for PPS support was approved by CDIA TF management, four PPS interventions in Georgia, the Philippines, and Viet Nam were completed, and technical assistance activities were carried out in nine ongoing PPS interventions in Armenia, Bangladesh, Bhutan, Kyrgyz Republic, Lao PDR, the Philippines, and Viet Nam. Furthermore, pipeline development activities have continued with new applications expected to be approved and new projects commenced in the second half of 2022.

Furthermore, CDIA’s activities related capacity building, knowledge product development, and outreach have continued including the preparation of institutional capacity development road maps, publication of documentary videos, and partnership building with various international and national organizations. In addition, CDIA conducted three virtual clinics designed to enhance the knowledge of key city officials in formulating climate-resilient, bankable, and sustainable urban infrastructure project proposals in line with the priorities of cities and potential downstream funders.

Finally, CDIA has completed the formulation of CDIA Strategy 2023-2027 using the findings from the independent mid-term review of the current CDIA strategy and lessons drawn from CDIA’s past operations. The Strategy was presented to CDIA TF financing partners in April 2022 and has been uploaded in the CDIA website for wider dissemination to potential funders.

Projects Approved

For this reporting period, CDIA approved one application for technical assistance in conducting PPS for the Bishkek Transformation and Sustainable Development of Residential Area in Kyrgyz Republic.

Kyrgyz Republic: Bishkek Transformation and Sustainable Development of Residential Areas

CDIA PPS Support: $500,000
Linked to ADB Financing: tbc

The main objective of the CDIA-financed PPS is to provide technical and capacity development support to the city of Bishkek in the upgrading of five pilot urban settlement areas including the improvement of basic services (e.g., water supply, wastewater and solid waste management) and development of logistic centers to serve as hubs for job creation and economic development. The PPS will be conducted in two stages: Stage 1 - this will include an analysis of the city’s urban services, climate risk and vulnerability assessment, preparation of an institutional capacity development roadmap, and formulation
of a long-term investment plan; and Stage 2 – building on outputs of Stage 1, this will entail conduct of pre-feasibility studies including financial and economic analysis and preparation of outline designs and safeguards due diligence of priority infrastructure and facilities. In parallel, CDIA will also support the city to identify potential downstream project financing.

**Completed Projects**

From January to June 2022, four PPS interventions covering five infrastructure projects in five cities were completed, namely: Georgia Livable Cities Project in Georgia; Local Devolution and Disaster Risk Reduction Management Program in the Philippines; Climate Resilience and Urban Development Project in Bac Kan/Ha Nam, Viet Nam; and Green Growth and Climate Change Resilience Project in Dong Ha, Viet Nam.

- **Georgia: Georgia Livable Cities Project**
  - CDIA PPS Support: $500,000
  - Linked to ADB Loan: $50 million

  In support of the formulation of the proposed ADB Livable Cities Investment Program, CDIA provided technical assistance in the preparation of feasibility studies and outline designs of key project components, including financial/economic analysis and safeguard due diligence, to facilitate downstream ADB loan document preparation. In line with the overarching objectives of the ADB Livable Cities Investment Program and in support of the ongoing upgrading of Tbilisi’s public transportation systems and the steady shift to sustainable urban mobility, CDIA assisted in: (i) conducting a pre-feasibility level assessment of the environs in all of 22 metro stations with a view to improving linkages between the metro and the city through enhancements of pedestrian walkways, development of open spaces and leisure areas and the improvement of metro signage, safety and street lighting; and (ii) further development to feasibility/preliminary design level of five prioritized metro stations including outline social, environmental, financial, and economic assessment.

- **Philippines: Local Devolution and Disaster Risk Reduction Management Program**
  - CDIA PPS Support: $500,000
  - Linked to AFD loan: $240 million

  The primary objective of the CDIA PPS support was to develop a Local Devolution and Disaster Risk Reduction and Management Program (LD-DRRMP) that will help build DRRM and climate change adaptation capacity both at the national and local level. Moreover, the PPS aimed to support the Department of the Interior and Local Government (DILG) in the ongoing DRRM reform programs including the implementation of relevant interventions in the context of the full devolution of key national government functions to the local governments. The LD-DRRMP served as the basis for the approval by AFD of the $280 million policy-based loan (PBL) and an accompanying technical assistance (TA) grant for the development and improvement of DRRM and climate change adaptation tools, knowledge, and operational capacities of national agencies and local government units.

- **Viet Nam: Urban Development, Green Growth and Climate Resilience Project in Dong Ha**
  - CDIA PPS Support: $450,000
  - Linked to AFD loan: $40 million

  The primary objective of the CDIA-financed PPS was to identify and prepare, to preliminary design level, priority infrastructure sub-projects to improve the resilience and livability of Đông Hà. The study recommended priority interventions to inform future project preparation work for an urban development, green growth and climate resilience project in Đông Hà, to be financed by an AFD loan, pending AFD’s due diligence process and an official request from the
Government of Viet Nam. The specific sectors targeted by the CDIA technical assistance included flood management (embankments and stormwater systems), urban parks, improvement of basic services in vulnerable areas, climate change adaptation and integrated capacity development with a focus on low-income areas, adaptation to climate change and city livability.

**Viet Nam: Climate Resilience and Urban Development Project in Bac Kan and Ha Nam**
- **CDIA PPS Support:** $900,000
- **Linked to ADB Loan:** $53 million

The CDIA-financed PPS aimed to assist Bac Kan and Ha Nam provinces to formulate and prepare a sustainable and integrated infrastructure investment project to feasibility/preliminary engineering design stage in readiness for downstream AFD financing. The CDIA technical assistance focused on climate change impact and vulnerability, integrated capacity development, river embankments, connectivity with the river and urban drainage and flood management.

In addition to the above four completed PPSs, five PPS interventions covering 12 cities in five countries are ongoing including: (i) Yerevan Sustainable Urban Transport Implementation Project in Armenia; (ii) Affordable Housing Sector Development Project in Bhutan; (iii) Chattogram Metropolitan Sewerage Project for the North Kattoli Catchment in Bangladesh; (iv) Tri-City Ferry System Project in the Philippines; and (v) Vung Tau Solid Waste Management Project in Viet Nam. Furthermore, four approved PPS applications covering five cities in five countries are in various stages of the procurement process including: (i) Cross-border Cable car Project (Lao PDR and Thailand); (ii) Fecal Sludge Management Project (Philippines); (iii) Can Tho Bus Priority Corridor Project (Viet Nam); and (iv) Bishkek Transformation and Sustainable Development of Residential Areas (Kyrgyz Republic).

**Projects Linked to Financing**

In the first half of 2022, one CDIA-supported PPS intervention, i.e., Yerevan Sustainable Urban Transport Implementation Project was linked to national government funding for an estimated initial amount of $1 million.

**Armenia: Yerevan Sustainable Urban Transport Implementation Project**
- **CDIA PPS Support:** $520,000
- **Linked to National Government Financing:** $1 million

The primary objective of the CDIA assistance was to prepare strategic and operational recommendations and preliminary design to facilitate the implementation of the new transport network by Yerevan Municipality. The project consisted of a combination of advisory services to build local capacity on integrated and sustainable urban mobility, and specific outputs to develop the key features of the new network. The specific objectives of the PPS were to: (i) enhance the capacity of Yerevan Municipality for the new bus network implementation, as well as air pollution monitoring; (ii) recommend strategic measures for a phased implementation of the integrated network; and (iii) conduct preliminary engineering design for key facilities that will allow efficient operation of the newly purchased buses.

**Support to Capacity Building**

In line with CDIA Strategy 2018–2022, CDIA continuously implemented the focused capacity development approach whereby capacity building support is fully integrated into CDIA’s infrastructure project preparation activities. For this reporting period, institutional capacity assessments and capacity development road maps were prepared as part of CDIA’s support to the following PPS interventions: (i) Chattogram Metropolitan Sewerage Project for the North Kattoli Catchment in Bangladesh;
(ii) Urban Development, Green Growth and Climate Resilience Project in Dong Ha, Viet Nam; and (iii) Yerevan Sustainable Urban Transport Implementation Project in Armenia. Based on the findings from the institutional capacity assessments, CDIA prepared capacity development road maps in consultation with key city stakeholders outlining the short-, medium- and long-term capacity building interventions aimed at enhancing project sustainability.

Likewise, CDIA continued its partnership with national Project Development Facility partners for the provision of capacity development support on project preparation. During this reporting period, CDIA actively engaged with Public-Private Partnership Center of the Philippines for the ongoing PPS on Tri-City Ferry System Project in the cities of Alaminos, Dagupan, and San Fernando, and the Ministry of Public Works and Transport of Cambodia for the proposed Low-Carbon Mobility Project in Siem Reap.

Furthermore, in March 2022, CDIA collaborated with ADB, and the United Nations Economic Commission for Europe (UNECE) for the conduct of a city-to-city learning exchange among 36 national and city officials of Kyrgyz Republic and Mongolia on planning and implementing urban renewal projects. Conducted virtually, the learning exchange was designed to showcase the strategies, mechanisms and financing solutions employed by the city of Ulaanbaatar to address its housing and other urban development challenges. Lessons learned are expected to feed into the preparation of an investment project on the Transformation and Sustainable Development of Residential Areas aimed at improving the basic urban services and stimulating the economic activities in five pilot urban settlement areas in the city of Bishkek.

In addition, in January 2022, CDIA conducted a Climate Resilience Training Workshop with 38 government officials and stakeholders (five of whom were women) from Chattogram City, Bangladesh. Organized in partnership with the Climate and Resilience Hub of Willis Towers Watson (WTW), the three-hour workshop helped participants to reflect on the climate resilience issues in their city and enabled them to discuss climate solutions for their wastewater, sanitation, and sewerage sector. This activity was part of the CDIA support to the ongoing PPS on the Chattogram Metropolitan Sewerage Project for the North Kattoli Catchment that will develop the sewerage system and wastewater treatment infrastructure in the northeast part of Chattogram City.

**Knowledge Products and Outreach Activities**

With €200,000 funding support from EU/AFD, CDIA continued the implementation of its communication roadmap to positively highlight the project goals, milestones, and results of CDIA’s work. Key activities in the roadmap that were carried out during this reporting period include the conduct of CDIA Virtual Clinics and publication of video documentaries.

In lieu of in-person events, CDIA has been offering Virtual Clinics since 2021 to city officials so they can have one-on-one consultations with CDIA urban development team on their planned infrastructure projects. Three virtual clinics were conducted in this reporting period including: (i) the Seventh clinic with authorities from five Bhutanese cities targeted by the ADB-supported Green and Resilient Affordable Housing Sector Project; (ii) the Eighth clinic (done in collaboration with Sustainable Mobility in Metropolitan Regions in ASEAN), which brought together city authorities primarily from the Southeast Asia region to exchange insights and experiences in promoting sustainable urban mobility; and (iii) the Ninth clinic to discuss with key officials from the cities of Bhopal, Indore, and Jabalpur in the Indian State of Madhya Pradesh the preparation of appropriate and integrated last mile connectivity infrastructure investments for possible linking to ADB downstream funding.
In this reporting period, CDIA has published documentary videos on: (i) Partnerships Toward Resilient Urban Infrastructure; and (ii) Building Institutional Capacity for Climate Resilience. The first video, which features the Climate Vulnerability and Adaptation Assessment Project in Cambodia and Chattogram Sewerage Project in Bangladesh is themed around partnership to share how CDIA is adding value to cities as well as funding agencies. Meanwhile, the second video, which features the Climate Resilience in Bac Kan and Ha Nam Project in Viet Nam, describes how CDIA facilitates the preparation of projects with climate co-benefits and integrating capacity development in infrastructure development.

CDIA employed a mix of virtual and in-person interviews and filming, whichever was possible.

Furthermore, CDIA, in partnership with the Climate and Resilience Hub of WTW, published the following knowledge products (KPs) that aim to disseminate to cities knowledge solutions on climate resilience: (i) Interactive Toolkit: Incorporating Climate Resilience into Project Design; (ii) sectoral briefing notes on how climate change impacts on the flooding and stormwater management, solid waste management and urban renewal; and (iii) briefing note on Private Sector Finance for Low-carbon, Climate-resilient Cities.

Moreover, CDIA has continued engaging with various international and national organizations to pursue PPSs, capacity development or outreach activities. Aside from resulting into two new projects, collaboration with SMMR has enabled the conduct of 8th virtual clinic, which was well-attended by cities in Asia, primarily those from ASEAN. Also, following the conduct of the 4th clinic, our collaboration with UNECE has resulted in the ongoing Transformation and Sustainable Development of Residential Areas PPS for Bishkek, Kyrgyz Republic.

CDIA continues to look for partnership opportunities to produce more knowledge products and share its experiences with cities and development partners. CDIA is now a content partner of Development Asia, ADB’s knowledge collaboration platform for sharing development expertise relevant to Sustainable Development Goals (SDGs). This period, two articles have been contributed: Building Inclusive and Resilient Cities and Ensuring Universal Access and Inclusive Mobility in Tbilisi Metro.

CDIA participated in several outreach events to further enhance its visibility. For example, Capacity Development Specialist Kathleen Jovellanos served as resource speaker and moderator for the module on financing urban development at the Asia Pacific Mayors Academy for Sustainable Development held on 14 June 2022. The event was part of the yearly fellowship program for city leaders to build their capacity to adopt sustainable urban development organized by UNESCAP, UN-HABITAT, and United Cities and Local Governments Asia-Pacific, among other partners. Likewise, she presented CDIA work at the “EU Smart Cities Marketplace Forum” organized by EU and FMDV on 27 April 2022. Furthermore, Program Manager Ramon Abracosa on 10 March 2022 joined and discussed about the initiative at the “Climate Resilient Cities Project Launch and Accessing Climate Finance for Philippine Cities Technical Conference,” which was organized by the United States Agency for International Development.

For the status of on-going projects supported by CDIA TF, please see Appendix 2.
AASCTF
Asean Australia Smart Cities Trust Fund

FINANCING PARTNER

Toward the new normal, ADB continue to work with its funding partners in helping Indonesia in adapting to the new normal (photo by ADB).
About AASCTF

Approved on 1 April 2019, the ASEAN Australia Smart Cities Trust Fund (AASCTF) is a single-partner trust fund under the Urban Financing Partnership Facility (UFPF) with an indicative contribution from the Government of Australia, through its Department of Foreign Affairs and Trade (DFAT), for $14.04 million (AU$ 20 million).

The envisioned impact of the AASCTF is aligned with ADB’s Strategy 2030, which includes an operational focus on building livable cities that are green, competitive, inclusive, and resilient, and ASEAN’s Sustainable Urbanization Strategy, which aims to promote high quality of life, competitive economies, and sustainable environments. Focus areas of AASCTF include adoption of digital solutions and improved planning systems, service delivery, and financial management in participating ASEAN cities.

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**Trust Fund Amount**

- Total amount $\text{\textsuperscript{a}}$ ($\text{million}$)
  - 14.22

- Share in UFPF
  - 7.32%

**Financial Status** ($\text{million}$)

- Total committed $\text{\textsuperscript{a}}$
  - 10.49

- Total disbursed
  - 4.50

$\text{\textsuperscript{a}}$ This is the total committed amount for investment grants, technical assistance projects, and direct charge activities.

**Trust Fund Overview**

- Projects committed (cumulative)
  - 4
  - 1 TA project
  - 3 Direct charge activities

- Projects completed (cumulative)
  - 1
  - 0 TA project
  - 1 Direct charge activities
As of 30 June 2022, total AASCTF commitments amounted to $10.49 million (about 74%), composed of a $10 million technical assistance (TA) for the Southeast Asia Urban Services Facility; and $0.49 million for three (3) direct charge (DC) activities.

Under the SURF TA, AASCTF has supported 12 task orders (TOs), to date, which includes (a) 10 city-level interventions in various developing member countries in Southeast Asia, and (b) 2 regional-level interventions.

One (1) new DC for the Development of New Indonesian Capital Nusantara was also approved during the reporting period. Under the DC-funded activities, the Asian Livable Cities Forum financially closed in 2020; while the City Resource Mobilization Framework DC and the recently approved Support for Development of New Indonesian Capital Nusantara DC remain active.

Total fund disbursement from all AASCTF-funded activities amounted to approximately $4.50 million, while uncommitted funds is estimated to be around $3.12 million.

**Approved Project**

**Indonesia: Support to the Development of New Indonesian Capital Nusantara**

AASCTF DC Support: $225,000

In August 2019, the Government of Indonesia announced its intention to relocate the main central government functions, along with approximately 1.5 million people, to a new administrative seat approximately 1,400 kilometers away from Jakarta. On 18 January 2022, the Parliament passed the National Capital Law, which, among other actions: (i) affirms the name of the new capital as the Special Capital Region of Nusantara (henceforth Nusantara or Ibu Kota Negara); and (ii) mandates that a Nusantara National Capital Authority (NNCA) plan and construct the capital, conduct the transition, and manage the new city. A presidential appointee, with the ranking of minister, heads the NNCA and new provincial-level region.

The stated reasons for the relocation are (i) Jakarta can no longer sustain frequent and severe flooding, land subsidence (sinking), traffic congestion, air pollution, and overpopulation; and (ii) to increase social equity, there is a need to redistribute the country’s economic wealth to areas outside of Java.

ADB has committed to support the Government of Indonesia in planning a carbon-neutral and inclusive new city, minimizing negative impacts of development, and identifying sources of financing to construct the new capital. This direct charge will cover activities supporting ADB’s support area in planning a carbon-neutral and inclusive new city. The activity is currently not linked to a specific loan or TA but will assist the Government in realizing its ambitious plans to plan and construct a whole new carbon-neutral and livable city, which will provide lessons and inspiration for cities throughout the region.

This direct charge supports the AASCTF Output Area on “planning systems in participating ASEAN cities improved”. Technology-based tools such as GIS and other digital and technological tools and platforms will aid the planning and monitoring of the new capital. Building on, among others, the smart city planning tools tested through AASCTF, the activities financed through this direct charge will include: (i) review and recommend further enhancements to the current plans for the new capital; (ii) review design principles and make recommendations on additional design principles to be followed to construct a carbon-neutral, inclusive capital; and (iii) provide recommendations for additional regulations for planning and developing the new capital (i.e., building codes, etc.).

The outputs are expected to be delivered by 31 March 2023.
Plans for 2022

The TA’s main priority will be the effective implementation of all ongoing TOs, supporting Makassar, Baguio, Kaysone, Penang, Battambang, Hue, Chonburi, Luang Prabang, and Davao; as well as regional TOs on gender and M&E.

Communication and knowledge sharing activities will continue in 2022, including social media postings, quarterly newsletters, and videos, among others.

Implementation of capacity development activities is also planned for the year, including the launch of a smart city introduction course and rollout of the city twinning, and networking framework for all AASCTF participating cities.

For the status of on-going projects supported by AASCTF, please see Appendix 3.
A bicycle lane at the major thoroughfares in Manila, Philippines (photo by ADB).
<table>
<thead>
<tr>
<th>Trust Fund Amount</th>
<th>Financial Status ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total amount ($ million)</strong></td>
<td><strong>Total committed</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>21.45</td>
<td>19.37</td>
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<tr>
<td><strong>Share in UFPF</strong></td>
<td><strong>Total disbursed</strong></td>
</tr>
<tr>
<td>11.04%</td>
<td>17.28</td>
</tr>
</tbody>
</table>

<sup>a</sup> This is the total committed amount for investment grants, technical assistance projects, and direct charge activities.

### About UEIF

The Asian Development Bank (ADB) approved the establishment of the Urban Environmental Infrastructure Fund (UEIF) on 2 December 2009 under the Urban Financing Partnership Facility (UFPF). Parallel to this approval was the commitment of the Government of Sweden to contribute about $14 million for the UEIF, followed by an additional contribution of $7 million in 2011.

The fund supports ADB’s response to the huge unmet needs of the region for both basic and economic infrastructure, which under the then prevailing Strategy 2020 is a core business area of operations.

The objective of UEIF is to raise and invest cofinancing from development partner agencies to support the implementation of Strategy 2020 through the provision of grants for technical assistance and investments.

### Trust Fund Overview

<table>
<thead>
<tr>
<th>Projects approved (cumulative)</th>
</tr>
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<tbody>
<tr>
<td>49</td>
</tr>
<tr>
<td>6 Investment grants</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Projects completed (cumulative)</th>
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</thead>
<tbody>
<tr>
<td>47</td>
</tr>
<tr>
<td>5 Investment grants</td>
</tr>
</tbody>
</table>

<sup>b</sup> Number of TA projects made consistent with SDPF methodology.
As of June 2022, total Urban Environmental Infrastructure Fund (UEIF) commitments (net of savings generated from closed IGs, TAs, and DCs) amounted to $19.37 million, composed of: $2.54 million for direct charge (DC) activities, $7.04 million for technical assistance (TA), and $9.80 million for investment grants (IG). These commitments constitute a total of 49 projects and activities: 6 grants, 19 TA projects, and 24 DC activities.

Total fund disbursement from all UEIF-funded activities amounted to $17.28 million (83.59%). The figure showed a slight increase in disbursements as compared with end of 2021 data. Uncommitted funds, on the other hand, is estimated to be around $1.31 million resulting from savings generated from completed activities.

**Plans for 2022**

Activities for 2022 are focused on ensuring that all ongoing initiatives (i.e., direct charges, technical assistance, and investment grants) are accomplished/concluded and, if possible, financial closed by the end of the year. Savings generated from all completed activities will be accounted for and promptly returned to Swedish International Development Cooperation Agency (SIDA) by July 2023.

For the status of on-going projects supported by UEIF, please see Appendix 4.
APPENDIX 1

Status of Ongoing UCCRTF-supported Projects

Investment Grants

- Philippines: Marawi Emergency Assistance
  UCCRTF IG Support: $5 million

- Philippines: Post-conflict Support for Marawi
  City and other affected areas
  UCCRTF DC Support: $225,000

Implementing projects in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) region has encountered various challenges related to travel restrictions and construction supplies/logistics brought about by the pandemic. The project has two components: (i) construction of health units; and (ii) upgrading of water supply system. As of July 2022, contract awards for the two rural health units stood at 88% and disbursement was at 51% of the committed amount. The existing contracts for the health units are being terminated by the Department of Health (DOH) because of under-performance, and a new contractor is to be engaged. The replacement contractor is expected to be mobilized by early October. The duration of construction for the remaining works is up to December. A risk foreseen is that the second-floor finishing, including the solar panel installation, may not be completed by December. ADB has agreed with the DOH (grant recipient) that any remaining works beyond December 2022 are to be funded from the Department’s general appropriations funds for 2023.

- India: Visakhapatnam-Chennai Industrial Corridor Development Program
  UCCRTF IG Support: $5 million

The project supports Visakhapatnam-Chennai Industrial Corridor Development Program (VCICDP) through strengthening climate resilient infrastructure combining both mitigation and adaptation, through the following sub-components: (i) 3MW grid connected floating solar PV in Meghadri Gedda reservoir; (ii) Mudasarlova watershed and Reservoir rejuvenation; and (iii) Pilot of e-vehicles (e-rickshaws) for public transportation and solid waste services to the poor. The completed floating solar PV is expected to avert 1500 tons of CO2 equivalent per annum. GVMC intends to use the produced energy as source of power for Padmanabhapuram pump house (being upgraded under loan) that supplies water to 24x7 Water Supply sub-project (North-West sector of GVMC).

For the water supply rehabilitation component, disbursement as of May 2022 was around 40% of the committed amount. Pipelaying works were delayed and are still ongoing. The ADB user unit attributed delays to the late grant effectiveness; unfamiliarity of implementing agencies with ADB procurement guidelines; late contracting of the project management unit consultants and goods and civil works packages; and the COVID-19 restrictions and its effects on the project activities of the executing agency, implementing agencies, consultants, and other stakeholders.
Mudasarlova reservoir component takes a holistic approach by enhancing storage of water for downstream informal settlements who depend on this reservoir for their water needs; improving water quality of the reservoir; and increasing green cover through local and indigenous broadleaf species plantations (10,000 plants, mostly native varieties, have been planted on lake area, including medicinal plants). In terms of e-mobility piloting, UCCRTF financed 65 e-three wheelers are to be used for passenger movement at Beach road and solid waste collection. For the latter, e-rickshaws will be operated in 3 Zones (Zone-II, III and IV) of GVMC for door-to-door solid waste collection. Each vehicle will cover 250 households per trip and 4 trips per day is for each vehicle and average 4 persons/household is considered.

Viet Nam: Secondary Green Cities Development Project
UCCRTF IG Support: $4 million

The grant for community-led initiatives (CLIs) is complementary to an ADB loan for the Secondary Green Cities Development Project (SGCDP). Following the awarding of contracts in the first quarter of 2022, the CLIs, 14 of which are in Hue and 9 in Vinh Yen, are now under implementation with small-scale civil works either under construction or already completed. These included drainage, safe path walks, pocket gardens, community shelters, and toilets for poor households. The grant has also delivered training related to disaster risk reduction and management and has procured equipment for disaster preparedness.

Viet Nam: Flood Management and Coastal Protection in support to Urban Environmental and Climate Change Adaptation Project
UCCRTF IG Support: $4 million
UCCRTF DC Support: $225,000

Complementary to a $100 million loan under the Urban and Environmental and Climate Change Adaptation Project, one of the grant components is for strengthening the Flood Forecasting and Early Warning System in Hoi An and Vu Gia-Thu Bon River Basin. To date, the grant has improved the forecasting and warning services for natural hazards (floods, storm surges, landslides) using river and coastal modelling, and developed a decision support system that aids the operations of reservoirs and provides information on flood/drought and saline intrusion. As part of crisis communication system, the following has been delivered: (i) guidelines for operators on how to effectively use the flood warning information dissemination system (ii) flyers/leaflets and video to provide the information on flood prevention; and (iii) training guidelines on the risk mitigation. The insights and lessons from this project were featured ADB knowledge sharing session on 25 July 2022.

Technical Assistance

India: Strengthening Smart Water Management and Climate and Disaster Resilience in Selected Districts of West Bengal
UCCRTF TA Support: $2 million

The Project is linked to The West Bengal Drinking Water Sector Improvement Project supporting selected blocks in four districts – Bankura, East Medinipur, South and North 24 Parganas—in West Bengal State, which are suffering from groundwater contamination with fluoride, salinity, and arsenic. Around 2 million people, through the project, will receive 24/7 piped water at their households once the loan project is completed. The project is the first ADB project in India aimed at transferring urban smart water technologies into rural areas and small towns. The UCCRTF supported TA assists in the specification, design and implementation of a Smart Water Management (SWM) System and of a Flood Forecast and Early Warning System (FFEWS), which will support the Public Health Engineering Department (PHED) in the state of West Bengal as well as local government Gram
Panchayats (GP) in establishing continuous piped water supply systems (PWSS) to rural areas in project districts. The PWSS must also be resilient to disasters as well as to climate change in the vulnerable coastal districts. Key results from SWM are establishment of easy-to-use digital tools feature on mobile phones by which rural people can interact with GPs and PHED. Another new innovative element is the concept of “IOP” Internet of People as opposed to “IoT” internet of things. The technologies go hand in hand, however incorporating IOP creates local jobs, and helps mitigation net communication issues in rural areas.

The TA supported FFEWS in East Medinipur is currently in operation, to cope with salinity intrusion in the Rupnarayan River from where raw water is extracted.

**India: Strengthening the Capacity of KMC for Resilient Urban Services**

UCCRTF TA Support: $2 million

Kolkata is the capital city of West Bengal State, India. The climate risks are increasing through more frequent and intense rainfall events and cyclones. The city has also difficulties in increasing drainage capacity due to most areas being densely built up. ADB works with Kolkata Municipal Corporation (KMC) through Kolkata Environmental Improvement Investment Project (KEIIP) in systematically expanding sewerage and drainage network in the city. In complementing physical and planning interventions under ADB loans, UCCRTF provides support for soft measures to improve urban climate resilience of KMC. Succeeding TA 9157-IND: Strengthening Climate Resilience of Kolkata City through Improved Planning and Disaster Risk Management now completed, this TA continues to support sustainable operation of the Flood Forecasting and Early Warning System (FFEWS), India's first comprehensive city-level FFEWS in operation since 2018. A physical control room has been set up in July 2022 by KMC. UCCRTF also supports a feasibility study to expand the current solid waste management system of the city; and a pilot study for the sponge city concept as a nature-based solution for perpetual flooding problem in Kolkata.

**India: Enabling the Ecosystem to Improve Access to Green Affordable Housing for Women**

UCCRTF TA Support: $1 million

The project is linked to ADB’s loan to IIFL Home Finance Limited (IIFLHF) Supporting Access to Affordable Green Housing for Women which comprises a direct ADB loan of up to $58 million and a $10 million concessional loan by the Canadian Climate Fund for the Private Sector in Asia (CFPS). From ADB’s loan, 80% will be earmarked for lending to women borrowers or co-borrowers and 20% allocated to financing mortgages for green-certified homes. In complementing the loan, the UCCRTF supported technical assistance (TA 6722 Enabling the Ecosystem to Improve Access to Green Affordable Housing for Women) places its focus on capacity enhancement and awareness raising of green building professionals, developers, construction companies, and future borrowers, through diverse activities including trainings, market assessment, research and innovation on green technologies, community engagement, and scaling up of IIFL’s “Kutumb” platform. The project promotes financial inclusion and gender equality of lower income women through the provision of green and affordable housing. It constitutes an excellent example of private company leadership and demonstrate a concerted effort between ADB, IIFL, and the cofinancing partners (CFPS and UCCRTF) in encouraging gender equality and green affordable housing and serving the segments of the population.

The virtual loan signing ceremony was held in February 2022 and brought together over 60 participants from ADB, IIFL Home Finance, housing sector professionals in India including representatives from the Governments of the UK and Canada.
Technical assistance to National Capital Region Planning Board (NCRPB) for Strengthening Regional Plan and Functional Plan preparation
UCCRTF TA Support: $0.25 million

UCCRTF supports National Capital Region (NCR)’s planned metropolitan development by working with the National Capital Region Planning Board (NCRPB). India’s NCR hosts over 58 million people in 24 districts of 4 States and is expected to become the world’s most populous capital region by 2030–2031. UCCRTF supports the ongoing initiatives of NCRPB to formulate the “Regional Plan 2041” and related “Functional Plans” by supporting effective integration of principles of livable cities into the plans, that are green, competitive, inclusive, and resilient.

The Regional Plan is a long-term plan for the prospect year of 2041 and promotes the planned development and effective control of the land uses and infrastructure development of NCR. Following the request of the Secretary of the Ministry of Housing and Urban Affairs (MOHUA) and the NCRPB, UCCRTF-supported technical assistance project assists NCRPB to address the multisectoral and multidisciplinary development challenges affecting the region, by helping it finalize the Regional Plan-2041 and carry out upstream preparatory work for three Functional Plans—out of 8 Functional Plans identified—including a Functional Plan for Climate and Disaster Resilience. Detailed Functional Plans elaborate sectoral elements of the Regional Plan under which financial viability assessment for implementation of identified projects would be undertaken.

Strengthening Climate Change Resilience in Urban India - Strengthening Smart Urban Mass Rapid Transit and Climate Change Resilience in the National Capital Region (Subproject 3)
UCCRTF TA Support: $2.89 million

ADB finances the first of three prioritized corridors of the planned regional rapid transit system (RRTS) network in India’s NCR, through Delhi-Meerut Regional Rapid Transit System Investment Project. The 82-kilometer corridor will provide safe, reliable, and high-capacity commuter transit services between various locations along the corridor and promote balanced and sustainable economic development within the NCR. One of the key areas of focus of the RRTS project is Digital Transformation with a goal to create the Experience Zone for Immersive, Interactive Experience with the Training, Guidance, Assistance, and Evaluation of Performance. The aim is to harness the innovative digital technologies to achieve objectives such as improving operational efficiency, streamline, and enhance engagement with users and also to make the organization more flexible, agile, and responsive to the ever-changing industry dynamics.

UCCRTF supported TA helps the National Capital Region Transport Corporation (NCRTC), mandated to implement the RRTS project, to use advanced smart technologies for infrastructure design and construction process management, including Building Information Modelling (BIM) and solar daylighting system. Particularly, the TA supports to set up Augmented Reality (AR)/Virtual Reality (VR) enabled BIM Lab and Centre of Excellence and create interactive AR/VR models of key stations, along with training and capacity building of NCRTC staff and other stakeholders. In addition, the TA developed initiatives for transit-oriented development (TOD) and value capture financing (VCF) for the investment project, to ensure financial sustainability of the RRTS project.

Philippines: Strengthening Public-Private Partnerships in the Philippines
UCCRTF TA Support: $3 million

This ongoing TA is providing capacity building for the PPP Center staff in incorporating resilience measures in planning and executing PPP projects, including providing transaction advisory services for LGU-initiated PPP projects. UCCRTF’s collaboration with FCDO through the UK Embassy in Manila resulted in a cooperation arrangement between the PPP Center and the Department of Environment and Natural
Resources in formulating risk resiliency plans for 12 selected provinces and 4 urban centers. Ongoing preparation of the provincial resilience portfolios covers an assessment of the relevant climate risks and vulnerabilities, followed by a general plan (strategy and roadmap) to adapt to adverse effects of climate change, respond to weather-related emergencies (DRM), and foster low greenhouse gas emissions development aligned with the country’s NDC. From the provincial resilience road maps, priority projects are to be identified and a work plan prepared. The study will also identify projects that are viable for private sector participation and can be pursued under various PPP modalities. This work is expected to be completed by end-2022 and is serving as a model for similar initiatives that can be pursued under the upcoming URTF, specifically on engaging with UK embassies for collaboration in the countries covered by the program.

Regional: Advancing Inclusive and Resilient Urban Development
Targeted at the Urban Poor
UCCRTF TA Support: $5 million

The KSTA on Advancing Inclusive and Resilient Urban Development is supporting the project preparation of the Citywide Inclusive Sanitation Project (CISP) in Indonesia. From January 2022 onwards, the TA has carried out a livability profiling in the cities of Pontianak and Semarang. It used a combination of quantitative, qualitative and spatial research methods to analyze complex urban issues and to identify urban development policies, programs, and projects that should be prioritized. The TA has also recently produced two knowledge products: a 4-minute animated video showing the importance of strengthening the resilience of the urban poor in Asia and the Pacific, and a publication entitled “Beating the Heat: Investing in Pro-poor Solutions for Urban Resilience”.

Regional: Building Community Resilience through Microfinance in Lagging Peri-Urban Settlements
UCCRTF TA Support: $3 million

The regional TA supports the Microfinance Risk Participation and Guarantee Program (MFP) in addressing market gaps while strengthening financing for home upgrading and access to water supply and sanitation. By providing first-loss guarantees on loans that partner financial institutions extend to microfinance institutions (MFIs), the TA aims to reduce the impacts of climate change on the poor and vulnerable people. With Habitat for Humanity’s Terwilliger Center for Innovation in Shelter as the TA’s implementation partner, scoping studies have been done in five DMCs: Bangladesh, Indonesia, Nepal, the Philippines, and Viet Nam. This included country level assessment of housing microfinance gaps, identification of potential partner MFIs, and regulatory requirements on product development. Furthermore, in India, institutional assessments were carried out on two MFIs to understand their existing microfinance portfolio, commitment to launch/refine its housing microfinance portfolio, and its funding pipeline for housing microfinance. These were intended to help inform the design of the assistance that the TA can offer. Habitat for Humanity has also begun developing a capacity development program for MFIs which will be instrumental in microfinance product development, project planning and implementation with the targeted micro-borrowers.

Regional: Capacity Building for enhanced safeguards, anti corruption and integrity measures, gender equity policies and digitization of TFP Banks
UCCRTF TA Support: $1.5 million

ADB’s Trade and Supply Chain Finance Program (TSCFP) provides guarantees and loans to over 240 partner banks in Asia. The UCCRTF supported TA helps with the integration of climate change and environmental and social safeguards specific to TSCFP’s transactions and practices of Partner Banks and their clients, including SMEs. In addition, the TA supports TSCFP’s new initiative urging actions on managing potential child and forced labor risks in supply chains and works with World
Wildlife Fund (WWF) to expand the Global Map of Environmental and Social Risk in Agro-commodity Production (GMAP) enables users to conduct rapid environmental and social due diligence associated with trade and short-term finance, and to make responsible and strategic sourcing, financing, and risk management decisions. At ADB corporate level, the TA supports ADB trade finance interventions to be aligned with ADB’s climate change commitment. No trade finance support will be provided for transactions involving mining or power generation from coal or peat in alignment with ADB Energy Policy and Paris Agreement commitment. The enhanced upcoming guidelines will be applied to all transactions with partner banks made under TSCFP.

Regional: Establishing a Platform for Climate Resilient and Low-Carbon Urban Development
UCCRTF TA Support: $1 million

The TA supports the development of a knowledge sharing platform (KSP) that will provide city governments in Asia and the Pacific with access to guidance methodologies, and tools on pursuing low-carbon and climate-resilient urban development. Access to these kinds of resources can help cities to better identify and develop climate actions that can contribute to the achievement of global and national climate commitments, including Paris Agreement, and Nationally Determined Contributions (NDCs). The KSP will also make available guidance to help cities mobilize public and private financing to implement city-level investments in climate resilient and low-carbon projects through the technical Guidelines along with a pilot application in Baguio, Philippines. The technical guidelines under formulation cover a range of actions that are critical for city governments and are structured around these 5 pillars: (i) downscaling national climate priorities at the city level; (ii) city climate assessments; (iii) planning and financing of city climate actions; (iv) climate-informed project appraisal; and (v) monitoring, evaluation and learning from implementation of climate actions. A series of six webinars towards establishing a knowledge sharing platform for developing cities in Asia and the Pacific has been organized from March to June 2022 to (i) present initial thinking on key topics covered by the KSP and get feedback based on experiences of cities and development partners, and (ii) for participants to learn best practices relating to the webinar topics and how it applies to their work. Over 350 participants, including 29 presenters and discussants, from within and outside ADB took part in the webinar series.

Regional: Implementing Sustainable Transport for All
UCCRTF TA Support: $1 million

The support aims to assist selected cities of UCCRTF priority countries to take actions for expanding (or adopting) e-mobility options as a climate resilient and low carbon transport modality.

The project carried out a city level e-mobility potential diagnosis and strategy for Hue, Hai Pong, Makassar, Yangon, and Kathmandu, and started the pilot implementation of 2 e-boat taxies in Indonesia and 9 e-fishing boats in the Philippines in 2021.

The TA organized 12 training modules from February to March 2022, covering hard and soft technologies and solutions in relation to e-mobility. The training, which had 26 participants from the government and ADB, served as an opportunity to discuss technical knowledge and awareness on e-mobility, promote knowledge sharing amongst participants, and to provide opportunity for participants to identify and co-create e-mobility project ideas that could potentially inform future investment pipelines for respective DMCs. It explored new opportunities for transport-energy-urban nexus solutions. Several transport-energy project ideas emerged from participants, creating renewed momentum in supporting DMCs on transformational pathways towards decarbonizing transport.
Regional: Integrated and Innovative Solutions for More Livable Cities
UCCRTF Support: $2 million

This regional TA has a combined allocation of $2.5 million—$2 million from UCCRTF and $0.50 million from the Republic of Korea e-Asia and Knowledge Partnership Fund (EAKPF). It will provide support to selected ADB projects to integrate both climate resilience and livability principles into project design through: (i) preparation of livability/sectoral action plans; (ii) development of innovative solutions to livability issues; and (iii) knowledge and capacity development.

There is ongoing work under the UCCRTF component in the preparation of: (i) green transformation action plan (Sarghoda, Pakistan); and (ii) sustainable tourism action plan (Pokhara, Nepal). Under Output 2, the TA is supporting the development of inclusive public space design guidelines which is being piloted in two towns in Bangladesh. The PSOD program on Creating Investible Cities (CIC) will be piloted in two towns in India and Indonesia. The modules for the Inclusive Design Bootcamp are also developed under this TA currently being translated into e-modules to support wider dissemination.

Regional: Promoting Urban Climate Change Resilience in Selected Asian Cities - Knowledge Management and Resilience Measurement for Urban Climate Change Resilience (Subproject 2)
UCCRTF TA Support: $4.95 million

The Arup-led consortium, including Oxford Consulting, Daira Ltd, Willis Towers Watson and Plan International managed to make substantial progress across the three outputs in spite of the COVID-19 restrictions which limited the activities of its team in the past two years. The outputs include: (i) resilience measurement; (ii) capacity development and (iii) knowledge management. The team has finalized the methodology for the end-line survey and currently being rolled out in 17 cities across 4 DMCs. In agreement with the Secretariat under Output 1. As part of the work on Indicator 2 (measuring reduced loss), the team has completed drafting the three economic case studies in Bangladesh, Viet Nam and Nature-based Solutions (New Clark City and Makassar), gathering data at both country level and city level to refine the model further with a view to the completion of modelling for the final report.

For Output 2, SP2 team focused on completing the second thematic package on Nature-based Solutions, identification of the third thematic package on geospatial tools for climate resilience, conduct of awareness-raising activities with the city stakeholders, particularly the dissemination
of the City Resilience Profiles (CRPs) in workshop format, and continued production of knowledge capture products including Event Snapshot and City Snapshots. Production of event snapshots (demand-based/driven) – has been consistently produced over the past two years and the rest are all scheduled.

For Output 3, the team has delivered three UCCRTF newsletters, focused on key themes around: Financing for Urban Resilience (Issue 13 – October 2021); Innovation in Financing for Urban Resilience (Issue 14 – March 2022); Small cities, big challenges: The resilience challenges for fast-growing tier 2 cities (Issue 15 – July 2022). During this period, all City Resilience Profiles (CRPs) have now been finalized.

For the work of the City Resilience Officers (CRO), they have continuously provided monthly updates on a regular basis, which cover national and city level updates related to climate and urban issues, as well as project monitoring and capturing more human-interest stories. This reporting period, whilst proven challenging, has seen continued active involvement and increased levels of engagement of CROs with PMUs despite the continued COVID-19 pandemic and some significant natural disasters in Bangladesh and Viet Nam. The Bangladesh and Viet Nam CROs have been fully engaged with the Country Focal Points and Project Officers on different projects, providing technical inputs and reviews of technical documents where requested. This period has also seen more efficient and closer coordination with ADB Project Officer, resident missions, government officials and local survey partners for the conduct of the CRP roll-out and endline measurement activities.

Regional: Promoting Urban Climate Change Resilience in Selected Asian Cities - Development of Pilot Activities and Project Development Support (Subproject 3) UCCRTF TA Support: $6.065 million

The community-led projects under TA 9329-REG: Promoting Urban Climate Change Resilience in Selected Asian Cities - Development of Pilot Activities and Project Development Support (Subproject 3(SP3), are approaching completion in 2022 in time for the project closeout. Community-Led Projects (CLPs) in the Philippines are 100% completed with the construction of civil works in Del Carmen, La Trinidad, Malay, and Janiuay. The establishment of a community-based solid waste system in Patuakhali has also been completed, while the construction of the waste composting and recycling facility is at 75%. The community-based solid waste system and the livelihoods skill training center in Faridpur are both at 50% level of completion, while the Faridpur Community Park is expected to start construction on 15 August 2022. The community-based solid waste system and the rehabilitation of community water supply system were both 100% completed, while the construction of the solid waste management facilities is at 30% level. The construction of the Community Park in Sialkot is 50% completed while the accompanying Capacity Development Training of the community on sustainable park operation and maintenance is also at 50% level implementation. A total of 442 individuals (201 females and 241 males) completed capacity-building, learning, and awareness-building activities of the project within the period.

The first regional peer-to-peer learning event (P2P) learning event was held on 15–16 February with 123 participants (92 are onsite while 31 off-site). SP3 communities shared their experiences, lessons and challenges in implementing community-led resilience projects to inspire the current and future practice of community-led urban resilience. The second P2P event is scheduled in October 2022.

SP3 developed two impact stories featuring the La Trinidad and Malay community-led projects which was published in the ADB UFPF 2021 Annual Report. SP3 contributed case stories on
community-led projects that were included in the UCCRTF chapter of the VPKM publication. Two case stories on Malay slope protection and Janiuay Rainwater Harvesting Facility were developed and included in the SP2 Knowledge Product on Nature-Based Solutions. Two City Snapshots on Malay Multi-Purpose Evacuation Center Utilized for Community’s Typhoon Odette Response and Effective Ward-level Solid Waste Management in Abbottabad, Pakistan were developed and circulated with the Urban Sector Group. A feature video was produced articulating the story of the community-led project in La Trinidad entitled “Letting the community voice flow: The resilience story of Barangay Betag in La Trinidad, Benguet, Philippines” which was presented in the P2P event.

SP3 co-organized a knowledge-sharing session with the Municipality of Del Carmen and ADB Urban Sector Group through the Urban Climate Change Resilience Trust Fund (UCCRTF) on 25 June 2022 in celebration of the World Mangrove Day. The event highlighted the importance of mangrove forests as a unique and vulnerable ecosystem and its significant contribution to the sustainable local economy and resilience to disasters and climate change in the municipality.

There is an ongoing study to assess the value for money and the economic and social benefits and return on investment of the community-led projects. SP3 is also conducting a study that will analyze the emerging trends and key drivers in the evolution of ADB community-led approaches. In addition, the study will also understand the role, contribution, and impact of ADB operations and business processes in facilitating or hindering the promotion and implementation of community-led approaches to ADB investments.

SP3 Knowledge Product 2 on how to implement community-led projects and Knowledge Product 3 Video Presentation showing case stories of CLPs and the value of the community-led approach are currently being developed.

Regional: TA9660 AF Promoting Transformative Gender Equality Agenda
UCCRTF TA Support $735,000

This is the first project with Gender Equity Thematic Group directly working with UCCRTF. It has the following two outputs: (i) knowledge and capacity of city government stakeholders and women leaders in gender-responsive and climate resilient urban planning and governance strengthened; and (ii) knowledge of urban stakeholders in the use of financial instruments for women’s disaster resilience increased.

The training activities in four cities in Bangladesh and the Philippines have been completed. In the town of El Nido, they carried out a tactical urbanism pilot where the participants from the training activities selected an urban issue, developed a solution and implemented it. The experience has been documented in a video to be released by end 2022. In Bangladesh, the gender action plan template that was developed as a result of the TA support will be adopted for implementation under the next phase of the Urban Governance Infrastructure Improvement Project (UGIIP).

Regional: Strengthening Integrated Flood Risk Management
UCCRTF TA Support: $3 million

The project aims to strengthen the design and implementation of Integrated Flood Risk Management (IFRM) solutions, enhancing knowledge and application of IFRM strategies in DMCs. Covering different types of flooding (rivers, coastal, tidal, surface water, groundwater, dam breach, glacial lake outburst flooding), the TA assisted 13 projects in 7 countries (Indonesia, Myanmar, Nepal, Pakistan, the Philippines, and Viet Nam) and provided a Practical Guide to IFRM, technical guidance notes, and sector assessment. Close to completion, the TA organized 5 webinars from March to April 2022.
Regional: Strengthening Knowledge and Actions for Air Quality Improvement
UCCRTF TA Support: $1.2 million

Under ADB TA 9608-REG: Strengthening Knowledge and Action for Air Quality Improvement (co-financed by UCCRTF, Peoples’ Republic of China [PRC] Poverty Reduction and Regional Cooperation Fund and the Technical Assistance Special Fund), the “Asia Clean Air Exchange” was conducted as a virtual air quality policy workshop and technology fair from 26-28 May 2022. The event, which gathered 336 participants, aimed to share knowledge and lessons learned from the experience of PRC. It also served as a platform to promote the use of technology in air quality management. The TA has also completed the preparation of clean air action plan roadmaps for two cities in Pakistan (Peshawar and Sialkot), conducted a series of workshops with local stakeholders in La Trinidad, Philippines on air quality management measures, and turned over to the local authorities the air quality monitoring equipment across 7 TA participating cities. Various activities related to the “Asia Clean Blue-Sky Program” are under preparation, including for its planned launch on 7 September coinciding with the UN International Day of Clean Air for Blue Skies.

Regional: Strengthening Safeguards Implementation in ADB Projects
UCCRTF TA Support: $2 million

The development of the integrated safeguards monitoring system (ISMS) is on track for completion by the end of the year. Once completed, it will digitize the safeguards policy system. It will be linked with the SPADE platform, adding the geospatial analysis component, enabling POs to better understand the physical, environmental, and social implications of the proposed project. It has also been developed in close coordination with the IT department, ensuring a seamless integration with the ADB IT ecosystem once it is fully operational.

The screening toolkit will be completed by the end of the year and incorporates cross-cutting themes to enhance the safeguards analysis of projects. It includes, among others, health and safety, labor and gender. The TA is also working jointly with EBRD in developing safeguards on mental health for workers, an issue that came to fore during the COVID-19 pandemic. As part of the work in the Climate Change and Disaster Risk Management (CCDMR) Thematic Group, they are also developing a draft policy provision for community health and safety standards, focusing on having a third-party safety audit for public buildings.
APPENDIX 2
Status of Ongoing CDIA TF Project Preparatory Support Activities

主题教育：耶列万可持续
城市交通实施项目
CDIA TF PPS金额：$520,000

在耶列万（1.2百万居民）的交通模式在90年代末经济和大型工业工厂的关闭后发生了巨大变化。这显著影响了公共交通网络的乘客量，导致交通系统需要重大重组。交通部门也是首都主要的空气污染物源。耶列万市致力于实施一个本地可持续发展议程，该议程强调向可持续城市交通转变，2019年在ADB的支援下编制了长期计划，计划包括公共交通系统的全面更新，一个完整的公共交通网络，以及一个整合的票价系统和现代灵活计价系统。CDIA的支持下，来自耶列万市的代表访问了格鲁吉亚第比利斯，与该市的同行讨论了公共巴士子部门的挑战和经验，YM代表能够理解CDIA在城市中提供的帮助的深度和成果。因此，耶列万市请求CDIA提供咨询服务，以提高其整体在城市交通上的能力，并支持耶列万市政府开始实施新的综合交通网络。

CDIA资助的PPS的主要目标是准备战略和操作性建议，以及初步设计方案，以支持耶列万市实施新的交通网络。项目将由咨询服务组成，以提高本地在综合和可持续城市交通上的能力，以及具体成果以发展新网络的关键特征。项目的具体目标是：(i) 提高YM在新巴士网络实施方面的能力，以及空气污染监测；(ii) 推荐分阶段实施综合网络的战略措施；(iii) 开展初步工程设计，为新购买的巴士提供高效的运营。这项研究将直接支持新巴士网络的实施，并允许在EBRD支持下采购的车辆在合适的和有效的系统下运行。

相关投资将由耶列万市和国家政府支持。识别的子项目可以作为ADB未来投资准备工作的项目准备准备工作。条件下的投资将由耶列万市和国家政府支持。识别的子项目可以作为ADB未来投资准备工作的项目准备准备工作。条件下的投资将由耶列万市和国家政府支持。识别的子项目可以作为ADB未来投资准备工作的项目准备准备工作。条件下的投资将由耶列万市和国家政府支持。
it is projected to increase to 56.8% by 2047. In-migration flows exert additional pressures on urban infrastructure and housing with a corresponding negative impact on affordability. Cognizant of these issues, the Government of Bhutan aims to implement the Green and Resilient Affordable Housing Sector Project (GRAHSP) with the support of a US$24 million loan and a US$6 million grant from ADB. The purpose of the GRAHSP is to deliver affordable housing in selected settlements in Bhutan, thereby improving the livability, safety, and sustainability of human settlements through access to adequate and affordable housing.

The primary objective of the CDIA-financed PPS is to provide advisory and capacity development support to the government of Bhutan through the National Housing Development Corporation Limited (NHDCL) and identified city level departments in the six target cities in formulating a comprehensive capacity development road map that will serve as the action plan for the TA support that will go hand-in-hand with the ADB GRAHSP loan. It is also expected to provide advisory support on: (i) broader capacity building and knowledge development on affordable housing; (ii) climate- and disaster-resilient planning and design of affordable housing units aimed at achieving green building certification; and (iii) enhancing institutional capacity on housing regulations and enabling environment.

**Bangladesh: Chattogram Metropolitan Sewerage Project for the North Kattoli Catchment**
CDIA TF PPS Amount: $700,000

At present Chattogram, the second largest city in Bangladesh with a population of 2.9 million, has no sewerage system or wastewater treatment facilities. Residents are reliant on the use of on-site facilities when available or alternatively they discharge their wastewater directly to the city’s storm water drainage system and waterways resulting in extensive surface water pollution and a significant risk to public health. The Chattogram Water Supply and Sewerage Authority (CWASA), has been mandated to provide the necessary services to collect, treat and safely dispose of the wastewater and fecal sludge generated within its service area. In view of this, the Economic Relations Division of the Bangladeshi Ministry of Finance requested Agence Française de Développement (AFD) to take up the Sewerage Project for North Kattoli Catchment as a key element in the implementation by CWASA of the overarching sanitation master plan. The key requirement in order to proceed is the preparation of a project feasibility study which will confirm the scope of the proposed works and the estimated investment cost which will be the focus of the CDIA support that CWASA, on behalf of Chattogram has applied for.

The proposed project includes the construction of wastewater and fecal sludge collection and treatment infrastructure for the North Kattoli catchment. More specifically, the project intends to: (i) construct the sewerage system and wastewater treatment infrastructure for the North Kattoli catchment located in the north-west part of Chattogram city: and (ii) establish FSM facilities including on-site sanitation improvement wherever a sewerage facility cannot be provided because of constraints in infrastructure construction space. As per CWASA’s Preliminary Development Project Proforma, the project is expected to include: (i) the construction of approximately 67 km of deep sewers, gravity pipes and pressure mains and associated pumping stations; (ii) the construction of DWFIs, tertiary sewers, property connections and public facilities; and (iii) a 60 MLD WWTP, which will share the same site to be used for the Halishahar and Patenga catchment WWTPs.

**Philippines: Faecal Sludge Management Project in Tacloban City**
CDIA TF PPS Amount: $240,000

Tacloban City is the commercial and financial center of the Eastern Visayas region of the Philippines located 580 km southeast of Manila. In 2013, the city was hit by Typhoon Haiyan, the strongest typhoon recorded in recent history which claimed at least 6,000 lives. The city has no wastewater collection and treatment
infrastructure to serve its 250,000 residents. The combination of indiscriminate domestic sludge disposal and lack of commercial wastewater treatment is polluting the five bays surrounding the city. The project therefore aims to protect marine waters from being the receiver of untreated wastewater generated from domestic sources and economic enterprises. The proposed project will also ensure that sanitation services will be made available to residents living in the north Tacloban resettlement area to improve their well-being.

The CDIA-supported PPS will assist the city in reviewing its water supply and sanitation situation to establish the basis for longer-term sectoral planning and provide the rationale for future project investments. The PPS will identify appropriate schemes for faecal sludge management in the city including treatment mechanisms for wastewater generated in the port area. Other key PPS activities include: review, assessment, and development of project financing options; determining domestic faecal sludge volumes and characteristics; preliminary design of faecal sludge treatment plant; preparation of tender documents for design-build (DB) or design-build-operate (DBO) schemes; and institutional capacity assessment and development of capacity development roadmap.

In addition, CDIA will assist the city in linking the project to downstream financing including exploring potential PPP mechanisms with the support of the PPP Center of the Philippines.

Philippines: Tri-City Ferry System Project

CDIA TF PPS Amount: $500,000

The City Governments of Dagupan, Alaminos (both in the Province of Pangasinan) and San Fernando (in the Province of La Union) in the Philippines have initiated the revival of a sea transport system connecting the three cities, by establishing a Technical Working Group that is chaired and supported by the National Economic Development Authority (NEDA) that will identify and take forward initiatives related to the Tri-City Ferry System (TCFS) Project. This proposed project is in line with the Philippine Government’s 10-point Agenda and is identified in the Ilocos Regional Development Plan 2017-2022 as a project that can be implemented via Public Private Partnership (PPP) modality. As a result, the three cities through NEDA requested for CDIA assistance in conducting a PPS that will take into consideration the management and operation of the TCFS under a PPP modality.

The main objective of the CDIA–financed PPS is to confirm that the TCFS Project is an appropriate transport project to be taken forward by the cities of Alaminos, Dagupan and San Fernando, in cooperation with the National Government. Specifically, the CDIA consulting team will conduct field assessments in the three identified areas in the three cities and identify priority infrastructure investments for the TCFS and define focus areas for feasibility study support and preliminary engineering design. The specific focus of the CDIA technical assistance will be on: (i) feasibility study on ferry terminal infrastructure in the three cities and the related and required auxiliary infrastructure such as access roads, tourism buildings and facilities etc.; (ii) determination of the most appropriate business model for the development of ferry services that would make the Project financially viable to the Government and private sector partner and would optimize economic impacts; (iii) establishment of project cost, investment appraisal and funding arrangements; (iv) identification, selection, and appraisal of project delivery options with sensitivity analysis; (v) determination of project benefits and limitations; (vi) description of the scope, boundaries and interdependencies of the system with other projects as well as determination of soundness of technical components based on standards, rules and laws; (vii) description of the proposed project organization and governance; (viii) assessment and analysis of the market as well as opportunities and major risks and their impacts on the project; and (ix) developing the bidding documents including minimum performance standards and specifications (MPSS) and the draft PPP contract.
Viet Nam: Solid Waste Management Project in Vung Tau City
CDIA TF PPS Amount: $565,000

Viet Nam has become one of the top five countries that produce plastic waste leading to ocean pollution. Given the rapid rate of waste generation and urbanization in the country, the implementation of a holistic solid waste management project in cities can pave the way for Viet Nam to not only address urban infrastructure gaps, but also to improve the environment by ultimately reducing solid waste that is being discharged directly to the environment. With the support of the Alliance to End Plastic Waste (AEPW), Vung Tau City, the center of commerce and industry in Southern Viet Nam, aims to address plastic waste pollution by developing and implementing a plastic waste management project that will contribute to the removal of plastics in the solid waste value chain and the reduction of plastic waste that ultimately ends up in final disposal sites.

The main objective of the CDIA-financed PPS is to prepare a holistic solid waste management investment program that covers the full aspects of solid waste management (SWM) in the city (i.e., waste disposal, collection, sorting, recycling and treatment, final disposal) and prepare feasibility studies of plastic waste project components to be taken up by AEPW for downstream financing. The scope of the CDIA PPS includes the preparation of an institutional and capacity development road map and the preparation/drafting of the AEPW application for project financing.

Viet Nam: Can Tho Bus Priority Corridor Project
CDIA TF PPS Amount: $500,000

Can Tho has a strategic role in promoting the development of a metropolitan-level public transport being Viet Nam’s largest city in the Mekong Delta region. According to their Transport Master Plan 2013, about 2.6 million trips are made every year but only 1.7% are done via public transport, mainly buses. Motorcycles remain the dominant mode of transport at 79% of the total trips made. The national government articulated in its Masterplan on Regional Development of Transportation in Major Cities in Viet Nam the need to regulate the use of personal vehicles and strengthen public transport. Can Tho has developed various mobility plans over the last few years, although they have yet to fully implement them. In July 2020, Sustainable Mobility in Metropolitan Regions in ASEAN (SMMR) released their findings of the Regional Bus Network Review, which identified, among others, pilot bus priority corridor route options within the vicinity of Can Tho that can enhance the efficiency of their bus systems. They also recommended the establishment of a Quality Bus Partnership (QBP) scheme that will entail infrastructure improvements, bus upgrading and feeder services, etc. as pathways for making the systems more attractive. In partnership with SMMR, CDIA will conduct a PPS for the Can Tho Bus Priority Corridor Project that is envisioned to improve the Mekong Delta region’s public transport system and enable a shift toward a greener, climate-friendly, and more sustainable mobility.

The primary objective of the CDIA-financed PPS is to prepare the feasibility study and preliminary design for the proposed Can Tho Bus Priority Corridor project, which will include the technical, financial, economic, institutional and safeguard due diligence necessary to support the City to take the project forward with potential international lending support. The PPS will specifically focus on the following aspects: (i) selection of the optimum pilot bus priority corridor and its development to preliminary design level, inclusive of the associated bus stations, intermodal links/hubs, junction design, traffic signals and the associated communication and control systems; (ii) identification of the potential for Transit Oriented Development (TOD) measures to be taken forward in parallel to priority bus route implementation; (iii) Institutional capacity assessment, the development of a capacity development road map; and (iv) financial, economic, environmental, social and gender due diligence to a level suitable for take-up by the identified downstream funding agency.
APPENDIX 3

Status of Ongoing AASCTF-supported Projects

Regional: Southeast Asia Urban Services Facility (SURF)
AASCTF TA/Grant: $10 million

More than half of the population in ASEAN member countries reside in urban areas and an additional 70 million are forecast to live in ASEAN cities by 2025. While rapid and unplanned urbanization can undermine quality of life, exacerbate inequality, and cause environment stress, the continuous growth in the region also gives ASEAN cities an opportunity to leapfrog on their journey to becoming more livable by capitalizing on the exponential growth of technology.

Out of the total Australian Government (through its Department of Foreign Affairs and Trade) support of A$20 million (approximately US$14.08 million) to the ASEAN Australia Smart Cities Trust Fund (AASCTF), US$10 million is provided for the SURF transactional technical assistance. The AASCTF has an operational focus on building smart livable cities that are green, competitive, inclusive, and resilient. The program’s regional nature (comprising 24 cities across 8 ASEAN member countries), emphasis on innovation and piloting of new approaches and technologies, not to mention its broad and ambitious aims (across three key functional areas – planning systems, service delivery and financial management – and three key cross-cutting areas – gender equality and social inclusion (GESI), climate change, and private sector – lend to a high level of complexity. Supporting to cut across and seamlessly navigate the inherent complexity of the AASCTF, is the ‘why statement’ of the program, uniting the cities, the team and the many activity streams/threads under one umbrella with a common purpose, as follows:

• To facilitate the smart and equitable transformation of participating AASCTF cities to become more livable, and thereby more green, competitive, resilient, and inclusive, so that the uniquely vibrant cultures, economies, and urban ecosystems of the ASEAN region prosper, leaving no one behind.

Description of Trust Fund Support

The Trust Fund is supporting participating cities with differing levels of engagement, following a three-tiered approach (i.e., bronze, silver, and gold cities), from broader networking and capacity building (bronze cities) to targeted pilot projects (silver cities) and investment grants (gold cities).

The activities under the Trust Fund are grouped into the following three integrated yet distinct workstreams:

• Foundational Activities refer to activities that are either preparatory (e.g., city selection, concept/task order (TO) development, etc.) or provide overarching/cross-cutting (e.g., gender equality and social inclusion (GESI), private sector, climate change, monitoring and evaluation (M&E), etc.) strategic direction to the Fund’s operations and activities.

• Influencing Activities refer to broad communication and knowledge sharing activities (e.g., webinars, knowledge briefs, newsletters, video products, etc.), regional twinning/networking programs (e.g., smart city
introduction workshops, study visits, thematic workshops, regional conferences, etc.) and targeted capacity development initiatives (e.g., e-learning products, on-the-job training, facilitated learning dialogues, etc.).

• **Implementing Activities** refer specifically to technical assistance (e.g., pilot projects, demonstrations, proof of concepts, etc.) and investment grant-targeted city interventions undertaken in the pilot cities.

Furthermore, all activities are structured such as to align with and achieve the following six tenets of the AASCTF:

• **Frame, Monitor, and Learn**: program/activity framing and sound monitoring to capture and distil lessons

• **Elevate the Conversation**: focus on impact and raise awareness of the Fund’s human-centric approach

• **Strengthen Capacities**: invest in social capital and foster “champions” within participating cities

• **Build Lasting Partnerships**: collaborate to make connections, deepen relations, and expand horizons

• **Innovate via ‘Sandbox Approach’**: innovate at all levels of engagement, not least via pilot projects

• **Raise the Bar on Inclusion and Resilience**: continually push the boundaries and set the agenda for next practice smart cities in the ASEAN region, by going all in on inclusion and holistic urban resilience

By aligning the diverse activities of the Fund with a common ‘Why’ and six unifying “Hows”, the AASCTF implementation team continues to increase and enhance focus on delivering meaningful impact and sustainable outcomes, in concert with identifying scalable and replicable best and next practice smart solutions for the participating cities and, by extension, the wider region.

### Status of Physical Progress

To date, a total of twelve (12) TOs have been endorsed and initiated, having a combined total value of services of US$5.27 million. Out of the 12, two (2) city-level intervention task orders have been successfully completed:

• **Kaysone (LAO)**: Enhanced Employment Service Platform and Matching Tool and E-Learning Modules (Phase 1). The TO, initiated in October 2020, was concluded in May 2021 with the delivery of a Pre-Feasibility Report on the proposed pilot development of a labor market information system that includes digital matching tools for skills upgrading, together with the provision of high-demand skills through e-learning/gamification modules.

• **Makassar (INO)**: Strategic Urban Framework for Makassar City. The TO, initiated in August 2020, was concluded in June 2022 with the delivery of the Makassar Smart and Livable City Plan, which provides a strategic framework for urban development, backed by digital tools for smart decision-making. Key tools and platforms delivered to the Makassar city government include: a citizen engagement dashboard, a digital dashboard for prioritizing smart city investments, a web-based GIS platform called ur-scape, developed by the Future Cities Laboratory in Singapore, and the INDRA platform developed by CSIRO’s Data61 for 3D modelling, analysis, and visualization of climate risks in urban areas.

Of the remaining 10 TOs, 8 are city-level intervention and 2 are regional-level. Status of all ongoing task orders at present is as follows:

• **Baguio (PHI)**: Baguio City Smart Flood Warning, Information and Mitigation System. The project is assisting the city government of Baguio with the planning of a holistic, smart, and gender-sensitive flood early warning system (FEWS), inclusive of the development of a flood mitigation plan, dissemination and outreach plan, and a targeted capacity building and on-
the-job (OTJ) training program. The task order commenced in August 2020 and is expected to be concluded within end-2022.

- **Baguio (PHI):** Gender Transformative Approach for Strengthened Development, Application, and Replication of the Baguio City Smart Flood Early Warning System. The TO was developed to complement the broader FEWS pilot project to ensure appropriate, applicable, and timely early warning reaches the last mile, including the most vulnerable, recognizing that an effective FEWS is human-centric. The TO commenced in April 2021 and will run alongside the implementation of the broader FEWS pilot project concluding within end-2022.

- **Penang (MAL):** Penang Smart Mobility Micro-Simulation Model Development. The TO will provide Penang with a calibrated Vissim micro-simulation model of the core historic city center of Georgetown and will apply the model to test smart mobility strategies. The TO commenced in May 2021 and is expected to conclude within end-2022.

- **Battambang (CAM):** Battambang Smart Solid Waste Financial Management (Phase 1). The TO is targeted to deliver a pilot scoping through the undertaking of a waste sector diagnostics and readiness assessment, and options analysis. The TO commenced in May 2021 and will conclude within end-2022.

- **Hue (VIE):** Hue Smart Digital City Model for Master Planning. The expected impact of this TO will be improved integration and efficiency of city planning systems and governance processes in Hue through the application of digital tools (3D model), stakeholder engagement, and associated capacity building efforts. The TO was endorsed in December 2021 and will run until early-2023.

- **Chonburi/EEC (THA):** Smart City Innovation Framework and Investment Portfolio for Thailand’s Eastern Economic Corridor. The TO will undertake a smart city investment portfolio review to develop an investment plan for select priority investments. This will be coupled with the development of a framework for establishing a smart city innovation ecosystem. The TO was endorsed in December 2021 and will run throughout 2022.

- **Regional (REG):** Baseline Development and Capacity Building for ASEAN Australia Smart Cities Trust Fund (AASCTF) Participating Cities. The TO seeks to activate and drive meaningful engagement with bronze-level cities in developing a smart city baseline, conducting introductory workshops, organizing and executing the first regional AASCTF networking conference, planning and guiding implementation of two twinning programs, planning and executing a smart data management guided learning program and two thematic workshops (on climate change and sustainable financial management), and developing two e-learning courses for upload to ADB eLearn, among other things. The TO commenced in June 2021 and will be concluded, as presently scoped, within end-2022.
Regional (REG): Smart Cities–Inclusive Cities Capacity Building Programme for ASEAN
Australia Smart Cities Trust Fund (AASCTF) Participating Cities. The TO aims to initiate and
facilitate learning dialogues across a broad range of stakeholders, including government and
non-government actors, to increase awareness of and galvanize action towards addressing
the multiple ways in which the physical, social, and political dimensions of cities can
result in exclusion, disenfranchisement, and discrimination, especially when understood
from the perspectives of women, disabled persons, and other marginalized groups.
Alongside the facilitated learning dialogues, a consolidated e-learning product and regional
dissemination event will be delivered. The TO commenced in August 2021 and will be
concluded within end-2022.

Furthermore, resource persons, firms and individual consultants have been engaged under
AASCTF to provide support to the participating cities.

Beyond the specific and numerous pilot interventions noted above, AASCTF has
maintained a keen focus on communication and broad knowledge sharing, including: (i)
maintaining social media channels (Facebook, LinkedIn, Twitter, YouTube) and a central
AASCTF distribution list; (ii) issuing quarterly AASCTF letters; (iii) executing nine successful
webinars as part of the ASEAN Australia Smart Cities Webinar Series and related digital solutions
briefs; (iv) developing numerous digital solutions multimedia videos highlighting the Fund’s various
pilot activities; and (v) spearheading a social media campaign for Urban October 2021 (a
global annual event focused on sustainable urban development).

The Fund is currently scheduled to close on or before 30 June 2024.

Key perceived implementation risks and challenges include:

• Change in political support and priorities, as well as commitment level, of local governments.
  • Clear and resilient institutional, regulatory and policy frameworks in place to contribute
    as necessary to the institutionalization and long-term sustainability of the interventions
    delivered.
  • Delays incurred due to COVID-19 pandemic (and other shocks and stresses such as
typhoons, etc.).
  • Economic disruption causing ripple effects on the ability and willingness of the key
    stakeholders, in particular private sector, to engage.

Regional: City Resource and Finance tool (CRAFT)
AASCTF Grant (Direct Charge): $195,000

Brief Background

Emerging from COVID-19, cities in Asia and the Pacific are facing a perfect storm. The pandemic
has also increased demands for increased social and municipal infrastructure, cities are facing
declining GDPs, lost tourism and manufacturing revenue, and an increased risk profile of
infrastructure for private sector participants. Together, these are severely impacting cities’
financial ability to provide healthcare, education, affordable housing and social services, especially
for the urban poor. The focus on improving local resource mobilization to become self-sustainable
and developing green, and resilient infrastructure to improve competitiveness has become all the
more important for cities.

Creating Investable Cities, a strategic priority of the Public-Private Partnership Thematic Group
Secretariat (PPP-TGS) and the Asia Pacific Project Preparation Facility (AP3F), improves
cities’ financial resilience and efficiently mobilizes public and private sector resources for quality
infrastructure to lead Asia and Pacific cities’ response and economic recovery. The initiative
has also received financial support under the Technical Assistance Special Fund (TASF)
COVID-19 pool. Under the Creating Investable
Cities TA, assistance will be provided to a pool of 15–20 partner cities across Asia over the next five years for: (i) early-stage planning of quality municipal infrastructure; (ii) increased resource mobilization and inter-agency coordination to support private sector participation; and (iii) improved capacity to implement this quality infrastructure. CRAFT is also expected to be implemented in 14 cities in Malaysia under the Green Cities Action Plan TA.

The development of this framework is linked to AASCTF’s Output 3: Improvement of financial management of Asian cities and Outcome c: to improve the creditworthiness of participating cities. Closely tied to Strategy 2030’s Operational Priorities, the TA is a true One-ADB effort and brings resources from across the SDCC, Regional Departments, PSOD, and ORM. While the annual city selection will be done in close coordination with the Regional Departments and Resident Missions, this application supports the development of the City Resource and Finance Tool (CRAFT) to allow credit rating of cities and identification of strategies for resource mobilization.

Brief Description of TF Support Provided

CRAFT is a standardized municipal finance template for detailed mapping of city’s current financial resources, obligations and liabilities. By integrating it with proposed capital investment plan, the template helps in forecasting the city’s financial status and also assists in analysis and identification of strategies for domestic resource mobilization, both internally and externally, to meet a city’s medium-term investment needs. Internally, the analysis will focus on identifying way to raising more revenues through elements of tax and tariff reform, improved tax administration, land value capture, fee pricing and application of other sector-specific local resource mobilization strategies. For external resource mobilization, the analysis will assist to assess creditworthiness through the credit rating framework that is being developed in parallel.

Application of this framework and the resulting recommendations will guide the city in: (i) improving its financial management and creditworthiness; and (ii) strategizing for resource mobilization and/or prudent borrowing to meet medium-term infrastructure needs.

Status of Physical Progress

The draft model of CRAFT was revised further based on the inputs provided to the Consultants. The Consultants are further refining the model to add additional functionalities based on the inputs provided to them. These include:

- mapping of the past trends in arrears and collection efficiency of past five years
- budget variance analysis
- point-in-time output assessment – a separate framework to provide an assessment based on past financials.

These addition functionalities provide better utility for historical analysis and past performance assessment of the cities. The consultant team is currently building the above.

Further, the work towards developing online tool for CRAFT is initiated. The Online tool for CRAFT is a web-enabled platform and will provide comprehensive online interface providing all functions of input, analysis and output presentation that CRAFT tool would do and will provide a superior, user-friendly experience along with online guidance manual and training modules that will help in capacity building and guidance to the users. Towards the same, the key steps included developing wireframes before engaging an IT consultant for a full-fledged platform development. The CRAFT tool will also be integrated with the other key tools viz, subnational financing monitor (SNFM) and QI Resilience Toolkit. Efforts to bring CRAFT online are ongoing and a firm selection process for the same is already underway.

A few snapshots of the wireframes that are developed are shown below:
Finalization of CRAFT tool: As next steps towards finalization of CRAFT, revised model from consultants would be reviewed for its comprehensiveness. The inputs are also sought from external consultants working on the credit rating framework and model, and project resilience teams to include relevant factors before CRAFT could be finalized. As next important step, the CRAFT would be pilot launched in the city of Makassar, Indonesia.

Other ongoing works for completing CRAFT: The subnational finance monitor (SNFM) is underway. The SNFM will provide some key inputs towards undertaking own-resource mobilization strategy by cities. Consultants have been engaged who would start the work on SNFM. The consultants have already submitted the inception report for SNFM and comments are being sought from ADB internal teams. Once finalized, the SNFM would be implemented in eight countries by the consultant most of which would be undertaken in parallel.

Expected completion date and overview perceived implementation risks and challenges

The earlier envisaged risks related to the implementation of CRAFT in form of COVID-19 and its continued impacts on travel and social challenges in the cities have been moderated to a large extent.

Implementation of CRAFT in Makassar city is proposed and discussions have already been initiated with the city. A workplan has also been shared with the Mayor's office for their review and approval. The implementation of CRAFT will require extensive on-site data collection, interviews, and field assessments to be able to develop reasonable five-year projections and scenario analyses. A Letter of Intent has been signed with the City of Makassar for implementing the CI. The city is also currently working on the AP3F application for funding support for implementing the Project. It is aimed that the initial implementation of CRAFT will be completed by December 2022.
APPENDIX 4

Status of Ongoing UEIF-supported Projects

 PHI: Water District Development Sector Project
 UEIF IG Support: $2,000,000

Background
The Local Water Utilities Administration (LWUA) has requested a loan of $60 million from ADB’s ordinary capital resources under the Water District Development Sector Project (WDDSP). The sector loan will help finance the extension and rehabilitation of water supply systems and the construction of new sanitation facilities of less established water districts (WDs). Apart from the loan, a $2 million investment grant to subsidize the construction of new sanitation systems and a capacity development technical assistance (CDTA) were likewise provided.

Brief Description of Trust Fund Support
The $2 million investment grant from UEIF is intended to subsidize up to 20% of the cost of septage management facilities to motivate local government units and water districts by making sanitation investments more affordable.

Status of Physical Progress
Two water districts have proposed sanitation subprojects: Norzagaray and Zamboanga.

- For Norzagaray, the contract for vacuum trucks has been awarded, and the package for the septage treatment plant is undergoing the bidding process, with contract signing expected by 2nd quarter of 2022.
- For Zamboanga, the bidding process for the rehabilitation and expansion of sewer lines is currently ongoing. Contract signing is expected by May 2022. The package was delayed due to the proposed increase in water tariff, which took some time for approval by LWUA and Zamboanga City Water District Board.

Finally, the recruitment for a project management and implementation assistance consultant is also ongoing. Technical and financial proposals have been evaluated and contract signing is expected to be attained by 2nd quarter of 2022. This package is delayed due to the issue of indirect taxes and expended withholding taxes to be borne by the government. LWUA is looking at ways to cover the taxes.

Due to various implementation challenges encountered, SEUW has agreed to close the grant by 31 October 2022 and process the return of the remaining balance to SIDA. Remaining activities will be funded through the reallocation of loan proceeds.

 REG: Knowledge Management Support Facility for Making Cities More Livable
 UEIF DC Support: $225,000

Background
ADB’s Strategy 2030 (S2030) envisions Asia and the Pacific as prosperous, inclusive, resilient,
and sustainable. It includes “Making Cities More Livable” as one of the seven important operational priorities and calls for making cities Green, Competitive, Inclusive, and Resilient. This direct charge facility supports knowledge and capacity building efforts of the Urban Sector Group for ADB staff and DMCs, which include development and production of knowledge publications, holding of capacity building events and training programs, and participation to key international events.

Brief Description of Trust Fund Support

This proposed Knowledge Management Support Facility for Making Cities More Livable will contribute to the Livable Cities operational priority of S2030 by building capacities and enhancing knowledge of DMC officials on important areas of livable cities. The facility will support DMCs to effectively plan, design, develop, and implement suitable programs for livable cities taking into consideration the perceived needs and unique challenges faced by cities. Specifically, the facility will support integrated urban and regional planning, municipal financing, urban governance improvement, inclusive urban development, environmental sustainability and climate resilience, urban transport, social inclusion, and adoption smart city concept, including the use of information and communication technologies (ICT), among others.

Status of Physical Progress

The facility has resulted in the following deliverables:

• Production of Knowledge Products
  o Screening Tool for Energy Evaluation of Projects (STEEP)
  o Rajasthan Rising: A Partnership for Strong Institutions and More Livable Cities
  o COVID-19 and Livable Cities in Asia and the Pacific: Guidance Note
  o Knowledge Product Preparation – Tianjin Smart Water Publication
  o Support for ADB Staff as Resource Persons in International Events
    o Asia Smart City Conference, Yokohama (8–11 October 2019)
    o Asia Pacific Urban Forum (15–17 October 2019)

The direct charge, the completion date of which has been extended until end of December 2022, will continue to support selected knowledge activities and events of the Urban Sector Group, including the upcoming Asia Housing Forum in November 2022.