The Asian Development Bank (ADB) launched its first theme bond (water) for sustainable development in 2010, in response to a growing demand among its investor base to highlight key initiatives. Since launching the water bond, ADB has expanded its theme bond offerings to include health, gender, and, most recently in 2021, education bonds.

The projects funded by theme bonds are aligned with the Sustainable Development Goals (SDGs) adopted by the United Nations on quality education, gender equality, clean water and sanitation, and good health.

- Education bonds improve access to, and the quality and relevance of, education and training, and amplify the returns to students and the workforce.
- Gender bonds promote gender equality and the empowerment of women.
- Health bonds tackle health challenges in Asia and the Pacific.
- Water bonds support projects under the Water Financing Program and highlight ADB’s efforts to address water and sanitation security needs in Asia and the Pacific, including water supply, sanitation, water resources management, and water-related disasters.

Table 1 summarizes the amounts issued for the various outstanding theme bonds. Table 2 shows the project commitments and disbursements for each theme bond. Table 3 summarizes how the proceeds from the various types of theme bonds are used.

“ADB continues to deepen its engagement to enhance water security, promote universal health care, close gender gaps, and increase access to quality education in Asia and the Pacific,” says ADB Director General for Sustainable Development and Climate Change Bruno Carrasco.

The ADB Director General adds: “Many challenges remain and despite progress across our region over the recent decades, it has been adversely impacted by the COVID-19 pandemic. Theme bonds have been instrumental for ADB to address these developments and leverage additional resources to support strong and targeted interventions, especially in adapting to climate change and in pandemic response and recovery.”
### Table 1: Summary of Theme Bond Issuances ($ million)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Total Bond Issuances</th>
<th>Outstanding Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>161</td>
<td>161</td>
</tr>
<tr>
<td>Gender</td>
<td>2,052</td>
<td>2,052</td>
</tr>
<tr>
<td>Health</td>
<td>644</td>
<td>605</td>
</tr>
<tr>
<td>Water</td>
<td>1,708</td>
<td>175</td>
</tr>
<tr>
<td>Total</td>
<td>2,889</td>
<td>1,355</td>
</tr>
</tbody>
</table>


### Table 2: Summary of Theme Bond Projects ($ million)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Eligible Projects Commitments</th>
<th>Eligible Projects Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>35,831</td>
<td>14,643</td>
</tr>
<tr>
<td>Health</td>
<td>3,864</td>
<td>1,962</td>
</tr>
<tr>
<td>Water</td>
<td>3,240</td>
<td>2,934</td>
</tr>
<tr>
<td>Total</td>
<td>42,935</td>
<td>19,539</td>
</tr>
</tbody>
</table>


### Table 3: Use of Proceeds for Theme Bonds

- **Use of proceeds for education bonds**: During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof for use in its ordinary operations to finance a pool of projects related to the education sector, directly or indirectly through governments or rural governments of ADB members or financial institutions or investments in private sector education projects. In case it would be unable to apply an amount equal to the proceeds as provided, ADB will apply the remaining proceeds thereof to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank. Payment of principal of and interest on the Notes will be based solely on the creditability of ADB, and not on the performance of investments and loans under ADB’s projects in the education sector.

- **Use of proceeds for water bonds**: During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof and use it in its ordinary operations to finance a pool of projects related to the water sector, directly or indirectly through governments or rural governments of ADB members or financial institutions. In case it would be unable to apply an amount equal to the proceeds as provided, ADB will apply the remaining proceeds thereof to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank. Payment of principal of and interest on the Notes will be solely made on the creditability of ADB, and would not be directly linked to the performance of investments and loans under ADB’s projects in the water sector.

- **Use of proceeds for health bonds**: During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof for use in its ordinary operations to finance a pool of projects related to the health sector, directly or indirectly through governments or rural governments of ADB members or financial institutions or investments in private sector health projects. In case it would be unable to apply an amount equal to the proceeds as provided, ADB will apply the remaining proceeds thereof to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank. Payment of principal of and interest on the Notes will be based solely on the creditability of ADB, and not on the performance of investments and loans under ADB’s projects in the health sector.

- **Use of proceeds for gender bonds**: During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof for use in its ordinary operations to finance a pool of eligible projects which promote gender equality and women’s empowerment, directly or indirectly through governments of ADB members or financial or other institutions or investments in private sector projects. Eligible projects include those funded either in whole or in part from ADB’s ordinary capital resources that target narrowing gender disparities and promoting empowerment of women and girls. To achieve this, such projects would typically address one or more of the following five areas and/or dimensions of gender equality and women’s empowerment, either as part of the overall outcome of the project (referred to by ADB as a “gender equity theme” project) or by incorporating them into specific project components (referred to by ADB as an “effective gender mainstreaming” project):
  1. Women’s economic empowerment. Access to finance and/or credit; micro, small, and medium-sized enterprise development; agriculture development; value chain support; financial literacy and entrepreneurship training.
  2. Gender equality in human development. Education, skills development, and technical and vocational education and training, including “nontraditional” female subjects and/or job sectors such as science and mathematics, engineering, technology, sexual and reproductive health and rights, sanitation, and prevention of gender-based violence.
  3. Reduced time poverty of women. Reduced drudgery and time spent on unpaid care and domestic work through infrastructure (transport, water, sanitation, energy) or affordable child, elderly, or family care support.
  4. Participation in decision-making and leadership. Through community groups, local governments, and public and private sector management.
  5. Women’s resilience against risks and shocks including climate change and disaster impacts. Environmental protection and/or rehabilitation; flood and disaster risk management; budget support and social protection. Payment of principal of and interest on the Notes will be based solely on the creditability of ADB, and not on the performance of investments and loans under ADB’s projects on gender equality and women’s empowerment.

The examples of eligible projects are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by ADB during the term of the Notes. In case it would be unable to apply an amount equal to the net proceeds of the Notes as provided earlier, ADB will apply the remaining proceeds thereof to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank.

Amid the coronavirus disease (COVID-19) pandemic, ADB has been working closely with developing member countries (DMCs) and partner institutions to protect the poor, the vulnerable, and wider populations across the region to ensure that economies will rebound as swiftly as possible.

“Investors have shown strong support for our theme bonds amid these challenging times. This highlights ADB’s efforts to scale up its assistance and address specific needs of our developing member countries, including in areas such as health and education systems, which have been severely impacted by the pandemic,” according to ADB Treasurer Pierre Van Peteghem.

In April 2020, ADB responded with a $20 billion package to finance an aggressive set of actions to combat the pandemic and help DMCs counter the severe economic and social impacts caused by COVID-19. In December 2020, ADB launched a $9 billion vaccine facility to support national allocation plans, delivery systems, and the purchase of vaccines in a timely manner.

As of March 2021, ADB has committed $16.7 billion toward COVID-19-related operations, and has mobilized development partner cofinancing of $11.3 billion, thus raising the total response to about $28 billion.

In addition to education, health, water, and gender bonds, ADB also launched its green bond program in 2015, raising around $9.9 billion since then. The program helps finance climate change mitigation and adaptation projects. ADB is also exploring innovative financing mechanisms. An example is blue bonds as one of the potential instruments of ADB’s Oceans Financing Initiative, which will innovate and scale up investments for healthy oceans and sustainable blue economies in Asia and the Pacific.
CHALLENGES

Education in Asia and the Pacific has made significant gains over the years; since 2018, 9 out of 10 children of primary school age have been in school. For a region that, in the 1970s, had two thirds of the world’s out-of-school children, this progress is remarkable. But big challenges remain.

About 16 million children of primary school age and 34 million adolescents of lower secondary school age are out of school. In low-income countries, 241 million or 9 in 10 children and adolescents lack basic literacy and numeracy skills by the time they should have completed primary or lower secondary education, according to the UNESCO Institute for Statistics (2015).

The universal completion of a full 12 years of education, which increases economic returns to the individual as well as to society, is still an unrealized goal. Technical and vocational education and training (TVET) is often lacking in quality and relevance to labor markets, and the opportunities for advancement it offers continue to be limited. Although tertiary education has seen substantial growth in gross enrollment, it needs to be made relevant to 21st-century skills, as well as to the capabilities required for the Fourth Industrial Revolution (Industry 4.0) and future economies, and to enhance innovative capacity.

Realizing Sustainable Development Goal 4 to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” requires concerted effort and cross-sector collaboration across all levels of education.

ADB’S RESPONSE

ADB has a long-standing record of supporting education development and reforms in the Asia and the Pacific region. Backed by the strong partnerships it has built, ADB has provided over $16 billion in loans and grants to the education sector in DMCs for more than 40 years, helping achieve the goal of high-quality education for all.

Strategy 2030 defines education goals under Operational Priority 1, which addresses reducing remaining poverty and inequalities. To improve learning outcomes for all, to make TVET graduates more employable and job-ready, and to increase opportunities for lifelong learning and training in its DMCs, ADB supports programs to boost secondary and tertiary education and give it a greater focus on science, technology, engineering, and mathematics, especially to enable female students to pursue nontraditional careers. It also promotes stronger links with industry and aids programs for lifelong learning and re-skilling.

ADB has about $3.5 billion worth of education and training projects in its current portfolio, and around $3.6 billion worth in the 2021–2023 pipeline. Loans are aimed at improving the quality of education and training, with reform initiatives, research evidence, and policy development support. On the other hand, financing seeks to improve access to, and the quality and relevance of, education and training, as well as amplify the returns to students and the workforce.

To be an agile development financing partner to its DMCs, ADB uses a suite of financing modalities and structures funding to suit the specific requirements of each project or program.
Philippines: Secondary Education Support Program

**ADB Loan Package:** $300 million  
**Outcome:** Secondary level student learning outcomes and completion rates improved  
**Tenor:** 25 years

**SDGs addressed:**

- Quality Education (4)  
- Gender Equality (5)  
- Reduced Inequalities (10)

This program will enhance student learning outcomes and completion rates at the secondary level by

(i) improving the quality and relevance of the secondary education program;  
(ii) raising the quality of secondary school teachers; and  
(iii) strengthening the management of the secondary education sector.

Outcomes include increasing completion rates at the junior high school level by at least 4%, and raising by 2% the passing rates in national certification assessments.

The program will support the upgrading of science, mathematics, English, and Filipino curricula, as well as improvements in teacher proficiency, through professional development and career advancement opportunities. All these will increase the quality of secondary education and the skills and competencies of high school graduates.

ADB is providing a results-based loan for this program to enable the Philippines to carry out system-wide secondary education reforms in 2019–2023. This follows an earlier loan of $300 million for initiating K–12 reforms in 2014–2019 through the Senior High School (SHS) Support Program.

The SHS Support Program funded the development of the SHS curriculum and the hiring of 47,000 science and math teachers. This enabled the Department of Education to achieve its minimum service standard for the number of qualified teachers per student in its SHSs.

Furthermore, the program was instrumental in the development and effective implementation of the SHS voucher program, which is now benefiting almost 1 million students. Strong ownership of the results on the part of government has ensured its continued commitment despite changes in leadership.

https://www.adb.org/projects/45089-004/main

Students graduating from secondary level school. The ADB project will help provide students in the Philippines with job-ready skills.

Secondary school teacher conducting a lecture. ADB projects support system-wide education reforms and help raise the quality of secondary school teachers.
India: Madhya Pradesh Skills Development Project

**ADB Loan Package:** $150 million  
**Outcome:** Number of skilled workers with internationally or nationally recognized TVET certificates increased  
**Tenor:** 20 years

**SDGs addressed:**

- Quality Education (4)  
- Gender Equality (5)  
- Decent Work and Economic Growth (8)

https://www.adb.org/projects/48493-002/main

The outcomes are expected to contribute to increasing employability, productivity, and incomes of the workforce, especially youth, women, and disadvantaged groups.

The inclusion and equity component of the project stipulates that 30%–35% of all training beneficiaries will be women. Further, all facilities will be constructed or upgraded with barrier-free designs for people with disabilities.

At least 1,500 persons with disabilities will receive opportunities for training in the Global Skills Park.

**Access to quality training.** The project will establish a Global Skills Park and help modernize 10 industrial training institutes.

The project will assist the Government of Madhya Pradesh, India, to establish a Global Skills Park, i.e., a TVET institute of international standards for technology-oriented skills training for the state’s priority sectors, and to modernize 10 industrial training institutes.

Outcomes include 18,000 youth receiving internationally recognized advanced skills certificates relevant for quality jobs, and over 60,000 students and youth benefiting from skills training and industry-led training programs.

**Students undergoing technical skills training.** ADB projects contribute to increased employability and productivity of the workforce.
OPERATIONAL PRIORITIES AND DEVELOPMENTAL CHALLENGES

Accelerating progress in gender equality in Asia and the Pacific is one of the seven operational priorities in ADB’s Strategy 2030. ADB recognizes that gender equality is critical both in its own right and to realize socioeconomic development. To achieve a prosperous, inclusive, resilient, and sustainable region, it is imperative that ADB contributes to improving gender outcomes in five areas: economic empowerment; human development; decision-making and leadership; time poverty reduction; and resilience to external shocks. ADB is committed to gender-inclusive project designs in at least 75% of its sovereign and nonsovereign operations by 2030.

The development challenges facing the region require urgent attention so that the gains in gender equality are not permanently reversed, particularly because of the ongoing pandemic, which has worsened deeply entrenched social norms and practices such as the burden of care and domestic work and gender-based violence. Women have been particularly affected by COVID-19, with disproportionate reliance on employment in economic sectors that have been hardest hit, such as tourism, manufacturing, and textiles. Maternal and infant mortality has also risen due to distressed health systems, while more girls than boys have dropped out of school.¹


OPERATIONAL PLAN

To tackle these added pressures and help protect gender equality from the negative ripple effects of the pandemic, ADB under its Strategy 2030 Operational Plan for Priority 2 continues to scale up gender mainstreaming across operations in all sectors and to integrate a more gender-transformative agenda—strongly interlinked with the achievement of other SDGs, such as poverty reduction (SDG 1), health (SDG 3), education (SDG 4), decent work (SDG 8), and climate change (SDG 13).

In Asia and the Pacific, adopting a transformative and integrated approach is particularly relevant given the rapidly changing regional context that threatens gender equality gains if a business-as-usual approach continues. Evidence indicates that prevailing gender inequalities in education and skills, economic and productive resources, and unpaid care work restrict women’s access to the digital economy and new skilled jobs, increase their vulnerability to climate change, and increase their care burden in the face of demographic shifts.²

Fiji: Sustained Private Sector-Led Growth Reform Program (Subprogram 3)

ADB Loan Package: $200 million
Outcome: Inclusive private sector-led economic growth sustained
Tenor: 15 years

SDGs addressed:

https://www.adb.org/projects/48490-004/main#project-pds

This includes support for women entrepreneurs and women-owned small and medium-sized enterprises, direct cash transfers to informal workers and microenterprises, and the establishment of a cross-government and civil society working group on gender and COVID-19.

The program also introduced gender-responsive budgeting and will expand its use in government programs, including to ensure that future COVID-19 programs include targeted measures for women’s economic empowerment.

Committed in 2020, this program was the first public, financial management policy-based ADB loan to be classified using a gender equity theme, the highest in ADB’s project gender categorization system.

Subprogram 3’s strong policy reforms aim for a transformational impact on gender equality through inclusive private sector-led growth, increased access to quality services for women and girls, and support for women’s economic empowerment during and following the COVID-19 crisis.
India: Rural Connectivity Investment Program – Tranche 1

ADB Loan Package: $252 million
Outcome: Improved and sustainable connectivity of rural communities in the program states to markets, district headquarters, and other centers of economic activity
Tenor: 20 years

SDGs addressed:

Access to financial services. The project has improved roads, which have facilitated access to banking services for women in West Bengal, India.

Gender issues were emphasized in this project, committed in 2013, that connected rural communities in India by improving road infrastructure and maintenance and strengthening related institutions. Households headed by women and other vulnerable groups were consulted, gender issues relating to road development were built into the project design, and the project promoted gender equality in leadership and decision-making.

Recruiting women to village grievance redressal committees, for example, proved instrumental in project progress when road construction stalled, and women successfully negotiated with landowners to relinquish land for the project.

By connecting almost 1,800 rural households, the project roads helped women-centered traditional occupations, such as rearing cattle for milk production and subsistence farming, expand by accessing markets and empowered women’s groups to demand higher prices for their products.

As of completion in 2018, the project’s direct benefits included jobs for 197,160 women (37% of the road maintenance workers), equitable employment, capacity development, gender-responsive infrastructure design, and institutional gender capacity building.³

Women harvesting vegetables. ADB projects improve road infrastructure, connect rural households, and expand women’s access to markets.

CHALLENGES

As ADB aims to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific as outlined in its Strategy 2030, it is important for it to continue to recognize the role of health in achieving and sustaining socioeconomic development. Achieving universal health coverage (UHC) is integral in addressing remaining poverty and reducing inequalities. The COVID-19 pandemic has shown that countries with advanced UHC strategies were better equipped to respond to the health crisis. It also highlighted the need to mobilize sustainable financing for UHC. ADB is committed to UHC through scaling up its health sector investments to 3%–5% of its total portfolio to support inclusiveness and reduce vulnerabilities in Asia and the Pacific.

While Asia and the Pacific has made great progress in the last 50 years in improving health, the unprecedented emergence of COVID-19 has threatened to undo it. The pandemic impacted people of all ages; however, the older demographics have been hit hardest by the disease, with adults over the age of 65 representing 80% of hospitalizations and having a greater risk of dying than those younger than 65. Disruptions of essential health services were also reported by nearly all countries. Services affected include essential services for communicable and noncommunicable diseases, mental health, reproductive, maternal, newborn, child and adolescent, and nutrition services. Due to these disruptions, people with noncommunicable diseases are more vulnerable to becoming severely ill or dying from COVID-19. The pandemic also affected health spending.

Early in the pandemic, health care utilization dropped substantially, mainly due to the enforced lockdowns. However, the demand for telemedicine use has seen an exponential increase. The long-term effects of the pandemic on health spending remain to be seen. High out-of-pocket health expenditure brought on by COVID-19 hospitalizations may drive hundreds of millions of families into poverty. There is a need for more robust public health systems that can respond to emerging and emergency health threats.

ADB’S RESPONSE

To respond to these evolving needs, ADB focused most of its resources to support member countries on their pandemic response. To address persistent poverty and reduce inequalities, work will focus on progress toward UHC, taking into consideration countries’ context and experiences.

Women’s priorities will also be addressed in providing quality health care services. Investments in health facilities and systems that are climate-smart will enhance environmental sustainability.

Expanding the availability of primary care services in rural areas will promote development. Investments in health sector information and communication technology will strengthen governance and institutional capacity.

Multicountry, multisector, and cross-border responses to enhance communicable disease control will foster regional cooperation and integration. Innovative and collaborative approaches that nurture and develop capacity, as well as promote high-impact results, will be prioritized.
PHILIPPINES: HEALTH SYSTEM ENHANCEMENT TO ADDRESS AND LIMIT COVID-19

ADB Loan Package: $125 million
Outcome: Capacity of Department of Health to detect, contain, and treat COVID-19 cases strengthened
Tenor: 29 years

SDGs addressed:

The Health System Enhancement to Address and Limit COVID-19 (HEAL) Project seeks to improve health services in the Philippines.

As part of ADB’s comprehensive COVID-19 support for the country, the project involves upgrading medical equipment and providing laboratory supplies to selected government hospitals, and supplying personal protection equipment to medical frontliners. It is also building two more COVID-19 laboratories to boost the country’s testing capacity by 11,000 tests per day.

Health workers will be trained to better support patients and their families. The loan will also help the country achieve its UHC goal. With ADB’s support, the Philippines will be ready for future health emergencies.

Support for COVID-19 pandemic response. The project will upgrade medical equipment, provide laboratory supplies, build testing laboratories, and help the country achieve its UHC goal.

Medical technicians testing new laboratory equipment. The ADB project will boost the country’s testing capacity to address the COVID-19 pandemic and future emergencies.

https://www.adb.org/projects/54171-002/main#project-pds
India: Strengthening Comprehensive Primary Health Care in Urban Areas Program under Pradhan Mantri Atmanirbhar Swasth Bharat Yojana

**ADB Loan Package:** $300 million  
**Outcome:** Equitable access to quality comprehensive primary health care services in urban areas improved in 13 states  
**Tenor:** 20 years

**SDGs addressed:**

3. **Good Health and Well-being**  
5. **Gender Equality**

https://www.adb.org/projects/53121-001/main#project-pds

The onset of COVID-19 has put pressure on and revealed weaknesses in India’s health care system. In response, the government launched Pradhan Mantri Atmanirbhar Swasth Bharat Yojana (PM-ASBY) to strengthen public health systems and respond to future pandemics and other emergencies.

The Strengthening Comprehensive Primary Health Care in Urban Areas Program will support the Ayushman Bharat (Healthy India Initiative) Health and Wellness Centres and PM-ASBY to ensure equitable access to quality comprehensive primary health care services in urban areas in 13 states.

The program will benefit an estimated 256 million urban residents, including 51 million from the slum areas of Andhra Pradesh, Assam, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Telangana, and West Bengal.

The program will strengthen the institutional capacity, operation, and management of urban health and wellness centers at the central, state, and municipal levels. It addresses the ongoing COVID-19 challenges while ensuring continuous provision of non-COVID-19 health services. It will conduct awareness and education campaigns on health and nutrition, including preventive measures and strategies.

Delivery and information systems for primary health care will be upgraded through digital tools, quality assurance mechanisms, and engagement and partnership with the private sector.

Woman undergoing COVID-19 testing in Haryana, India. The project will address the ongoing COVID-19 challenges, conduct awareness and education campaigns on health and nutrition, and upgrade the delivery and health information systems for primary health care.

Nurses treating a patient. The ADB project will promote equitable access to quality comprehensive primary health care services in urban areas.
CHALLENGES

About 300 million people in the region still lack access to safe drinking water, 1.2 billion have no adequate sanitation, and 80% of wastewater is discharged untreated into water bodies. Demand for water has increased across much of the region in the past decade for agriculture, cities, and industry. Asia and the Pacific experiences more than 40% of disasters globally. On top of these, communities, businesses, and service providers are confronted with the risks from climate change, both slow onset changes and more frequent extremes.

Based on the Asian Water Development Outlook 2020, gradual improvements in water security across the region have been recorded, particularly for rural water security, economic water security, and in addressing risk from water-related disasters. Progress in improving urban water security and environmental water security is, however, less evident.

OPERATIONAL PRIORITIES

DMCs need sustained support in improving water resources management and water services delivery. Consistent with Strategy 2030, ADB’s water sector will continue pursuing integrated and innovative solutions to address these challenges and contribute towards addressing the region’s water insecurity.

The following innovations and trends in the water sector already incorporated in a number of projects under preparation in 2020 will continue to be promoted in 2021 and 2022:

(i) technology and data management;
(ii) innovative financing and transactions;
(iii) the focus on asset management;
(iv) governance, performance, and capacity building;
(v) resilience, climate, and environmental mainstreaming; and
(vi) integrated and cross-sectoral water projects.
(vii) digitalization

ADB’s water sector also intends to expand its knowledge base in the following emerging areas through additional expertise and strategic partnerships:

(i) Resilience and adaptation. Addressing risk and uncertainty from climate change, water-related disasters, public health emergencies, and other economic shocks is central to the next 10 years of ADB’s water program.

(ii) Sustainability. Integrated approaches offer new opportunities to achieve global sustainability goals including a greater focus on ecosystem services, the circular economy, and linkages between sectors.

(iii) Effective and sustainable water, sanitation, hygiene, and health (WASH+H) programs, with a focus on hygiene behavior change. Integrating WASH in ADB water, urban, health, education, and social protection projects and strategies, including gender mainstreaming can deliver not only in terms of COVID-19 prevention and control, but also prevention of WASH-related diseases, inclusion, equity and economic prosperity for the people in Asia and the Pacific.
PROJECTS

Georgia: Sustainable Water Supply and Sanitation Sector Development Program

**ADB Loan Package:** $150 million  
**Outcome:** Strengthen governance and institutions for efficient and sustainable delivery of water supply and sanitation services and making cities more livable  
**Tenor:** $130 million – 15 years; $20 million – 23 years  

SDGs addressed:  

![SDGs](https://www.adb.org/projects/51132-002/main#project-pds)

The program supports the government in achieving sustainable water supply and sanitation (WSS) services and an efficient state-owned enterprise. The sector development program modality was considered appropriate in view of the parallel needs for development financing, policy reforms, and targeted project financing and noting the

(i) strong demand for sector reforms from the government;  
(ii) United Water Supply Company of Georgia’s (UWSCG) experience in implementing ADB projects;  
(iii) extensive experience of ADB in Georgia’s WSS environment; and  
(iv) need for budget support to cover development financing gaps.

Policy actions under the standalone multi-tranche policy-based loan will transform WSS governance and institutions for improved performance and financial sustainability, while ensuring funding for basic services during a period of fiscal constraints brought on by COVID-19. The project will

(i) strengthen the operation and maintenance capacity of UWSCG;  
(ii) prepare strategic investment plans for national-scale rural WSS development; and  
(iii) increase public awareness of infection prevention measures in the context of COVID-19 through a gender-sensitive health, hygiene, and sanitation program.

The project will also improve the water supply system in Telavi City, a regional center and employment generation hub, to enable 24-hour water supply. Meanwhile, the government is committed to strengthening the effectiveness of WSS governance and institutions. A successful turnaround of UWSCG will help raise its business profile, establish market credibility to foster private sector participation, minimize the potential risks of debt restructuring and loan refinancing, and have an important demonstration effect for all operators involved in WSS.

Policy reforms and the project component complement each other to catalyze sector improvements. Policy reforms will build an enabling environment and increase the sustainability of the country’s sector projects. They will also strengthen the performance of the state-owned enterprise by fostering corporate governance, commercial orientation, and management accountability and autonomy, and by making public–private partnership more attractive.

Underground reservoir in Kutaisi, Georgia. The project will support the government’s efforts to achieve sustainable water supply and sanitation services.
Philippines: Angat Water Transmission Improvement Project (Additional Financing)

**ADB Loan Package:** $126.02 million

**Outcome:** adequate and reliable amounts of water supplied in Metro Manila

**Tenor:** 25 years

**SDGs addressed:**

https://www.adb.org/projects/46362-002/main#project-pds

The original project approved in 2016 supports the Metropolitan Waterworks and Sewerage System (MWSS) in securing raw water supply to the 13 million inhabitants of its service area through the construction of a new upstream tunnel from the Ipo Dam to the Bigte Basins, and reinforcing water security.

Some of the main components of the Angat transmission line have been in service for 50 years, and are in poor condition and not in compliance with structural and seismic requirements, risking the partial interruption of Metro Manila’s water supply.

The additional financing will allow MWSS to expand the rehabilitation of the water transmission system, reduce water losses, and increase the viability of the ongoing project by constructing a new aqueduct from the Bigte Basins to the Novaliches Portal to convey water to the downstream treatment plants that supply water to Metro Manila. It will also increase the capacity of the Angat transmission system to meet increasing demands and mitigate the risk of a total loss of water supply to Metro Manila by building resilience.

While this project had been planned since 2018, well before the COVID-19 pandemic, it will have significant benefits by improving overall health and hygiene of the population.
About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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Note:
In this publication, “$” refers to United States dollars.
All photos by ADB.

On the cover: ADB’s theme bonds covering water, health, gender, and education are aligned with the Sustainable Development Goals adopted by the United Nations.

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