



## STRATEGY 2030 URBAN SECTOR DIRECTIONAL GUIDE SUMMARY

Making Cities More Livable in Asia and the Pacific

Asia and the Pacific is urbanizing fast—which is both a challenge and an opportunity. Although rapid urbanization is often associated with increased economic opportunities, it also contributes to resource inefficiency, increasingly adverse climate change impacts, overstressed infrastructure, insufficient public services, and the growth of informal settlements.

Urban population in the region is expected to increase from about 2 billion in 2020 to about 3 billion by 2050. This region includes the world’s most densely populated cities, as well as fragile urban areas in Pacific island countries. Cities in the region have unprecedented opportunities to transform their residents’ well-being and catalyze economic development through increased urbanization by 2030.

**ADB’s Strategy 2030** identifies “making cities more livable” as one of the seven operational priorities for ADB to achieve its vision of a prosperous, inclusive, resilient, and sustainable Asia and the Pacific. **Operational Priority 4 (OP4): Making Cities More Livable**, approved in 2019, sets out the direction and approach for ADB to help its developing member countries (DMCs) build livable cities that are green, competitive, inclusive, and resilient. It also details ADB’s strategic support to cities to develop effective institutions, policies, and enabling environments to become more livable. **The Urban Sector Directional Guide (USDG) complements OP4 with guidance on how cities in DMCs can address complex urban challenges through integrated principles and innovative development solutions.**



ADB's vision and strategy for livable cities align with the global development agenda elaborated in the United Nations Sustainable Development Goals (SDGs), the New Urban Agenda, and the Paris Agreement.

## Where We Are

Most cities in the region face huge infrastructure deficits and inadequate urban services. To maintain growth, provide more equitable services, and improve climate resilience, it's estimated that until 2030, new and rehabilitated infrastructure will require an annual investment of about \$1.7 trillion. Given the region's infrastructure financing gap, cities need to mobilize adequate resources including innovative and alternative financing models.

ADB's urban operations have made significant progress in annual commitments, with projects tagged as "Water and Other Urban Infrastructure and Services" steadily increasing from \$1.2 billion in 2010 to about \$2.0 billion in 2021. Combining these annual figures with urban transport commitments resulted in about \$3.0 billion of average annual commitments for urban development projects in 2021. In addition, an average of 25% of the urban sector's total annual project commitments contribute to climate finance.

## Where We Want to Be

"Livability" describes the quality of life and community well-being supported by robust governance systems and practices. As per OP4, a livable city is green, competitive, inclusive, and resilient, among many other characteristics. While there are different definitions of livability, people's aspirations for a better quality of life and higher living standards are nearly universal.

ADB supports cities by using a theory of change with Seven Guiding Principles and 18 Development Solutions, in line with OP4 objectives.

## Seven Guiding Principles



1. Address urban development complexities by designing projects that incorporate multisector and cross-thematic benefits.

For maximum impact, ADB will work with DMCs on development solutions that deliver results across sectors, themes, and borders—while also strengthening institutional capacities and governance systems. ADB's investments and technical assistance are aimed at delivering a "multiplier effect" through integrated approaches, which will support effective programming and project development to address the cities' development needs.



2. Pursue pro-poor, inclusive, gender-responsive, and participatory approaches.

ADB will prioritize inclusive operational approaches and decisions focusing on the needs of the poor and vulnerable groups. This requires continuous engagement with stakeholders, especially representatives of the poor and vulnerable groups, at all stages of ADB's activities. Public consultations and people-centered approaches should inform these dialogues and continue throughout the project cycle—from project development to implementation, operations, monitoring and evaluation, knowledge generation, and dissemination.



### 3. Foster the competitiveness of cities for economic growth and job creation.

ADB will support cities in identifying priority infrastructure, policies, and services that increase cities' livability, competitiveness, and creditworthiness to foster private sector participation and attract investment. Working with national and local governments, ADB will support secondary cities to become competitive—while also being sensitive to informal workers' vulnerabilities, as well as balancing social with environmental objectives for sustainable growth. Such development support will increase the potential of cities as economic engines.



### 4. Adopt efficient technologies and digital solutions.

ADB will support cities in adopting clean and efficient technologies to reduce high-energy consumption, pollution, and greenhouse gas emissions. ADB will promote circular economy solutions, raising the quality and reliability of goods and services. Additionally, ADB will support strategic directives, ambitious but realistic implementation pathways, and a wide range of incentives and disincentives for adopting the most relevant technologies and digital solutions. As cities increase the use of appropriate digital technology, adopting data security, ensuring affordable access, and improving technological literacy will become increasingly important.



### 5. Focus on environmental sustainability, low-carbon development, and climate and disaster resilience.

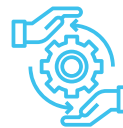
ADB will align its operations with the Paris Agreement and DMCs' climate action strategies, including localization of their nationally

determined contributions (NDCs) and SDGs for cities. The bank will adopt a systematic approach, following its pillars of resilience: ecological, physical, social and institutional, and financial.



### 6. Enable public-private partnerships and private sector participation to enhance synergies with sovereign operations.

Quality infrastructure investments need the enabling legal, regulatory, and institutional environment in DMCs, especially for inclusive and resilient infrastructure that attracts private sector innovation, efficiency, and financing in a fiscally sustainable manner. Improved local revenue mobilization and creditworthiness can support private sector participation and public-private partnerships (PPPs). Where the enabling environment for private sector participation is relatively sound, ADB will leverage its sovereign financing and also deploy private sector financing with PPPs, to deliver transformative development.



### 7. Improve governance and institutional capacities of cities.

In designing and implementing sustainable interventions that improve the governance and institutional capacities of cities, ADB will promote the following: holistic and in-depth diagnostics, flexible and innovative financing and technical assistance, greater local resource mobilization, strengthened municipal governance including financial management, appropriate digital technology, environmental and social safeguards systems, inclusive multistakeholder engagement, and improved accountability and public trust.

## What We Will Do

To guide the design of innovative and integrated projects, and to accelerate the application of the Seven Guiding Principles, the USDG offers 18 Development Solutions that reflect the interests, opportunities, and emerging trends across DMCs. These solutions are presented under OP4's three core pillars.



### Improving the provision of inclusive and gender-responsive infrastructure and services in cities

1. Integrated urban water management
2. Circular economy and integrated solid waste management
3. Adequate and affordable housing
4. Accessible, reliable, and efficient urban transport
5. Clean and low-carbon urban energy
6. Strengthened operational sustainability, including improved operation and maintenance management



### Strengthening cities' planning capacities, competitiveness, and financial sustainability

7. Smart and digitally connected cities
8. City-level plans to localize the SDGs
9. Municipal finance management

10. Coordinated planning and governance of city regions, metropolitan regions, mega-regions, city clusters, and economic corridors
11. Increased attractiveness of local investments and economic development
12. Sustainable urban tourism and urban heritage conservation



### Promoting climate resilience and healthy and environmentally sustainable cities

13. Healthy and resilient cities
14. Low-carbon transformation and localization of NDCs to the United Nations Framework Convention on Climate Change
15. Nature-based solutions
16. Air quality management
17. Scaled-up climate finance
18. Disaster risk management

Read the Urban Sector Directional Guide in full here:



[www.adb.org/documents/strategy-2030-urban-sector-directional-guide](http://www.adb.org/documents/strategy-2030-urban-sector-directional-guide)

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Photos: (Page 1) Hong Kong's urban landscape serves as a backdrop to Sha Tin Park, formerly known as Sha Tin Central Park. Spanning over eight hectares, this public park is situated along the Shing Mun River and has a main plaza, amphitheater, bird conservation area, artists' corner, gardens, verandas, children's playgrounds, and refreshment kiosks. (Page 2) Grade 12 student Priya Berai, 17, travels by bus to attend a private school in India. The country has been facing rapid urbanization in recent years.

All photos by ADB.



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