



ADB remains optimistic about the region's water future despite significant challenges

The Asian Development Bank (ADB) views water management as a crucial challenge for the Asia and Pacific region, where more than 600 million people lack access to safe drinking water and nearly 2 billion people have inadequate, or no, sanitation facilities.

Strong global economic growth, population pressures, and increased urbanization have combined to sharply increase water use, while pollution and climate change pose rising threats.

In 2001, ADB outlined its vision for water management in the region in its "Water for All" policy. It recognizes that as a resource, water must be managed to meet needs without causing conflict, or stressing natural resources. As a service, people must have access to safe and reliable supplies.

ADB also recognizes that sustainability of the resource is key, and that this can best be met by the active involvement of people at all levels—national and local government, civil society groups, and communities.

In its *2007 Asian Water Development Outlook* report, ADB notes that while worldwide competition for water is increasing and climate change is creating a new level of uncertainty in planning, there is sufficient technology and expertise in the region to solve both existing and future water problems.

However, managing the precious resource will require strong political will and recognition that water management is intimately linked to policies on energy, food, the environment, and the industrial sector.

Partnership Building

Establishing and strengthening partnerships helps to broaden stakeholder participation and catalyze water reform activities. In its day-to-day operations, ADB works with civil society groups across the region on both resource management and service delivery projects.

Networking among ADB water professionals and nongovernment organizations (NGOs) specializing in water issues, such as Global Water Partnership (GWP), Gender in Water Alliance, and Water Aid, helps ensure that ADB's approach is current, relevant, sensitive to community circumstances, and practical.

In its Water Operators Partnership Program, ADB provides a platform for cooperation among water operators and utilities that is designed to improve their capabilities and financial viability, attract private sector investment, and, ultimately, free up government resources for other projects. The Program also targets the creation of regional water utility networks geared toward promoting knowledge exchange and performance efficiencies.

Under the Water for Asian Cities program, launched in 2003, ADB and UN-Habitat have partnered to provide financing and to catalyze investments to improve water supply and sanitation services to the urban poor in Asia. The first phase of the partnership, from 2003–2006, exceeded its grant financing target of \$5 million each, and in 2007, ADB and UN-Habitat agreed to continue their collaboration and double the amount of financing they provide.

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Innovative and cooperative financing efforts are crucial for the success of water projects

The Water Summit

The 1st Asia–Pacific Water Summit was held in Japan in December 2007 and brought together leaders from government, private sector, and civil society. ADB was one of the key organizers.

At the end of the Summit, the participants agreed to increase their investments in water and sanitation. They also agreed to establish knowledge hubs on increasingly important water concerns, including disaster management, climate change, and integrated water resources management.

The Summit was an initiative of the Asia Pacific Water Forum—launched in 2006—with ADB playing a significant role as lead convener for water financing and for increasing public outreach. This multistakeholder Forum is a network that aims to increase the region’s access to improved water supplies and sanitation, protect and restore river basins, and reduce people’s vulnerability to water disasters. The *2007 Asian Water Development Outlook* report was commissioned for the Forum.

Creative and Cooperative Financing

Innovative and cooperative financing efforts are seen as crucial for the success of water projects. Under ADB’s Water Financing Program 2006–2010, investments in water are expected to double, and to focus on reforms and capacity development programs in rural communities, cities, and river basins.

In 2006, ADB approved the establishment of the Water Financing Partnership Facility to mobilize cofinancing and investments from development partners. So far, the Netherlands has committed \$19.8 million, Australia about \$30 million equivalent, and Norway about \$5.5 million equivalent. Austria has also expressed intent to contribute \$5.0 million equivalent.

ADB is also making use of financial instruments introduced through its Innovation and Efficiency Initiative. For example, there are

already four India water projects using the new multitranches financing facility (MFF). The MFF is structured as a series of loans and guarantees that are committed only as programmed investments become ready for financing. With the MFF, ADB and its clients can support investment programs without creating large financial commitments before actual financing is required.

Achievements

Since the Water Financing Program began in 2006, ADB has approved projects expected to:

- provide sustainable access to drinking water and improved sanitation to 63 million people out of a target of 200 million;
- improve irrigation and drainage services to 5.6 million out of a target of 40 million;
- reduce risks to flooding to 35 million out of a target number of 100 million; and
- introduce integrated water resources management in 14 of 25 targeted river basins.

ADB has a wide portfolio of water projects, and many examples can be found of intended and better-than-intended results.

In addition, ADB finances pilot and demonstration activities, which are like mini projects that government agencies, NGOs, academic and research institutions can tap into to explore and test new ways of solving water needs. Recent examples include mitigating arsenic contamination in Bangladesh and Cambodia, testing the viability of vetiver plants in preventing erosion in Indonesia’s Citarum river basin, improving the management of Thailand’s Yom River Basin, testing low-cost technologies to cope with debris flows in the Philippines’ mountain regions, and introducing sustainable wetland planning and management in the Jiangsu Yancheng Wetlands of the People’s Republic of China.

Learning from these types of community experiences can be passed onto others. ■

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