

# Seminar on the Inaugural Issuance of ADB Water Bond

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## ***ADB'S WATER OPERATIONS***

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# ***What's the Water Situation in Asia-Pacific Region?***

## ***Competing demands for water***

- **domestic use (drinking)**
- **irrigation (70% of water use)**
- **environment (ecological balance)**
- **energy generation (hydropower)**

***How to allocate the limited water available?***

# ***What's the Water Situation in Asia-Pacific Region?***

***Millions of people still without access***

**Coverage as of 2006 in Asia Pacific Region**

**Water Supply      85%**

**Sanitation          56%**

***... on top of this, global good production needs to keep  
pace with population growth***



# *What's the Water Situation in Asia-Pacific Region?*

## *Huge Financing Requirements*

- \$8 billion annually for drinking water alone
- Additional investment for irrigation, water resources development, flood management, etc.

**... past efforts not enough**



# *How is ADB Addressing the Sector Issues and Challenges?*

## *ADB's Core Operations*

- Rural Water
- Urban Water
- Basin Water

*Combined with reform measures and capacity development*

# ***ADB's Track Record***

Total Investment Portfolio  
(1968 - 2009)

Rural Water	\$ 7.5 billion
Urban Water	\$10.0 billion
Basin Water	\$ 7.5 billion

**2010-2012 Pipeline**

**\$8.7 billion**

... still not enough – there was a call for doubling of water investments in 2003 and reiterated in 2006

**ADB**

## **ADB's Water Financing Program 2006-2010: Responding to call for doubling of water investments**

**Boosting \$20 billion water investments  
over 5 years**

- \$ 12 billion from ADB
- \$ 8 billion leveraged from other financing partners including private sector and government



# Water Financing Program 2006-2010

*340 million people benefited by water investments as follows:*

- **200** million people with safe water supply and improved sanitation
- **40** million people with more efficient and productive irrigation and drainage services
- **100** million people with reduced risk to floods



# Where are we now?

- \$8.6 billion approved lending from 2006-2009
- 155 million people to be benefited

*... still short of targets, more investments needed*

# ADB's Strategy 2020

- Infrastructure (water included) and other 4 core operational areas will account for 80% of ADB's lending
- Private sector lending will comprise 50% of ADB's business

Other 4 core operational areas are: (i) Environment, (ii) Regional Cooperation and Integration, (iii) Finance Sector Development, and (iv) Education



# **Beyond 2010: Successor Program for 2011-2020**

- Underpinning Strategy 2020
- Targeting at least \$2.0-\$2.5 billion of ADB's total lending should be in water

# **Beyond 2010: Successor Program for 2011-2020**

Specific objectives:

- higher efficiencies in urban water services
- improved productivity of irrigated agriculture
- improved water quality
- enhanced adaptation to climate change
- improved water governance



***Thank you!***

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