

# **Panel 1 Discussion Points— The ADB Perspective**

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The logo of the Asian Development Bank (ADB), consisting of the letters 'ADB' in white serif font on a dark blue square background.

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# Overview

## Key Issues

**Information and Methodology for Planning Action**

**Capacity to Undertake Action – develop projects/ investments**

**Incentives to Act**

**Finance to Enable Action**

## Needed Modelling Methodology

- Needs to be useful for post-Kyoto mechanics.
- Simplified and more flexible 'approved methodologies' more easily applicable to cities.
- Must handle land use – transport – building efficiency synergies with ease of use to contrast BAU and policy impact scenario.
- Must be interactive – easy for decision makers to use

# Capacity Constraints

## Decentralization systems

- Lack of coordination mechanisms

- Lack of planning systems

- Inadequate O&M

## Deepening Capital Markets BUT

- No structures for financing multi-stakeholder projects, PPP or climate investments

Lack of capacity for the above

Lack of capacity to develop projects/ programs

> Cities Development Initiative for Asia

# Incentive Issues

## Management Issues

- Pollution legislation largely in place
  - not enforced
- Planning for city form and development control
  - largely not effective and not enforced
- Coordination systems, eg metropolitan governance systems, not in place
- Incentives for sustainable operation not in place
- Incentives for reducing (eg energy efficiency, urban transport), reuse and recycle (eg solid waste, waste water)
  - not in place
  - competing priorities

## Few global/ regional incentives for global public goods such as climate change

- no effective incentives for developing cities to change investment patterns and consumption behavior

# Green Finance

## 1) Maximize conventional finance

## 2) Private sector

- Identify and unbundle potentially profitable investments

## 3) 'Green' financing

- CDM
- ADB/ Other Funds
- GEF
- CIF
- **Export credit for new green tech**
  - More concessional finance available to developing cities to bridge current levels of carbon credits and investment cost for climate friendly infrastructure eg busways – a 'sustainability gap' financing mechanism is needed

**Thank You**

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