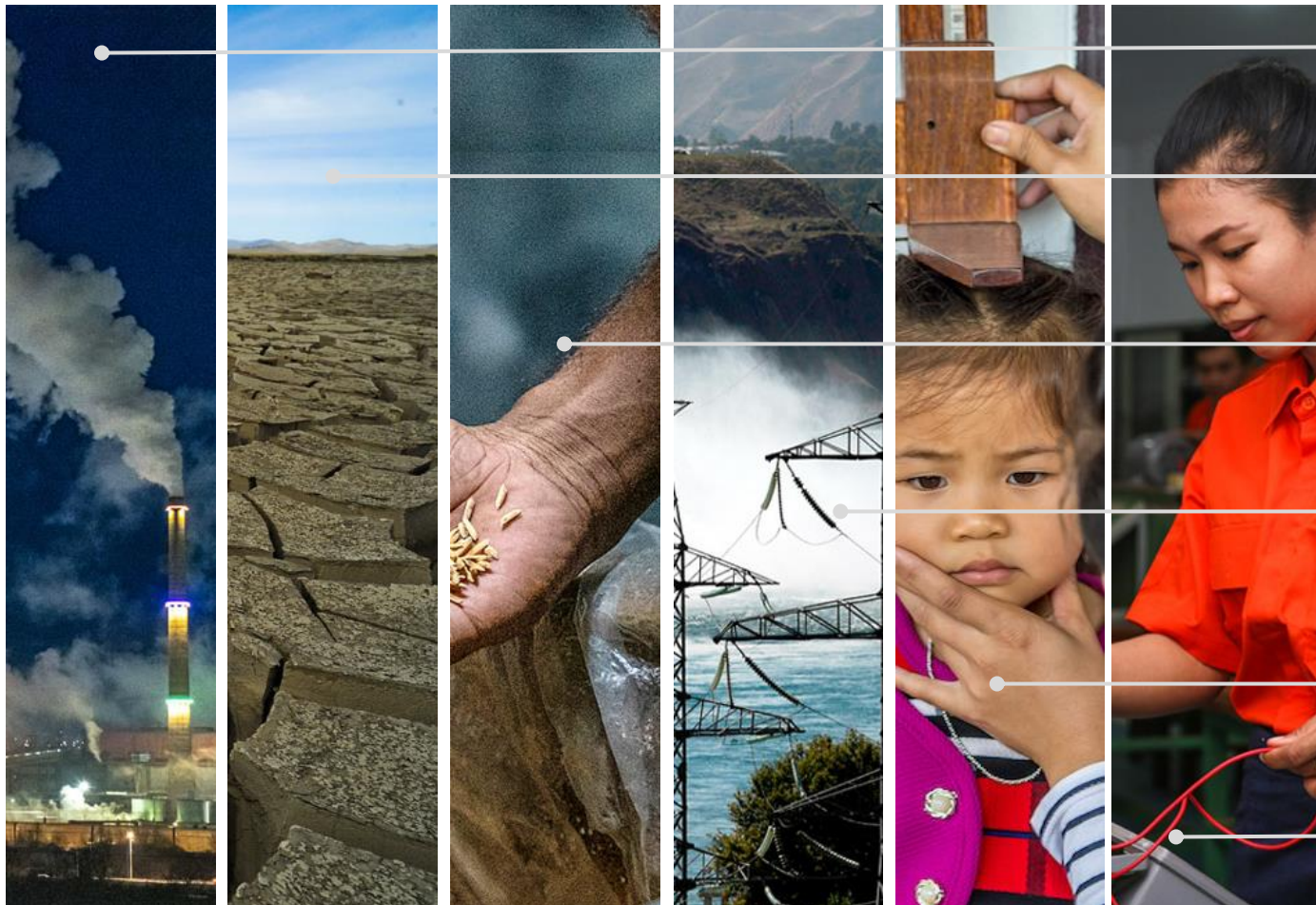


Accelerating Climate Action, Innovation and Private Sector Development in Asia and the Pacific

Senior Management Team of ADB Sectors Group
Led by Ramesh Subramaniam, *DG & Group Chief*

Asia and the Pacific is on the frontlines of many global challenges...



Responsible for over **50% of global GHG emissions.**

Facing increasing and intense **extreme weather** conditions and prolonged droughts.

Half of the world's 600 million **hungry people** live in the region.

Financing infrastructure needs remains a huge challenge, as economies expand.

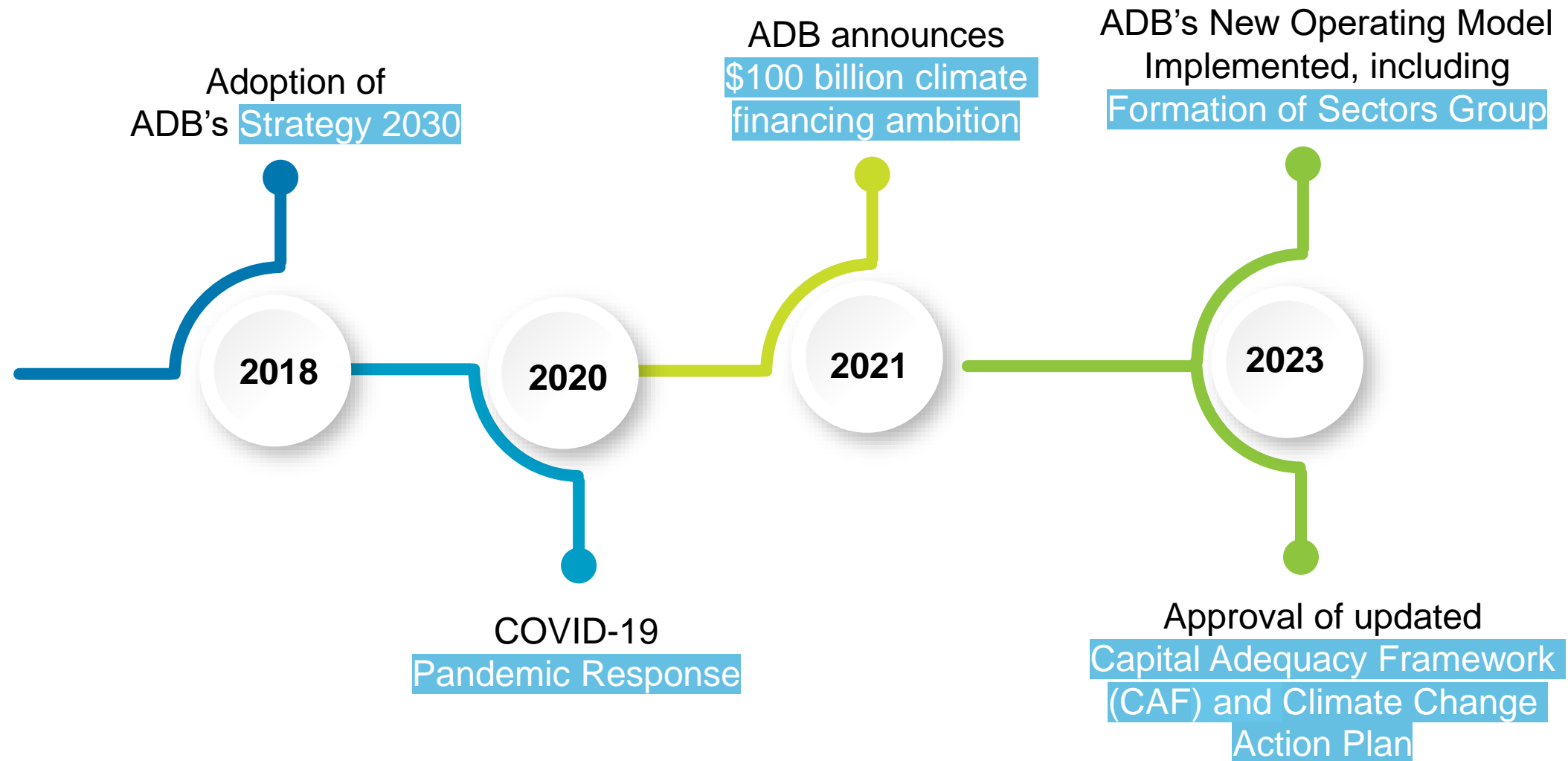
Affordable, high-quality **health services** remain inaccessible to many in the region.

Skill gaps for green economy and a changing economic landscape needs to be addressed.

...while many opportunities to leapfrog development remain to be fully tapped



To address these challenges and opportunities, ADB has been continuously and rapidly evolving



Under the New Operating Model, Sectors Group will focus on accelerating four fundamental shifts

Climate Change

Increase our capacity as the region's climate bank by embedding climate action across our operations and near-doubling our annual climate financing.

Private Sector Development

Strengthen our role as a catalyst for the private sector by spurring greater private sector participation in Asia's development.

Solutions

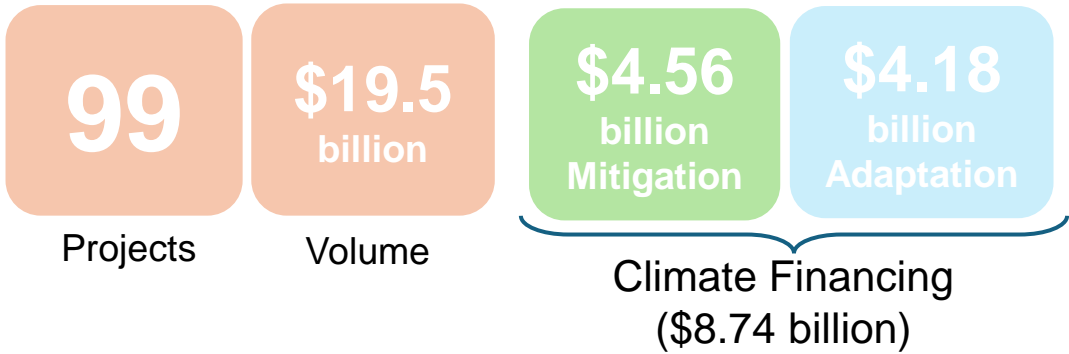
Elevate our role as the region's solutions bank through holistic, knowledge-based, innovative, and integrated solutions.

New Ways of Working

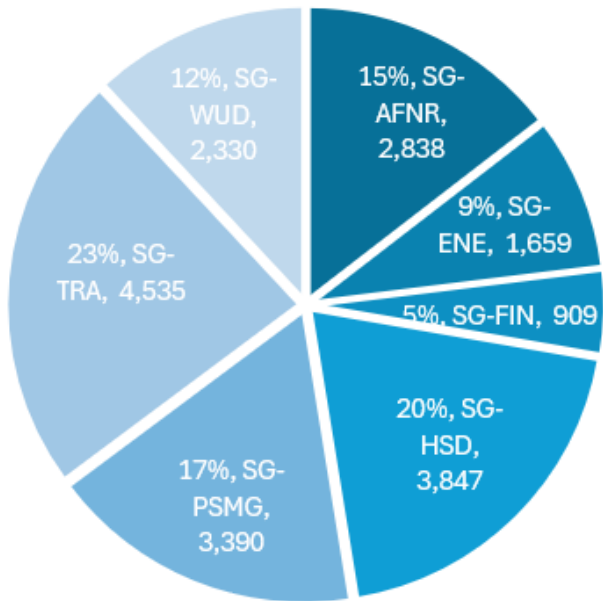
Empower staff to provide value and impact to clients by living our values and becoming more efficient, agile, and collaborative.

Our operations in numbers

2023 Commitments

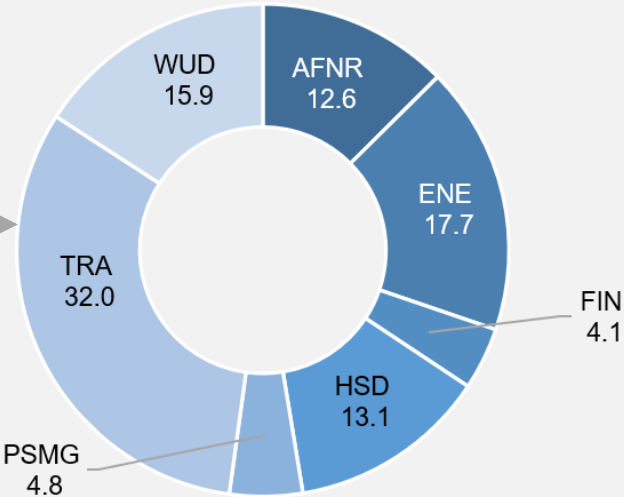


2023 ADB Financing Commitment (\$ million)

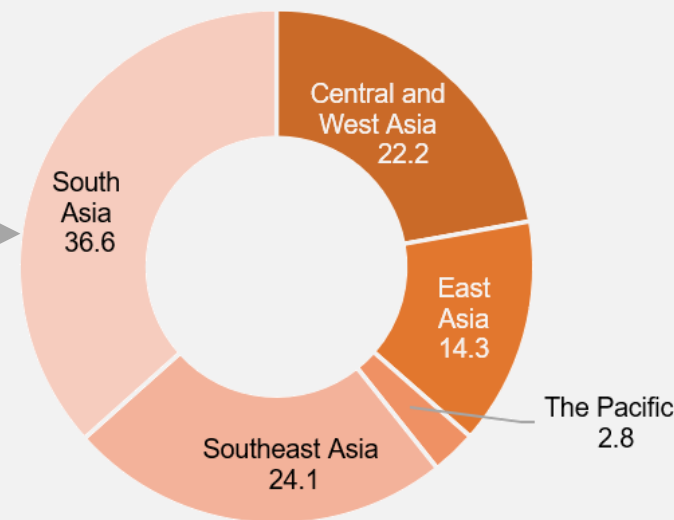


Active Loan and Grant Portfolio*

Sector-wise



Region-wise



\$101.1 billion

Volume from 727 Projects

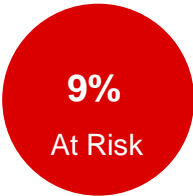
* as of the week ending 14 June 2024.

Project performance snapshot

Design Readiness



Performance



Success Rates



SIDS = 43% FCAS = 40%
BY LOCATION

PBLs = 74%
Projects = 66%
BY TYPE

Sectors Group's Strategic Directions

Underlying factor

Asia and the Pacific is most vulnerable to climate change

Position ADB as the region's climate bank

ADB maintains a single balance sheet for its sovereign and non-sovereign operations

Integrate Sovereign and Non-Sovereign Operations

Complex development challenges facing the region

Design high quality solutions infused with innovation and advanced technology features; integrate more deeply Quality Infrastructure Principles to boost sustainability, efficiency and effectiveness

ADB's new capital adequacy framework increased lending capacity by \$10 billion per years

Focus on design of high quality and bankable projects

ADB is a champion of several regional co-operation and integration (RCI) initiatives in Asia and the Pacific

Leverage RCI as a multiplier of development effectiveness

Asia and the Pacific's significant potential for digital solutions

Adopt "digital technology" as a pathway to leapfrog development progress.

Strategic Direction

Our Sectors

Agriculture, Food, Nature, and Rural Development

Energy

Finance

Human and Social Development

Public Sector Management and Governance

Transport

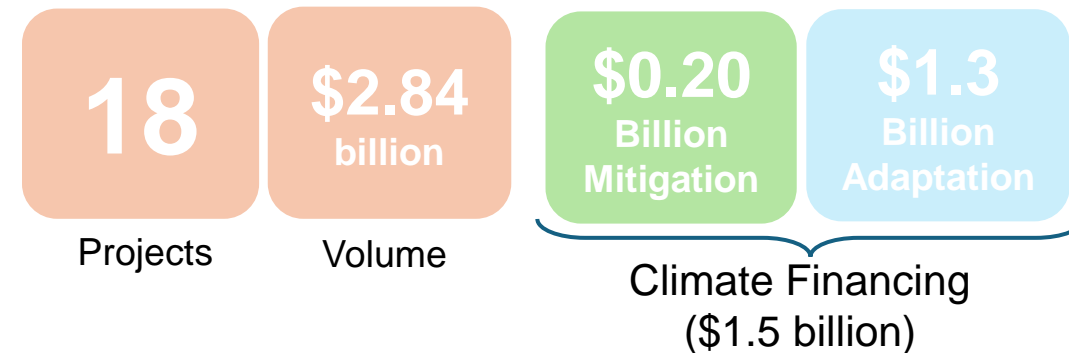
Water and Urban Development

“Invest in nature, build resilient food systems, and vitalize rural economies.”

Key Opportunities

- Sustainable and climate-resilient agribusiness development.
- Applying innovative technologies to reduce GHG emission from food supply chains.
- Investment in natural capital needed for long-term food security and climate resilience.
- Resilient river basin management to tackle climate change and protect our ecosystems.
- Improving access to nutritious and healthy diet.

2023 Commitments



Active Loan and Grant Portfolio*



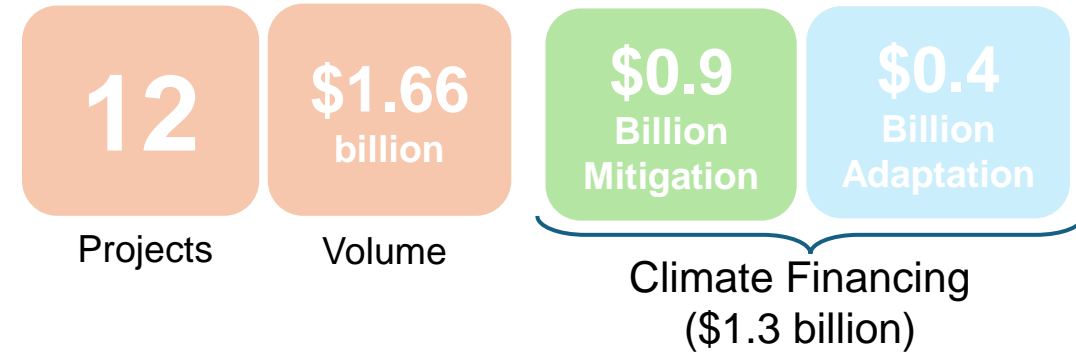
* as of the week ending 14 June 2024.

“Achieve an inclusive, just, and affordable low-carbon energy transition.”

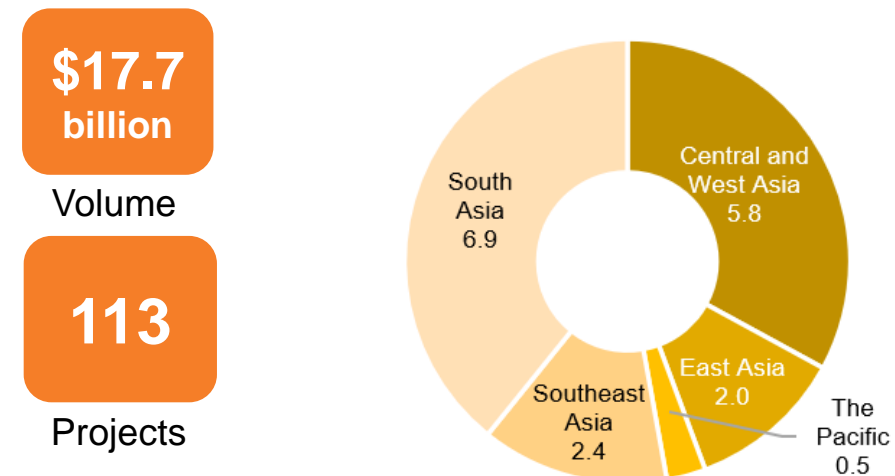
Key Opportunities

- Accelerating renewable energy and energy storage adoption.
- Promoting energy efficiency and conservation.
- Supporting low-carbon technology transitions in "hard-to-abate sectors" and in long distance transport.
- Developing carbon pricing policies.
- Promoting energy network digital transformation and smart grids.
- Fostering regional power and energy trade.
- Resilient and Sustainable Supply Chains for Transition Minerals and Clean Energy Manufacturing.

2023 Commitments



Active Loan and Grant Portfolio*



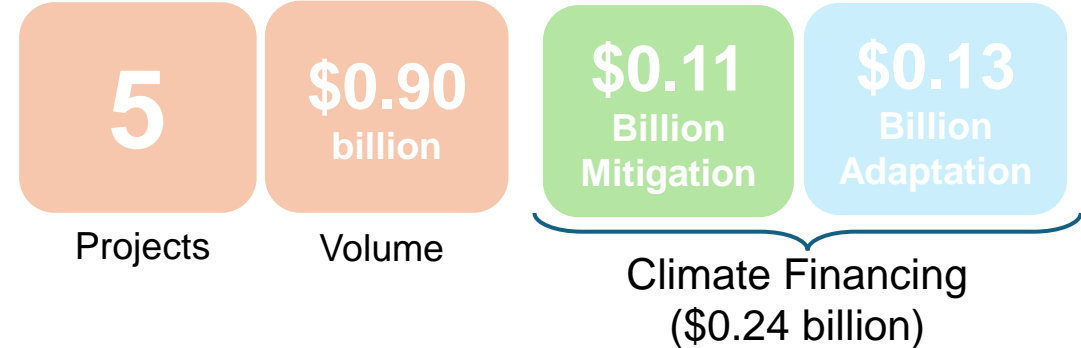
* as of the week ending 14 June 2024.

“Developed financial markets in Asia and the Pacific to support sustainable and inclusive finance growth.”

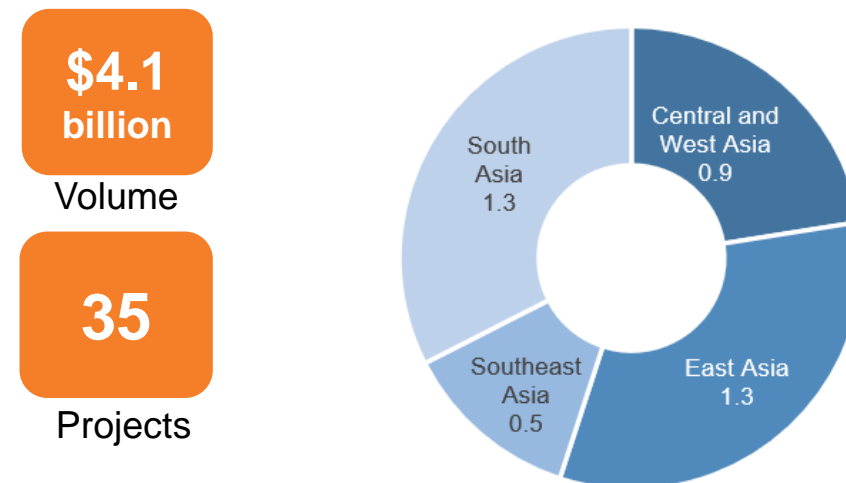
Key Opportunities

- Enhancing private sector support in emerging areas like SDG-aligned financing.
- Promoting long-term finance and quality infrastructure.
- Leveraging digital technology for financial inclusion.
- Expanding financing to MSMEs and women.
- Establishing frameworks for disaster and epidemic risk financing.
- Strengthening sector foundations

2023 Commitments



Active Loan and Grant Portfolio*



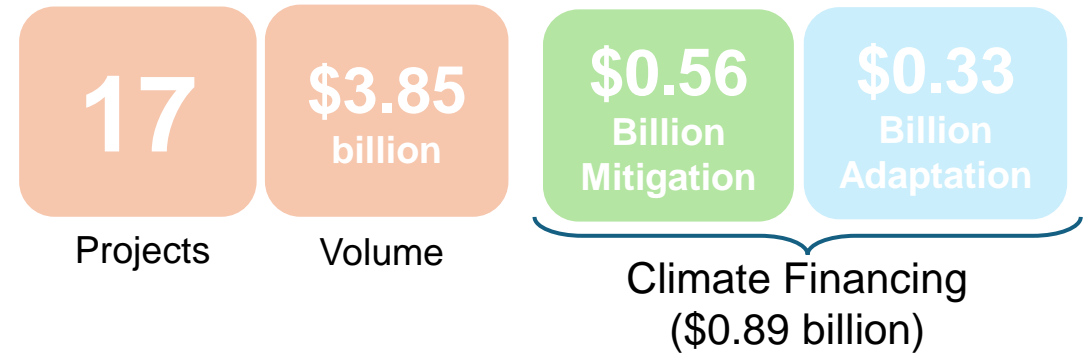
* as of the week ending 14 June 2024.

“Investing in people, empowering futures.”

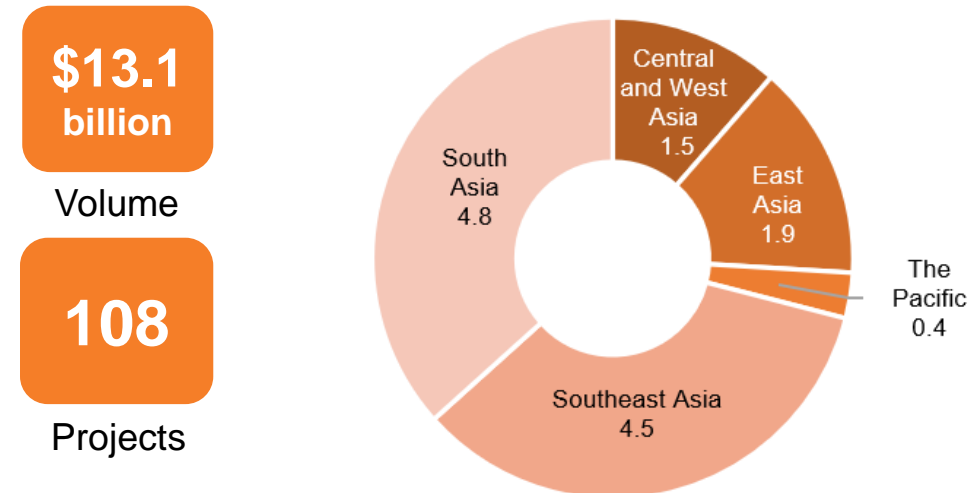
Key Opportunities

- Embedding climate action and green skills in education.
- Investing in inclusive, resilient, and low-carbon health systems.
- Developing adaptive and shock-responsive social protection.
- Scaling up support for social inclusion and Just Transition to net zero.
- Sharing climate knowledge for human and social development.
- Increasing private sector engagement in technical and vocational education and training.
- Strengthening public-private partnerships.
- Expanding private sector funding for health services, digital health, and health infrastructure.
- Implementing models like strategic purchasing and contracting services.

2023 Commitments



Active Loan and Grant Portfolio*



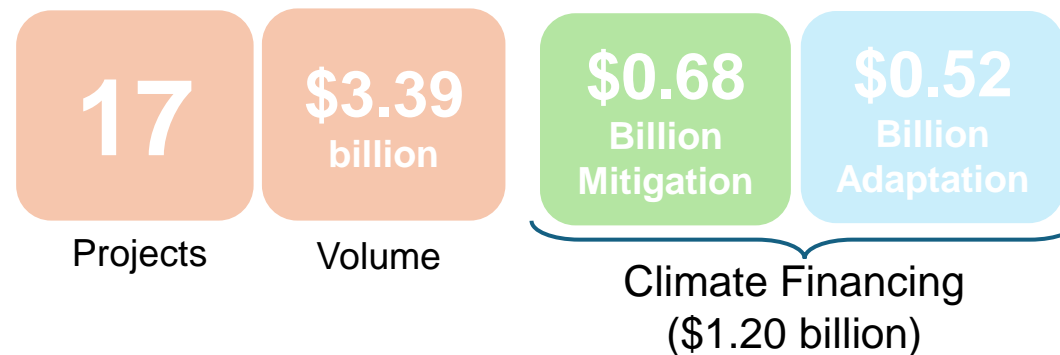
* as of the week ending 14 June 2024.

“Enable frameworks for private sector growth, fiscal sustainability, inclusiveness, and climate resilience.”

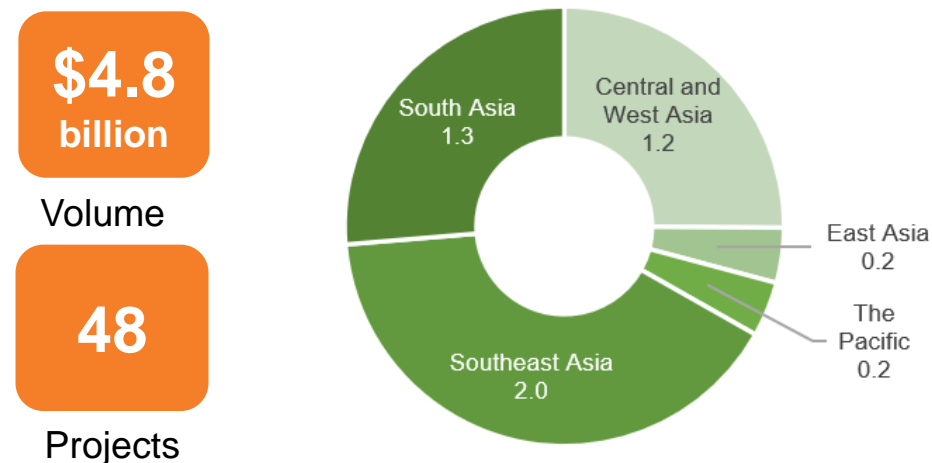
Key Opportunities

- Improving fiscal governance and resource mobilization.
- Supporting SOE reforms and private sector development.
- Enhancing customs, trade, and logistics systems.
- Building socio-economic resilience and climate adaptation measures.
- Expanding private sector participation in economic development.

2023 Commitments



Active Loan and Grant Portfolio*



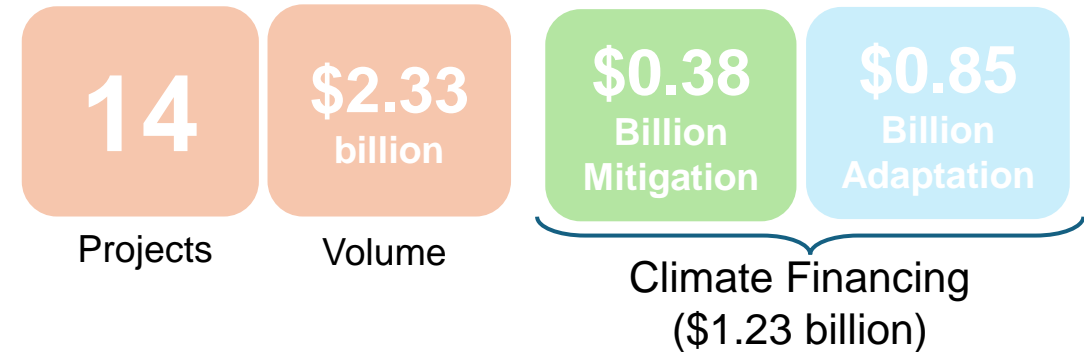
* as of the week ending 14 June 2024.

“Making cities and towns more livable, water-secure, and resilient.”

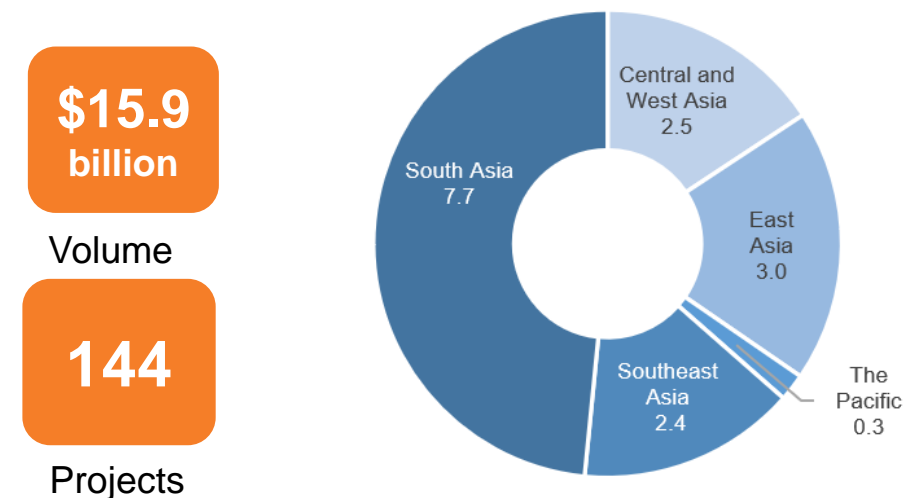
Key Opportunities

- Promoting inclusive, low-carbon and climate-resilient urban development.
- Enhancing water security and resilience, through nature-based solutions.
- Improving solid waste and wastewater management systems for circular economy.
- Leveraging private sector involvement in urban development.
- Developing sustainable tourism to boost local economies.
- Providing affordable, green, and resilient housing.
- Strengthening municipal finance and governance.
- Supporting better urban and spatial planning.
- Implementing digital and innovative solutions.

2023 Commitments



Active Loan and Grant Portfolio*



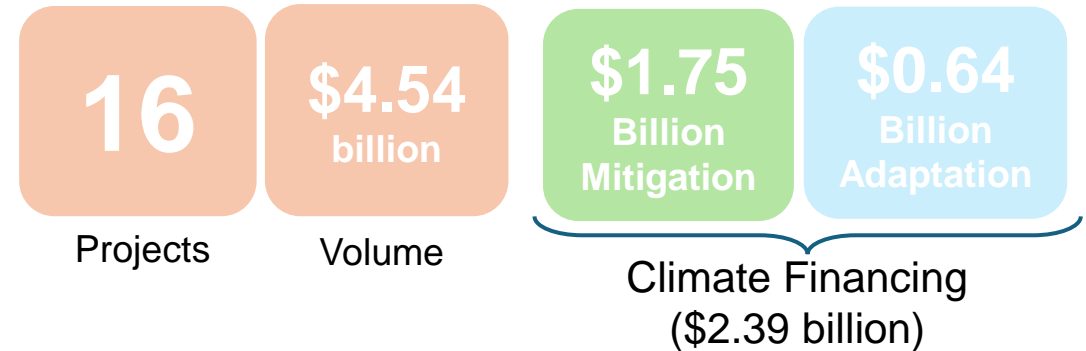
* as of the week ending 14 June 2024.

“To mobilize clean, resilient, integrated transport and logistics systems for safe mobility for all.”

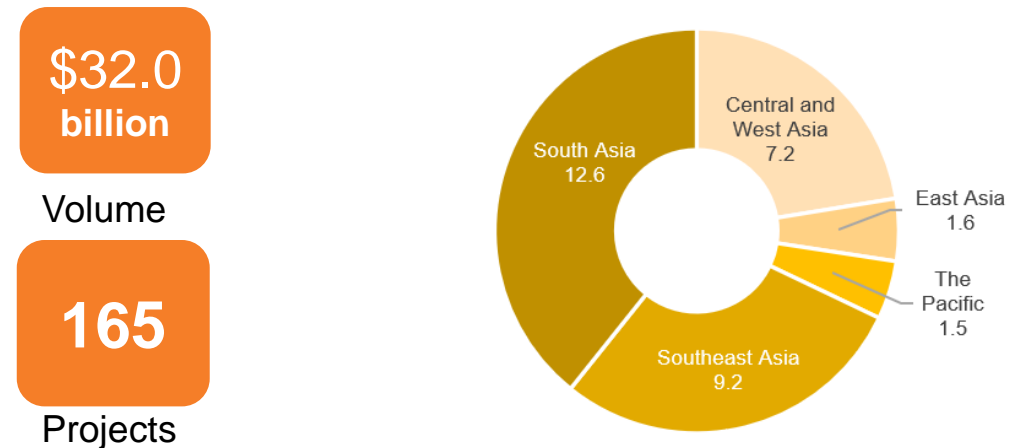
Key Opportunities

- Decarbonizing systems with low-carbon and energy-efficient modes.
- Green and digital logistics for international gateways.
- Enhancing resilience, asset management, safety, and inclusivity.
- Engaging private sector financing for complex solutions.
- Integrating physical and digital transport modes.

2023 Commitments



Active Loan and Grant Portfolio*




* as of the week ending 14 June 2024.

-  Food Systems Transformation in Asia
-  Boosting Coastal Resilience
-   Air Quality Management
-  Resilient River Basins Initiative
-   Decarbonizing Hard-to-abate Sectors and Long-Distance Transport
-  Accelerating Energy Efficiency
-  Resilient and Sustainable Critical Minerals and Energy Technology Manufacturing Value Chains
-  Accelerating New Energy Sources
-  Advancing Energy Transition Mechanism
-  Enhancing Transition Finance
-   Nature Finance
-   Modernizing Sub-national Finance
-  Climate and Health Finance Initiative
-  Skills for Green Economy
-   Nutrition
-  Deepening Macro Climate-fiscal Linkages
-  New Frontiers of Debt Sustainability
-  Enhancing Domestic Resource Mobilization
-  Maritime Decarbonization
-  Enhanced Smart Mobility
-   Make Manila More Maganda (M4) Initiative
-   Rejuvenating Pasig River for a Livable Manila
-  Decarbonizing Asian Cities
-  Affordable Housing for Expanding Asian Cities
-  Strategic Foresight and Design Thinking

Key Sector(s)

 Agriculture, Food, Nature, and Rural Development

 Energy

 Finance

 Human and Social Development

 Public Sector Management and Governance

 Transport

 Water and Urban Development

 All Sectors

Sectors Group will Mainstream Strategic Foresight and Design Thinking to Improve Quality of Projects

Strategic Foresight

- **Anticipating Future Trends:** "Identify and analyze emerging trends to prepare for the future."
- **Enhancing Decision-Making:** "Establish a long-term vision to guide informed decision-making."
- **Policy and Strategy Development:** "Develop evidence-based policies through foresight tools and data analysis."

Design Thinking

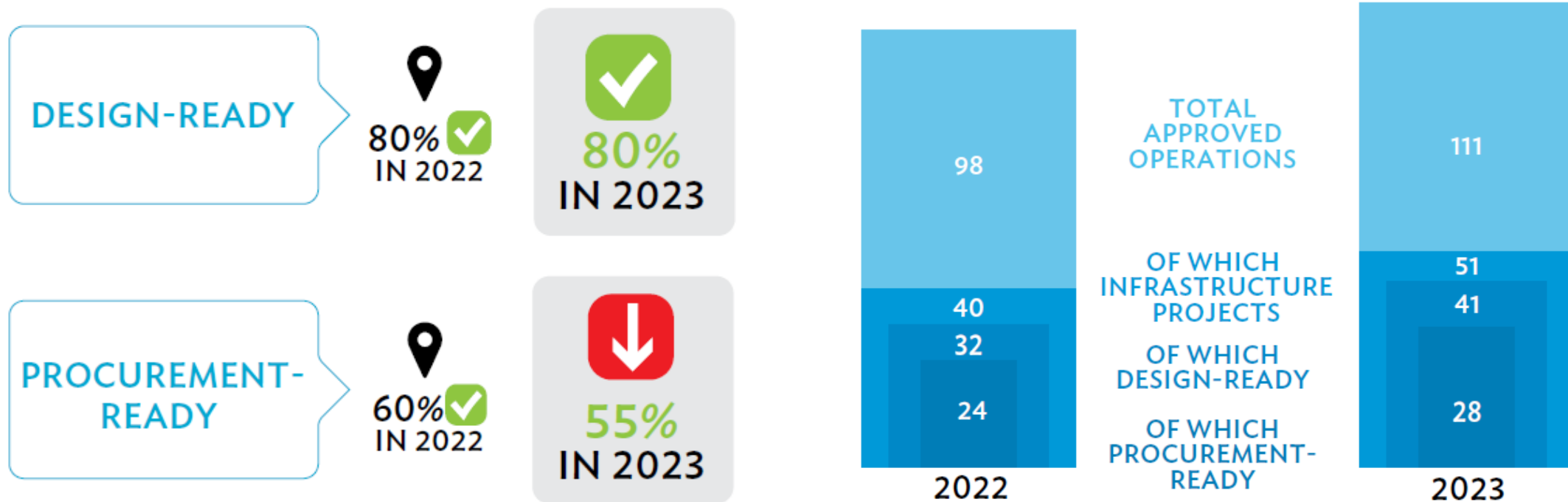
- **Human-Centered Approach:** "Understand stakeholder needs through empathy and co-creation."
- **Problem-Solving and Innovation:** "Foster innovation by generating and testing a wide range of ideas."
- **Improving Service Delivery:** "Enhance user experience with intuitive, efficient service design."

Integration into ADB Operations

- **Cross-Sector Collaboration:** "Form interdisciplinary teams to tackle cross-sector challenges."
- **Capacity Building:** "Invest in training programs to build foresight and design thinking skills."
- **Adaptive Strategies:** "Continuously adapt strategies based on new insights and conditions."

Thank you

Projects approved in 2022 and 2023



Project Performance in 2023

67%

2022

65%

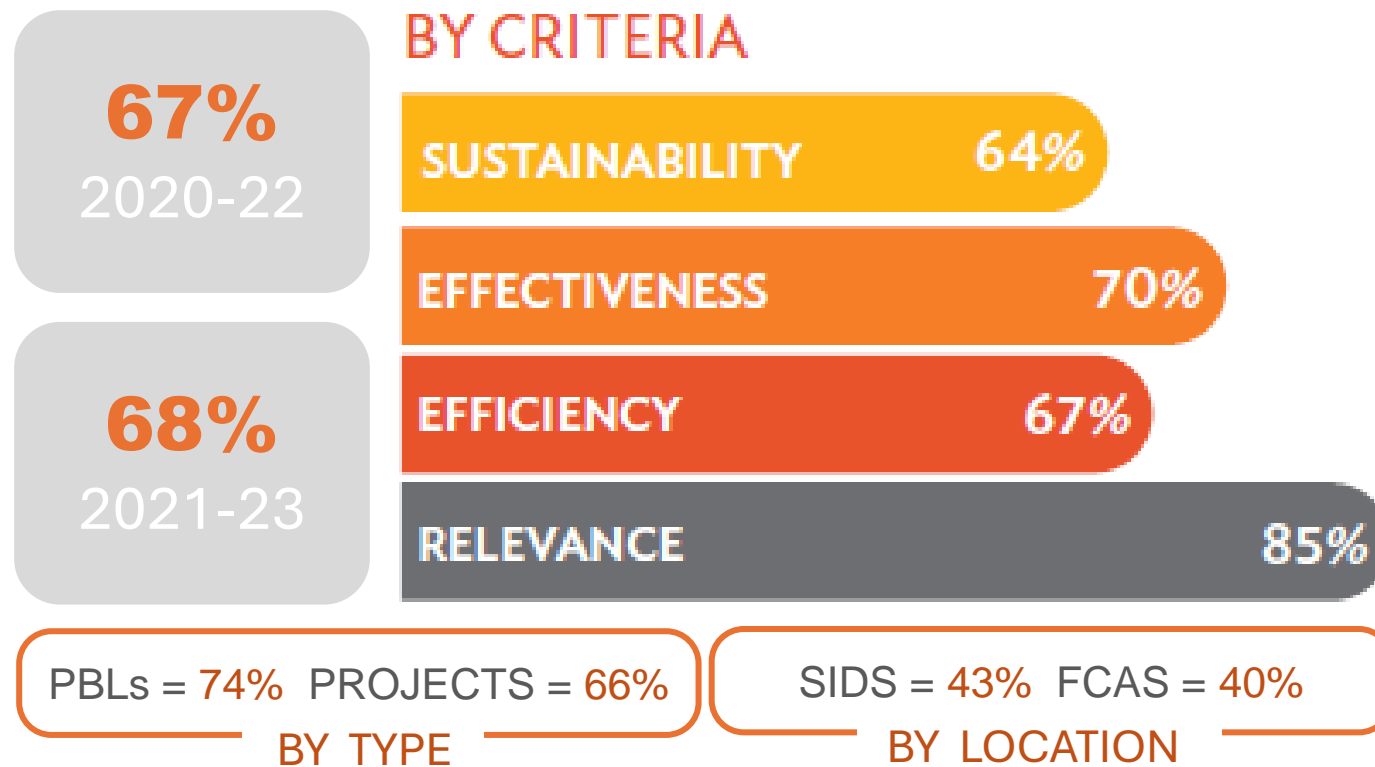
2023



RATED ON TRACK BY CRITERIA



Development Results Delivered, Success Rates



PBL – policy-based lending, FCAS = fragile and conflict-affected situations, SIDS = small island developing states