



Regional: Improving Infrastructure Sustainability Through Better Asset Management

Project Name	Improving Infrastructure Sustainability Through Better Asset Management	
Project Number	55059-001	
Country	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 6756-REG: Improving Infrastructure Sustainability Through Better Asset Management	
	Technical Assistance Special Fund	US\$ 300,000.00
	Water Financing Partnership Facility-NET TF	US\$ 250,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships	
Sector / Subsector	Agriculture, natural resources and rural development - Irrigation Transport - Transport policies and institutional development Water and other urban infrastructure and services - Urban policy, institutional and capacity development	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>This proposed knowledge and support technical assistance (TA) will enhance infrastructure asset management operations including but not limited to energy, Information and Communications Technology (ICT), transport, water and urban, and irrigation infrastructure in Asian Development Bank's (ADB) developing member countries (DMCs) through knowledge and technical support for project preparation and capacity development to DMCs. The TA is aligned with Strategy 2030 operational priorities (OPs) 2, 3, 4, and 6; the G20 principles of quality infrastructure investments; relevant Sustainable Development Goals; and the Paris Agreement on climate change.</p> <p>The TA was endorsed during the corporate priority framework meeting in November 2020 and is included in the 2021 ADB Management-approved results-based work plan of the Sustainable Development and Climate Change Department (SDCC). The TA involves infrastructure sectors in ADB, as well as the Finance Sector Group, the Governance Thematic Group, the Public-Private Partnership Thematic Group, and other thematic groups.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Infrastructure comprises a significant portion of ADB's investment portfolio. During 2010-2019, transport sector lending was \$45.06 billion or 29% of ADB lending; energy sector was \$36.32 billion or 24%; water and urban was \$14.36 billion or 9%; irrigation was \$4.01 billion or 3%; ICT was \$1.02 billion or 0.7%; and other infrastructure investments were \$1.97 billion or 1% together, these infrastructure sectors comprise 67% of ADB's total lending (\$153.68 billion). Demand for infrastructure investment in Asia and the Pacific is projected to shift towards operation and maintenance (O&M) of existing infrastructure networks/systems by 2030. For example, it is estimated that 1.1%-2.1% of gross domestic product per year will be needed to maintain new and existing transport infrastructure in DMCs during 2020-2030. This is higher than estimated investment needs for new infrastructure. Similarly, O&M investment requirements for water and sanitation assets are estimated to exceed capital investment needs for new infrastructure.</p> <p>A significant development challenge exists to ensure the benefits of infrastructure investments are sustainable. The assets create large and long-term liabilities that challenge the financial, economic, planning, technical, and human resources capacities of DMCs. Almost 60% (by number) of ADB's total completed transport, water and urban, and energy sovereign operations validated by the Independent Evaluation Department during 2015-2019 were rated less than likely sustainable. By sector, 47% of transport, 42% of water and urban, and 18% of energy sectors sovereign operations were rated less than likely sustainable. Strengthening asset management capabilities of DMCs is essential to improve sustainability of infrastructure investments and support many DMCs in transitioning to managing and operating infrastructure systems in a more effective, efficient, inclusive, and sustainable manner.</p> <p>Fundamentals for good asset management are weak or lacking in many DMCs, these include (i) inadequate leadership and commitment by senior decision makers to improving asset management; (ii) siloed institutional structures and weak governance, making optimizing investment plans, improving efficiencies, and maximizing value a challenging proposition; (iii) levels of service, standards, processes, skilled personnel, and tools necessary to ensure alignment between national and/or corporate objectives with technical and financial decisions, plans and operational activities are not properly implemented or not in place; (iv) lack of data of appropriate quality and detail on asset inventory, demand, usage and performance for supporting system level planning and budgeting, multi-year works programming, and project level design, implementation and monitoring; and (v) not ensuring availability of funding over multiple years based on estimated budget needs for asset portfolios and/or networks.</p> <p>Other needs for strengthening infrastructure asset management in DMCs relate to: (i) improving state asset management at the levels of the operator and local, provincial, and national governments including developing and improving two-sided balance sheets at each level that can account for infrastructure investment, depreciation and maintenance; (ii) effectively managing and replacing the increasing stock of aging infrastructure; (iii) adapting to and mitigating climate change; (iv) enabling increased use by ADB of programmatic assistance in holistically addressing asset management issues in DMCs in a more impactful manner; and (v) increasing private sector investments for asset management.</p>	
Impact	Quality infrastructure investments that are green, sustainable, resilient, and inclusive promoted	
Project Outcome		
Description of Outcome	Infrastructure asset management in selected DMCs improved	
Progress Toward Outcome		

Implementation Progress	
Description of Project Outputs	Identification and preparation of asset management initiatives in DMCs supported Knowledge and capacity of DMCs in asset management improved
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Regional
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	Firms: QCBS: 90:10; STP; SSS Individuals: ICS ADB will engage the consultants and carry out procurement following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions
Procurement	Asset management software and tools (system) through Shopping ADB will engage the consultants and carry out procurement following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions
Responsible ADB Officer	Anyala, Michael
Responsible ADB Department	Sustainable Development and Climate Change Department
Responsible ADB Division	SDSC-TRA
Executing Agencies	Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines
Timetable	
Concept Clearance	16 Jun 2021
Fact Finding	27 Jan 2021 to 27 Jan 2021
MRM	-
Approval	29 Jul 2021
Last Review Mission	-
Last PDS Update	09 Aug 2021

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
29 Jul 2021	-	29 Jul 2021	31 Dec 2024	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
300,000.00	250,000.00	0.00	0.00	0.00	0.00	550,000.00	29 Sep 2021	0.00

Project Page	https://www.adb.org/projects/55059-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=55059-001
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