

The Asian Development Bank: Leading the Just Transition to Climate Resilience and Net Zero in Asia and the Pacific

ADB is Asia and the Pacific's Climate Bank.
Here's why.

November 2022

The ADB logo is a dark blue square with the letters 'ADB' in white, bold, sans-serif font. The background of the entire slide is a photograph of a renewable energy farm, featuring a large field of solar panels in the foreground and several wind turbines on a hillside in the background under a clear sky.

ADB

Long-Term Climate Ambition



\$100 Billion in Climate Finance through 2030

In 2018, ADB committed to ensuring at least 75% of the total number of its operations support climate action and its own climate finance resources reach at least a cumulative \$80 billion by 2030.

In 2021, ADB elevated its climate finance ambition from \$80 billion to **\$100 billion** from its own resources from 2019 to 2030.

Of the \$100 billion, \$34 billion is targeted for **climate adaptation and resilience**. ADB doubled its medium-term climate adaptation finance ambition to \$9 billion for 2019–2024, with an additional \$25 billion targeted for 2025–2030.

More: [ADB Raises 2019–2030 Climate Finance Ambition to \\$100 Billion](#)

Alignment with Paris Agreement

ADB will fully align its sovereign operations (supporting governments) to the Paris Agreement by July 2023, and align its nonsovereign operations (supporting the private sector) at 85% by July 2023 and 100% by July 2025.

All new ADB operations are screened to ensure projects meet low-carbon and climate-resilient standards consistent with the Paris Agreement.

ADB has not financed any new coal-fired power plants since 2013, and this practice was formalized in 2021 with its new **Energy Policy**.

ADB is fully committed to helping Asia and the Pacific transition to a **net-zero economy by mid-century**—one that is resilient to the impacts of climate change.

More: [ADB Commits to Full Alignment with Paris Agreement](#)

ADB's Recent Climate Milestones

Established a climate risk screening and management framework for its operations to reduce climate risks to its projects	Announced its commitment to increase climate investment to \$6 billion annually by 2020—a target it met in 2019	Launched disclosure of project-level data for all its climate projects	Secured funding for the first Green Climate Fund project in the People's Republic of China		
2014	2015	2017	2018	2019	2021
	Became the first multilateral development bank accredited by the Green Climate Fund	Approved a long-term climate change operational framework to advance its vision for green growth and climate-resilient development	Established the NDC Advance platform to help clients mobilize finance to implement their Nationally Determined Contributions (NDCs) for reducing greenhouse gas emissions and adapting to climate change		Became a supporter of the Task Force on Climate-related Financial Disclosures

Clear Actions and Targeted Initiatives

Climate Change Action Plan

Through this medium-term plan (2023–2027), ADB will put into practice its vision as a trusted partner in **enabling and stimulating climate-smart investment** in Asia and the Pacific, and will pursue its \$100 billion climate finance ambition.

It focuses on **two main desired outcomes** for ADB's client countries:

- 1) becoming more climate resilient (adaptation), and
- 2) transitioning toward net zero (mitigation).

It involves all ADB departments and divisions to ensure **transformational change**.

Schedule for completion and rollout: by **March 2023**.

Just Transition Support Platform

ADB is committed to ensuring **no one is left behind** in the transition to net zero and resilient economies.

Launched at COP27, the multisector [Just Transition Support Platform](#) will support its clients to strategically plan, implement, and finance just transition; to manage any negative impacts; and to increase benefits from the transition to net zero.

ADB will partner with governments and other stakeholders to develop financing and policy strategies to ensure communities share the benefits from the shift to low-carbon, resilient economies.

Areas of support include green skills and jobs programs, strengthening social protection and health systems, and creating economic opportunities for women and the vulnerable.

Latest ADB Initiatives, Launched at COP27

- [Blue Pacific Finance Hub](#): Regional initiative to restore ocean health, build coastal resilience, and develop sustainable blue economies, with \$16.5 million in grants from ADB, the Global Environment Facility, and the Nordic Development Fund.
- [Asia and the Pacific Water Resilience Initiative](#): Innovative \$200 million program to improve water security and resilience by incorporating climate adaptation in ADB water sector operations, in parallel with the Water Resilience Trust Fund.
- [Accelerating Green Finance in Southeast Asia](#): \$15 million technical assistance program to develop projects that promote climate change adaptation and mitigation in Southeast Asia.

Leader in Innovation

Innovative Financing Facility for Climate in Asia and the Pacific (IF-CAP)

IF-CAP will facilitate the **scaling up of climate financing by ADB's donors**. It aims to leverage up to \$3–\$4 of climate finance on average for every \$1 of donor contribution.

IF-CAP will help **bridge the significant financing gap** for climate adaptation and mitigation in Asia and the Pacific.

It will **accelerate ADB's other initiatives**—from setting the policy stage and creating bankable pipelines to supporting new climate finance projects.

IF-CAP is in the preparation phase, with a goal to **launch in 2023**.

More: [New approaches in the battle against climate change](#)

Energy Transition Mechanism (ETM)

ETM is a **visionary and ambitious program** to decarbonize economies at scale.

It **incentivizes the early retirement** or repurposing of mostly “young” (<20 years) coal-fired power plants, while ramping up investment in clean energy through commercial financing and highly concessional lending.

Accelerating the retirement of coal-fired electricity will **increase demand for clean energy by 2–3 times**, lowering overall energy generation costs in the long run.

ETM **integrates just transition** as a core concept to ensure equitable sharing of benefits and comprehensive support for at-risk communities.

ADB is piloting ETM in Indonesia, Pakistan, the Philippines, and Viet Nam.

More: [How ETM Will Support Climate Action in Southeast Asia](#)

Innovation at ADB

- [ASEAN Green Recovery Platform](#). Brings together partners to invest alongside ADB's own financing under the ASEAN Green Catalytic Financing Facility, and will catalyze \$7 billion in public and private capital for green infrastructure projects.
- [Climate Innovation and Development Fund](#). Offers concessional finance as a way to de-risk projects in India and Viet Nam that are catalytic and have high climate impact.
- [Community Resilience Partnership Program](#). Launched at COP26, it brings together financing partners to support climate adaptation at the local level through research, capacity building, and project preparation.
- [Green and Blue Bonds](#). Since 2015, ADB has raised about \$10 billion from green bonds in a wide range of currencies. In 2021, [ADB issued its first blue bond](#), raising around \$151 million to fund ocean-related projects.

Commitment to Change

Reorganizing for Success

ADB is adopting a **new operating model** in 2023 to achieve its corporate objectives and more effectively serve the rapidly changing needs of its clients.

The reorganization will **solidify ADB's position as the region's climate bank** and strengthen its role as a catalyst for private sector finance.

It will help ADB **prioritize climate change action across its operations**, in line with the scale of the needs.

It will include a **strong focus on adaptation**, which requires greater integration of expertise to meet the required level of innovation and to orient key sectors toward climate change.

More: [ADB Adopts New Operating Model to Meet Rapidly Changing Needs of Asia and the Pacific](#)

Scaling Up Transformational Adaptation

ADB has made an institutional commitment to prioritize transformational climate adaptation projects that **build climate resilience as the primary objective** (such as coastal protection to manage rising sea levels).

ADB will scale up support for such projects in 2023 through its **Climate Adaptation Step-Up Program** and technical assistance to help its clients develop adaptation investment pipelines.

ADB is developing innovative financing mechanisms to fund **nature-based solutions** to conserve biodiversity and promote resilience. The bank is finalizing its Guidelines for Developing Projects that Support Climate Adaptation and Resilience Outcomes.

More: [ADB Approves \\$250 Million for Climate Resilience for Coastal Towns in Bangladesh](#)

More Transformational Projects

- Climate adaptation in countercyclical support: [ADB Financing to Promote Social Protection, Food Security in Pakistan](#)
- Adaptation through urban flood protection and management: [ADB Approves \\$251 Million for Integrated Flood Management in India](#)
- Disaster-resilient public transport to support green growth: [ADB Approves Financing for South Commuter Railway Project in the Philippines](#)
- Climate-resilient farming in frontier markets (private sector): [ADB and De Heus Sign Deal to Support Agricultural Supply Chains in Cambodia](#)

Enabling Reform and Private Capital

6

Policy-Based Climate Lending

ADB and its clients increasingly view policy-based loans (PBLs) as an effective way to **foster climate policy reform**.

PBLs can help governments fulfill NDCs, raise financing to support national adaptation agendas, and **encourage the private sector** to play a more active role in climate finance.

ADB has **approved its first climate-focused PBL**, for the Philippines, is processing similar operations for Mongolia and Pakistan, and has committed technical assistance to prepare additional climate-focused PBLs.

ADB is preparing guidance to **maximize impact of climate-focused PBLs**, and continues to include climate-related policy actions as a cross-cutting element in other types of PBLs.

More:
[\\$250 Million Climate-Focused Policy-Based Loan to Help the Philippines Deliver on Climate Ambitions](#)

[ADB Approves \\$150 Million to Support COVID-19 Recovery and Climate Resilience in Fiji](#)

Useful knowledge products on climate change

[Climate change publications](#)

[ADB Publications Catalog 2022/2023](#)

Prioritizing Climate in Private Sector Operations

ADB's \$100 billion ambition includes **\$12 billion in cumulative private sector climate finance** from its own resources. It is anticipated that this will crowd in an additional \$18 billion–\$30 billion.

While PBLs can open policy space for private sector actors to operate, investment platforms under ADB's private sector operations will help to mobilize additional private finance.

[ADB Ventures](#) provides early-stage funding and support for technology-driven projects that are **scalable and can deliver climate impact**, setting the stage for subsequent private investment.

The [ASEAN Catalytic Green Finance Facility](#) **de-risks green infrastructure projects** (such as the [EDSA Greenways Project](#)) to crowd in private capital investors.

More:
[ADB Leads \\$135 Million Climate Financing Package to Support Electric Mobility in Viet Nam](#)

[ADB supports food security and climate-resilient farming in India](#)

For more information

adb.org/climatebank

[ADB Events at COP27](#)

[ADB Insight—Climate Emergency: A Call for Action at COP27](#)