VISION

1. This vision sets out ADB’s aspirations regarding environmental and social (E&S) sustainability. ADB’s Strategy 2030 sets its vision to sustain efforts to eradicate extreme poverty and to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific. ADB will support the global agenda of sustainable infrastructure development as a source of global growth and social and economic development and believes that the achievement of the Sustainable Development Goals and related Financing for Development agenda, the Paris Agreement on climate change, and the Sendai Framework for Disaster Risk Reduction will depend critically on the success of the region.

2. ADB affirms that E&S sustainability is a cornerstone of green economic growth and poverty reduction in Asia and the Pacific and seeks to promote sustainability of project outcomes by protecting the environment and present and future generations of people from projects’ potential adverse impacts. ADB is committed to upholding fiduciary standards that enhance the E&S sustainability of its projects.

3. Inclusive social development is the focus of all ADB’s interventions. ADB’s corporate policies and strategies recognize significant diversity across its developing member countries (DMCs), and apply differentiated approaches to various groups of countries, as necessary. ADB will prioritize financial and technical support for the poorest and most vulnerable countries in Asia and the Pacific, including small island developing states and countries in fragile and conflict-affected situations. Under the ADB’s Fragile and Conflict-Affected Situations and Small Island Developing States Approach (2021), ADB undertakes to understand and apply tools to tailor responses to the needs of the transient challenges of the fragile and conflict-affected situations and the more permanent vulnerabilities of the small island developing states. Recognizing that management of environmental and social (E&S) risks and impacts of a project is impacted by the project context, ADB is committed to understanding the context and constraints in which a project is being developed and is to be implemented, and to working with its borrowers/clients to develop appropriate measures that are proportionate and tailored to address the specific E&S risks and impacts arising from a project.

4. Strategy 2030 also emphasizes human capital development, social inclusion, and gender equality in ADB’s operations and activities to ensure the benefits of social and economic growth are extended to all. ADB’s operations support the realization of human rights expressed in the Universal Declaration of Human Rights, and ADB will continue, in a manner consistent with its Agreement Establishing the Asian Development Bank (Charter), to support its DMCs as they strive to achieve their human rights commitments under the relevant international laws. In this regard, ADB will promote nondiscrimination by working with its DMCs to create enabling environments that provide equal access to services and benefits and permit meaningful participation of all people, including the disadvantaged or vulnerable, and others who are often excluded from the development process. To ensure that project design and implementation maximize social benefits and inclusion while minimizing adverse social impacts, for each project that ADB supports, it undertakes poverty and social analyses to identify and consider potential social risks and issues. ADB has a zero tolerance approach to inaction on sexual exploitation, abuse, and harassment in the context of projects ADB finances. To encourage inclusive development, ADB is also engaged in policy dialogues with DMCs to introduce climate and gender considerations at all levels of their budgetary process.

5. ADB is committed to ensuring that its borrowers/clients maintain open dialogue, meaningful consultation, clear, timely and appropriate disclosure of relevant project information,
and a responsive grievance mechanism. Further, if any potential development opportunities are identified in connection with a project, ADB will discuss with a borrower/client the feasibility of incorporating such opportunities into project design and implementation and ensuring equitable sharing of project benefits. ADB does not tolerate any form of reprisals in projects ADB finances, and will seek to take all steps within the limits of its ability to work with appropriate parties to address them, including requiring its borrowers/clients to provide protection in such projects.

6. Strategy 2030 sets out ADB’s focus on tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability. In 2023 ADB approved its Climate Change Action Plan, which sets out prioritized invention areas and enhanced actions rooted in ADB’s commitment to provide support that is aligned with borrower/client priorities, capacities, climate change adaptation needs and climate change mitigation potential, and is guided by the principles of transformation that is equitable and socially inclusive. The 2021 Disaster and Emergency Assistance Policy sets out ADB’s approach to enhance the efficiency and impact of support to DMCs to strengthen resilience to disasters and emergencies. ADB’s 2021 Energy Policy promotes low-carbon transition while supporting universal access to reliable, affordable, and clean energy, which is essential to inclusive social and economic development, and ensuring a just transition. ADB is one of the founding members of the International Financial Institutions Technical Working Group which aims for a harmonized approach to greenhouse gases (GHG) accounting across international financial institutions (IFIs). In 2021 ADB committed to full alignment of its operations with the goals of the Paris Agreement. ADB encourages DMCs to take a holistic approach to tackle climate change challenges and promotes the whole economy transformation towards low-GHG emissions and climate-resilient economies. It provides upstream support to DMCs in the development of policies, plans, and strategies including the implementation and monitoring of nationally determined contributions under the Paris Agreement; development of long-term low GHG emissions and climate-resilient development strategies; and mobilization of finance for their implementation. Recognizing that the transformation may impact individuals, communities, and regions, ADB also supports enabling the just transition of its DMCs, employing economy-wide and multi-sector approaches to build the capacity of DMCs. At the project level ADB has institutionalized a climate risk management framework and tools to guide assessment and management of climate risks.

7. ADB is committed to global environmental sustainability. It is a co-signatory to the Multilateral Development Bank Joint Statement on Nature, People and Planet (2021), and has committed to mainstreaming nature into its policies, analysis, assessments, advice, investments, and operations. In accordance with this commitment, ADB will assist its DMCs in improving their environmental management, and promoting nature positive investments, including the conservation and restoration of living natural resources, biodiversity, and ecosystems, nature-based solutions, and green infrastructure. ADB also recognizes the need to stimulate in its DMCs’ economies, green businesses especially based on circular economy, sustainable consumption and production, green supply chains, and green financial products.

8. To optimize its development impact, ADB provides its own financing while also catalyzing funds from other sources, and provides knowledge that fits local conditions and situations and replicates good international practice (GIP). This also requires working closely with its DMCs to identify strategic interventions to address national development priorities, and to strengthen their governance and institutional framework and implementation capacity necessary for achieving such priorities. ADB continuously explores policy dialogues with its DMCs and seeks opportunities to integrate the best available knowledge with financing and institutional capacity development support in projects. ADB is committed to supporting borrowers/clients to strengthen and, if appropriate, to use their E&S systems to achieve development outcomes that are materially
consistent with the objectives of the ESF.

9. As a convener of partnerships, ADB will maintain dialogue and collaboration with diverse partners and stakeholders, including IFIs, bilateral partners, civil society organizations and philanthropic organizations, and the private sector to enhance the complementarity of respective operations to support ADB’s DMCs. ADB also recognizes the importance of early stakeholder engagement and working with local beneficiaries and communities in the design, implementation, and monitoring of ADB operations, and is committed to working with civil society organizations and citizen networks to strengthen transparency and inclusivity in its operations.

10. ADB, through the E&S Policy and the ESSs, will translate the institutional aspirations set out in this Vision into project-level mandatory requirements to be applied within the parameters of a project and within the context of its mandate as set out in its Charter, and seeks to:

(i) Avoid and, where avoidance is not possible, minimize, mitigate, and compensate for adverse impacts of ADB projects on people and the environment, taking into consideration climate change risks;
(ii) Help borrowers/clients strengthen their E&S systems and improve their capacity to manage E&S risks and impacts;
(iii) Promote fair and nondiscriminatory labor and working conditions, and protect project worker and community health, safety, and security;
(iv) Support comprehensive and integrated risk and impact assessment and management process, that also considers specific project and country contexts and implementation needs, including for Fragile and Conflict Affected States (FCAS), and Small Island Developing States (SIDS);
(v) Support the sustainable use of resources, and avoid, minimize, and manage E&S risks and impacts of pollution and wastes;
(vi) Avoid or mitigate economic and physical displacement or disruption of livelihoods due to land acquisition and land use restriction and improve or at least restore the standards of living of project-affected persons;
(vii) Promote conservation of biodiversity and ecological functions, and sustainable management of living natural resources and conservation of cultural heritage;
(viii) Ensure nondiscrimination among project-affected persons and give particular consideration to Indigenous Peoples and those who are disadvantaged or vulnerable, taking into account gender-related risks, and promote equitable sharing of development benefits and opportunities resulting from a project; and
(ix) Strengthen stakeholder engagement through meaningful consultation and prevent threats of reprisals against project-affected persons through effective grievance mechanism.

11. While this ESF will not by itself guarantee sustainable development outcomes, its proper application and implementation by borrowers/clients will help further strengthen borrowers’/clients’ institutional frameworks and capacity to manage E&S risks and impacts in a more sustainable and resilient manner, and contribute to meeting project host countries’ global commitments and goals for a more inclusive green economic growth.