ADB Speeds Crisis Response as Energy and Food Prices Shock Asia and Pacific

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The Asian Development Bank (ADB) is putting faster and more flexible crisis response tools in place to help its members in Asia and the Pacific protect people, keep essential services running, and manage energy supply and food price shocks.

“Ongoing instability from the Middle East conflict is putting pressure on governments and people across the region, raising fuel bills, food prices, and borrowing costs,” said ADB President Masato Kanda. “ADB is moving quickly, before shocks become deeper crises. These tools will deliver support faster, give governments more room to act, and keep the focus where it belongs: protecting people, preserving stability, and building stronger energy and food systems.”

ADB’s Board of Directors approved Enhancing ADB’s Crisis Response Modalities to Address Energy Supply and Food Price Shocks, a policy paper that updates three existing ADB financing tools: the countercyclical support facility, contingent disaster financing, and emergency assistance loan. The changes are designed to help ADB respond to supply shocks that can build over time, spread through fuel and food markets, raise inflation, strain public budgets, and disrupt essential services.

The countercyclical support facility will now more clearly cover energy supply and food price shocks. This means ADB can provide fast budget support when members face severe economic stress from higher energy and food prices, shortages, import disruptions, or fiscal pressure. The facility can support targeted social protection, critical public spending, continuity of public services, and measures that strengthen energy and food security, while maintaining requirements for sound macroeconomic management and debt sustainability.

ADB’s contingent disaster financing will also be expanded to cover energy- and food-related emergencies. Under this tool, ADB works together with its members to undertake upstream reform measures that build resilience and disaster preparedness. This unlocks financing before a crisis, which can be drawn down quickly when agreed conditions are met. Under the new approach, disbursement can be triggered by an official emergency declaration or by clear economic impacts, such as a sharp rise in fuel and food import bills, a worsening current account balance, or significant energy- and food-related inflation. The framework will allow more flexibility for fragile and conflict-affected situations and small island developing states.

The emergency assistance loan will be updated to cover energy-related emergencies, in addition to its existing coverage of food-related emergencies. This will allow ADB to support urgent action even when a crisis does not destroy physical infrastructure but still threatens lives, livelihoods or essential services. ADB will use rapid impact assessments to identify urgent needs, including disruptions to energy and food supplies, rising service delivery costs, and risks to health, transport, education, water, utilities, and other public services.