ASIAN EVALUATION WEEK 2026

Put Your Money Where Your Evidence Is

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Pathways to Resilience:
Fragile and Conflict-Affected Situations and Small Island Developing States Approach Action Plan, 2026–2030

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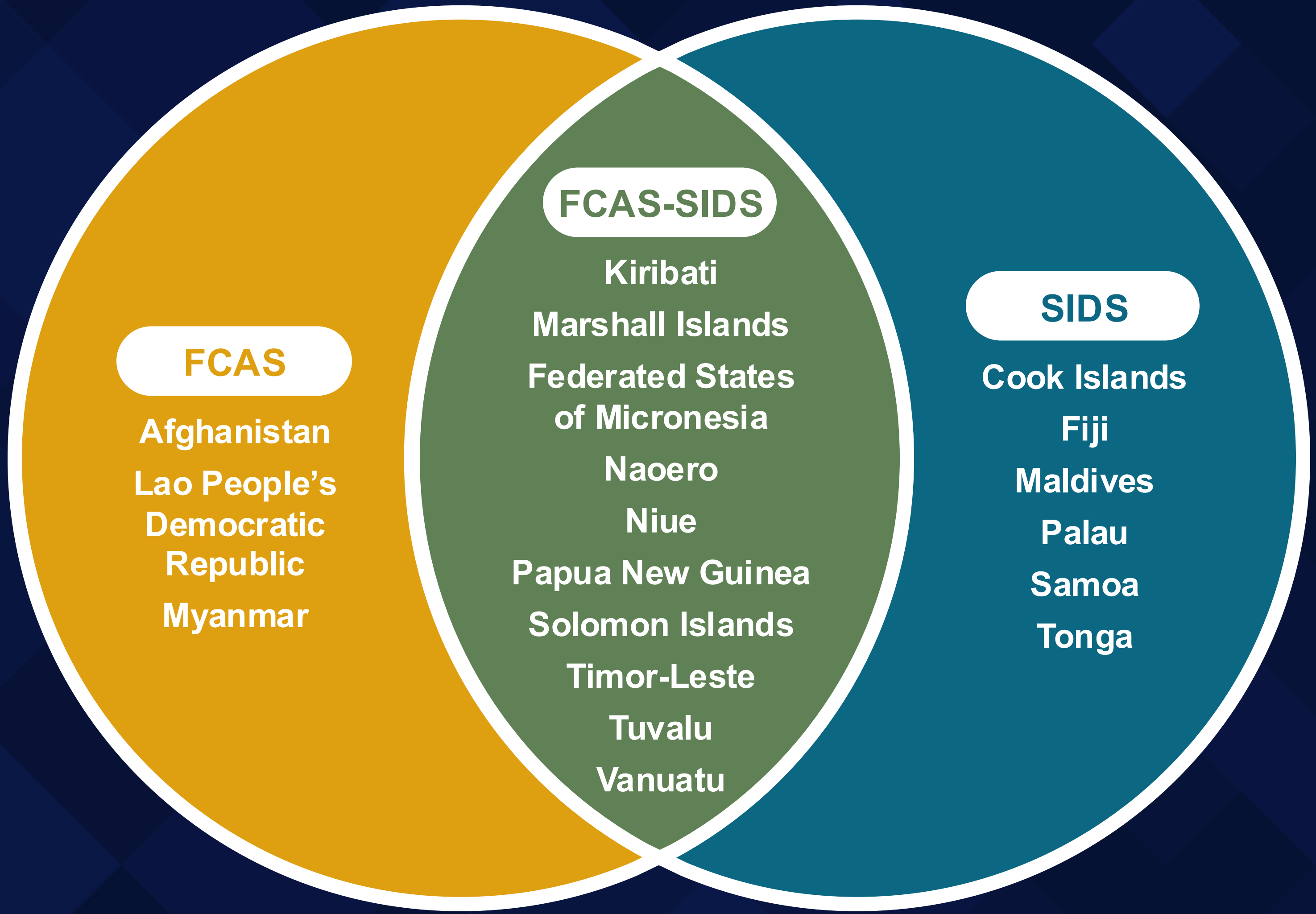
A Strong and Sustained Commitment to FCAS and SIDS

- The ADB Charter states ADB will pay ***special regard*** *to the needs of the smaller or less developed member countries (DMCs) in the region.*
- In Strategy 2030, ADB commits to applying **differentiated approaches** in fragile and conflict-affected situations (FCAS) and small island developing states (SIDS), given their unique development contexts.
- To operationalize these commitments, ADB adopted its **FCAS and SIDS Approach (FSA)** in 2021 with a corresponding **Action Plan, 2021–2025**.
- A **Midterm Review of the FSA** in 2024 found its implementation progressing well, and its **theory of change** and three-pillar **action plan framework** still relevant.
- A new **FSA Action Plan for 2026–2030** retains the relevant elements of the FSA but reflects the evolving institutional and development contexts.
- The new plan aligns with the **Strategy 2030 Midterm Review** and its **strategic focus areas**.

FCAS and SIDS Represent a Large Group of DMCs

- 16 DMCs are SIDS and, currently, ADB classifies 13 as FCAS, with **10 in both categories**.
- Altogether, these 19 represent **nearly half of DMCs**.
- Other DMCs are experiencing **conflicts or crises** or are at a high-risk of this, including at the **subnational level**.
- The ongoing review of the **FCAS classification system** is an opportunity to capture this fragility and tailor ADB's operations accordingly.

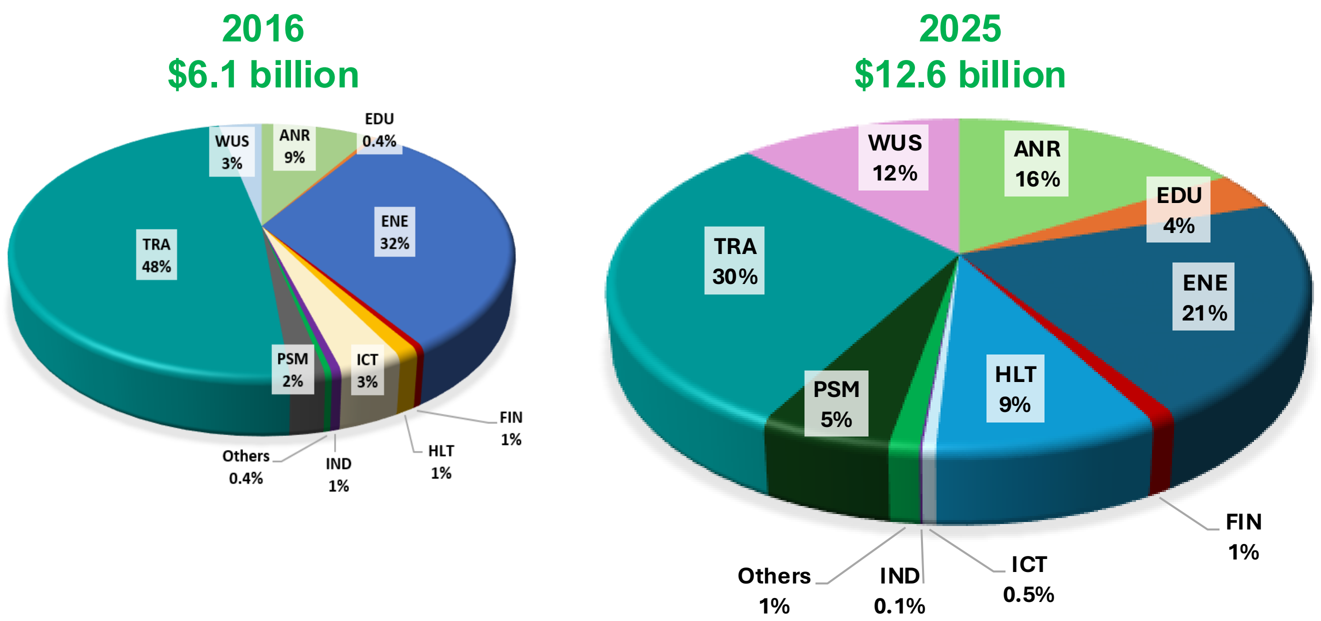


ADB Has Doubled and Diversified Its FCAS and SIDS Portfolio

While ADB's sovereign portfolio has grown steadily, nonsovereign operations in FCAS and SIDS remain limited.

Sovereign: $5.8B (84 projects) in 2016 ➔ $12.2B (163 projects) in 2025
Nonsovereign: $273M (6 projects) in 2016 ➔ $450M (13 projects) in 2025

FCAS-SIDS sovereign and nonsovereign portfolio by sector



ANR = Agriculture, Natural Resources, and Rural Development, EDU = Education, ENE = Energy, FIN = Finance, HLT = Health, ICT = Information and Communication Technology, IND = Industry and Trade, PSM = Public Sector Management, TRA = Transport, WUS = Water and Other Urban Infrastructure and Services.

Source: Asian Development Bank.

Larger shares in ANR, EDU, PSM, and WUS sector operations have driven this trend

ADB commits to continuing this growth with a new Corporate Results Framework target of **7.5% of ADB financing to FCAS and SIDS by 2030.**

Delivering Results Remains Challenging, but Progress Is Noted

- Success rates of **completed operations** in **FCAS and SIDS** from 2016–2025 stand at **59%,** compared to that of **non-FCAS-SIDS** DMCs at **73%**. This reflects the challenging FCAS-SIDS operational context. Yet many examples of impactful projects feature differentiated approaches.
- Plus, projects approved in more recent years show better results: when grouped by **approval year**, a **positive trend** emerges (see table below).
- Performance improvements of more recent projects attributed to better project design through **increased use of project readiness financing** and **program-based modalities**.

Completed FCAS-SIDS Operations Rated Successful, by Approval Year

Approval year	Completed projects			Ongoing projects
	Projects rated HS/S	Total projects rated	Success rate	
2006–2010	15	34	44%	2
2011–2015	25	41	61%	23
2016–2020	22	32	69%	63

HS = highly successful, S = successful
Note: The approval periods 2001–2005 and 2021–2025 were excluded due to the small number of projects rated (eight and three projects, respectively).
Source: Asian Development Bank.

FSA Implementation: Responding to Complex Challenges

Improved livelihoods, inclusiveness, and resilience in FCAS and SIDS

Improved performance of ADB operations | Strategically aligned FCAS and SIDS investments | Improved DMC program implementation

Increased use of differentiated approaches in ADB operations in FCAS and SIDS

[Medium term]

RESULTS

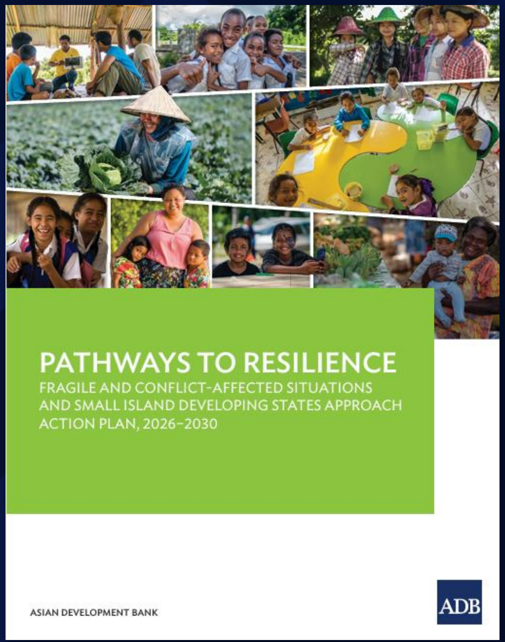
[Intermediate]

PILLAR 1	PILLAR 2	PILLAR 3
Improving responsiveness of standard ADB processes, procedures, and practices for FCAS and SIDS differentiated approaches	Increasing ADB's institutional capacity for operations in FCAS and SIDS	Enhancing understanding of DMC contexts
5 key action areas 1. adoption of risk-based strategic planning and business processes; 2. FCAS and SIDS responsive project modalities in operational use; 3. context appropriate project preparation, design and implementation procedures in operational use; 4. integration of digital technologies; and 5. FCAS- and SIDS-responsive monitoring and reporting systems operational.	**6 key action areas** 1. enhanced ADB FCAS and SIDS organizational coordination; 2. strengthened knowledge and analytics; 3. ADB staff more effective in applying FCAS and SIDS contextual knowledge and skills; 4. enhanced ADB responsiveness on the ground; 5. stronger human resource policies and incentives; and 6. expanded partnerships and coordination.	**2 key action areas** 1. completed multidimensional fragility and resilience assessment; and 2. completed watching briefs on potential context sensitive situations.
14 sub-actions	**16 sub-actions**	**4 sub-actions**
4 assumptions	**3 assumptions**	**2 assumptions**

The FSA is an ADB-wide, Fragility and Engagement Division (CCFE)-supported plan to enable ADB to **respond more effectively** to the development needs of its most vulnerable DMCs.

The 13 key action areas across the three pillars **collectively boost ADB's understanding** of the complexities facing these DMCs and the responses needed to support them.

The FSA Action Plan, 2026–2030. What's new?



- **Pillar 1: Differentiated business processes**. The shift is from using existing flexibilities suited for FCAS-SIDS contexts (mostly through new guidance notes) to introducing new processes. For example:
  - Introduction of risk-based differentiated approaches
  - A deep dive on procurement methods and the impact of existing tailored approaches
  - Private investment in SIDS mobilized through catalytic, programmatic, blended, and indirect financing approaches tailored to frontier market conditions

- **Pillar 2: Increasing ADB's capacity for operations in FCAS-SIDS.** Focuses on staffing, skills, knowledge and partnerships needed to deliver differentiated approaches. For example:
  - Training on updated key topics (capacity development, conflict-sensitivity, region-focused)
  - Knowledge and communications (resource portal), partnership and coordination (ICRC, UN, IDMC, UNOPS, et al).

- **Pillar 3: Enhancing understanding of DMC contexts.** Some big changes include:
  - New FCAS classification system
  - More subregional and project-level fragility assessments

Thank you!

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