

Foreword

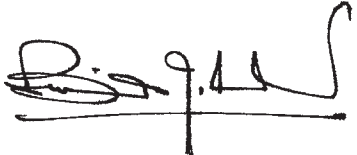
With the adoption of its Poverty Reduction Strategy (PRS) in 1999, poverty reduction became the Asian Development Bank (ADB)'s overarching goal. The implementation of the PRS required a host of institutional reforms in ADB. In 2004, a review of the PRS was undertaken, which confirmed the continued relevance of the basic framework for poverty reduction in the PRS comprising the three pillars—pro-poor sustainable economic growth, social development, and good governance. The review also identified a need for greater country focus with a stronger alignment of ADB's operations with a country's own national poverty reduction strategy and developing stronger partnerships around it, increasing results orientation, and greater emphasis on capacity development.

Implementing the enhanced PRS involves a myriad of changes in ADB itself. Staff are challenged to (i) improve the country poverty diagnostic, (ii) prepare high-quality country strategies and programs, (iii) assist countries in their efforts to develop more effective national poverty reduction strategies and to better support them, (iv) work more meaningfully with other stakeholders helping countries meet their Millennium Development Goal (MDG) commitments, (v) define and track results at all levels of ADB's operations, and (vi) ensure that ADB is an open, transparent, and accountable partner in the battle to eradicate poverty in the Asia and Pacific region.

Toward this end, new guidelines and staff instructions have been issued to ensure that the enhanced PRS can be implemented as efficiently and effectively as possible. This handbook focuses and further elaborates on the changes introduced. It describes the rationale, policies, and procedures for assisting the developing member countries combat poverty. It contains numerous illustrations of the manner in which poverty-focused analysis, programming, project formulation, and monitoring and evaluation have been incorporated into ADB's evolving assistance tool kit.

ADB has become a learning organization and, as the organization learns, good practices are incorporated into its strategies and policies. This handbook is therefore expected to be periodically reviewed and revised to reflect new policies and procedures that have been adopted in ADB.

We hope that staff will find this handbook useful in assisting them better implement ADB's poverty reduction mandate.



Bindu N. Lohani
Director General, RSDD

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Abbreviations

ADB	Asian Development Bank
CAPE	country assistance program evaluation
CBO	community-based organization
CPA	country poverty analysis
CPS	country partnership strategy
CSP	country strategy and program
DHS	demographic and health survey
DMC	developing member country
EPRS	Enhanced Poverty Reduction Strategy
FDI	foreign direct investment
GDP	gross domestic product
GI	general intervention
IEI	innovation and efficiency initiative
IMF	International Monetary Fund
IPSA	initial poverty and social assessment
ISTS	information systems and technology strategy
KMF	Knowledge Management Framework
Lao PDR	Lao People's Democratic Republic
LSMS	living standard measurement survey
M&E	monitoring and evaluation
MDG	Millennium Development Goal
MfDR	management for development results
MTEF	medium-term expenditure framework
MTS	medium-term strategy
NGO	nongovernment organization
NIE	newly industrialized economy
NPRS	national poverty reduction strategy
OED	Operations Evaluation Department
OMS	operations manual sections
PCP	public communications policy
PPA	Poverty Partnership Agreement
PRA	participatory rapid appraisal
PRC	People's Republic of China
PRS	Poverty Reduction Strategy
PRSP	poverty reduction strategy paper
PSA	poverty and social analysis
RCSP	regional cooperation strategy and program
RM	resident mission
RRA	rapid rural appraisal
RRP	report and recommendation of the President
RSDD	Regional and Sustainable Development Department

SA	social analysis
SME	small and medium enterprise
SPD	Strategy and Policy Department
SPRSS	summary poverty reduction and social strategy
SSEDP	Second Socio-Economic Development Plan
TI	targeted intervention
TI-G	geographically targeted intervention
TI-H	household targeted intervention
TI-M	Millennium Development Goal targeted intervention
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific

NOTE In this report, "\$" refers to US dollars.