

# OPERATIONS MANUAL

## Introduction

This Operations Manual collects ADB's operational policies known as "Bank Policies" (BPs) which are short, focused statements that follow from the *Agreement Establishing the Asian Development Bank* (the Charter), the *Regulations of the Asian Development Fund*, the *Regulations of Ordinary and Special Operations*, and operational policies adopted by the Board of Directors. The Operational Manual (OM) also includes Operational Procedures (OPs) that spell out procedural requirements and guidance on the implementation of policies.

The review and updating of the OM was undertaken in the context of the Review of the Inspection Function in 2002–03. The revised OM sections have a new format and are organized according to a new numbering system based on groups of similar subjects or themes, rather than a consecutive numbering system used in the old OM. The basis of each OM section is organized in an inversed chronological order, beginning with the latest policy paper. Each OM section indicates whether it is subject to compliance review or not. By compliance review, we refer to the review by the Compliance Review Panel of the ADB Accountability Mechanism that will determine the question whether Management and staff have complied with ADB's operational policies or not. The Board policy on the Review of the Inspection Function: Establishment of the ADB Accountability Mechanism stipulates as follows:

For the present and for purposes of the policy on the new ADB accountability mechanism, the scope of compliance review is "ADB's operational policies and procedures" as they relate to the formulation, processing, or implementation of an ADB-assisted project, and excludes matters relating to the procurement of goods and services, including consulting services, and non-operational housekeeping matters, such as finance and administration. They are included in the current OM, the Project Administration Instructions (PAIs), and the New Business Processes (NBP). The revised OM will make reference to the PAIs and the NBP and eventually include them. For those operational policies and procedures that have been approved by the Board, but have not been properly incorporated into the OM, original policy papers as approved by the Board will be used in the absence of either express incorporation in OM sections or as staff instructions or similar documents that are intended to be issued eventually as OM sections, or in the event that there is a conflict between a Board-approved policy and an OM section.\*

Another new feature of the OM section is that it designates an officer responsible for the particular OM section, to which questions may be addressed.

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\* ADB. 2003. Doc. R79-03, *Review of the Inspection Function: Establishment of a New ADB Accountability Mechanism*, para. 143, 8 May. Manila.

As these revised OM sections are going to print, new policy review papers that will eventually affect the contents of these OM sections are already under preparation. It is incumbent upon each department or office that is responsible for reviewing policies to ensure that the related OM sections are reviewed, updated properly, and issued promptly when the Board of Directors adopts new revised policy papers.

For the preparation of new policy papers, the President approved the following procedure: (i) the originating department/office responsible for the preparation of a new policy paper will prepare the draft OM sections while preparing the R-paper concerned. The interdepartmental review of the draft policy paper will accompany the draft OM sections concerned; (ii) the draft OM sections must be cleared for clarity, consistency, and comprehensiveness before they are submitted to the President for approval; (iii) the R-paper submitted to the President for approval of circulation to the Board must accompany the draft OM sections; otherwise, the Office of the Secretary will not circulate the R-paper unless it has a copy of the draft OM sections at hand; and (iv) upon Board approval of the R-paper, the OM sections will be issued to staff and placed on the ADB web site within two weeks of the date of Board approval.

As in the past, extensive interdepartmental consultations have contributed to the accuracy and completeness of the treatment of the subjects. Emphasis, however, is on lucidity and brevity of expression. Wherever necessary, a comprehensive listing is given of relevant documents on which the sections are based. For more detailed information, ADB staff should refer to the relevant supporting documents.

Last but not least, I would like to acknowledge the invaluable contribution made by two staff consultants, Mr. Francis Sharpley, former Manager, COPP and Dr. Moon-Soo Chung, former Senior Counsel, OGC, in creating a new conceptual framework for the OM. Ms. Yukiko Kojima, Principal Planning and Policy Officer, SPD, obviated obstacles to the process.

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