

OPERATIONS MANUAL POLICIES AND PROCEDURES

These policies and procedures were prepared for use by ADB staff and are not necessarily a complete treatment of the subject. This *Operations Manual* is issued by the Strategy, Policy and Partnerships Department with the approval of the President. Questions may be directed to the chief of the Sustainable Development and Climate Change Department's Regional Cooperation and Integration Thematic Group.

REGIONAL COOPERATION AND INTEGRATION

A. Scope

1. The Agreement Establishing the Asian Development Bank (the Charter) states that the Asian Development Bank (ADB) will foster economic growth and cooperation in Asia and the Pacific and contribute to the economic development of the developing member countries (DMCs) in the region collectively and individually (endnote i). ADB adopted a regional cooperation policy in 1994 that articulated its approach to promoting regional cooperation (endnote ii). In 2006, ADB endorsed a regional cooperation and integration (RCI) strategy to guide its support for RCI in a coherent way and facilitate new RCI initiatives. The RCI strategy aims to support poverty reduction in Asia and the Pacific through regional collective action that improves cross-border connectivity, increases trade and investment, mobilizes regional savings for regional investment, reduces macroeconomic vulnerability to shocks, facilitates cooperation in regional public goods, and improves overall governance standards across the region (endnote iii).

2. RCI is an area of strength and comparative advantage for ADB based on ADB's unique position as a regional development bank, its reputation as an honest broker and trusted partner of DMCs, and its accumulated and diverse experience working on and promoting RCI initiatives. ADB plays four distinct roles in supporting and promoting RCI in Asia and the Pacific: (i) providing financial resources for RCI and/or helping DMCs mobilize funding for RCI; (ii) creating, consolidating, and disseminating knowledge and information on RCI to DMCs; (iii) helping DMCs and regional and/or subregional bodies build their institutional capacity to manage RCI; and (iv) acting as an RCI catalyst and coordinator for DMCs. These are mutually supportive and reinforcing, enabling ADB to facilitate, support, and promote RCI.

B. Strategic Agenda

3. RCI is an ADB-wide operational priority under Strategy 2030 given its potential to accelerate economic growth, raise productivity and employment, reduce economic disparities and vulnerabilities, and achieve closer policy and investment coordination in support of regional and global public goods (endnote iv). Under this strategy, RCI operations are expected to enhance connectivity and competitiveness, promote regional public goods, strengthen cooperation in the finance sector, and strengthen subregional initiatives.

Basis

ⁱ ADB. 1966. *Agreement Establishing the Asian Development Bank*. Manila (Chapter I, Article 1).

ⁱⁱ ADB. 1994. *Bank Support for Regional Cooperation*. Manila.

ⁱⁱⁱ ADB. 2006. *Regional Cooperation and Integration Strategy*. Manila.

^{iv} ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.