

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* was prepared by the Human and Social Development Sector Office and issued by the Strategy, Policy, and Partnerships Department with the approval of the President. Questions may be directed to the senior sector director of the Human and Social Development Sector Group.

POVERTY REDUCTION

A. Introduction

1. ADB adopted poverty reduction as its overarching goal in 1999. The original strategy for achieving this goal is described in *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank* (PRS).¹ The strategy was reviewed in *Review of ADB's Poverty Reduction Strategy*.² This Operations Manual section summarizes key elements of the strategy as amended by the review and outlines the continued commitment to poverty reduction in Strategy 2030, ADB's long-term corporate strategy.³

B. The Policy

2. ADB's overarching goal is to help its developing member countries (DMCs) reduce poverty and improve living conditions. Poverty is a multidimensional phenomenon—both income (or consumption) and non-income dimensions—representing a deprivation of essential assets and opportunities to which every human is entitled. The framework of the PRS requires ADB support to focus on the three interrelated pillars of pro-poor sustainable economic growth, social development, and good governance. To enhance and sustain inclusive development, the PRS also emphasizes five thematic priorities: capacity development, environmental sustainability, gender equality, private sector development, and regional cooperation.

3. Noting significant progress in poverty reduction and economic growth in the region, Strategy 2030 underlined the commitment to poverty reduction and provided an expanded vision of achieving “a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.”

4. In pursuing poverty reduction, ADB ensures a country-focused approach by formulating its assistance around countries' own development planning processes and strategies. The country partnership strategy serves as the primary platform for defining ADB's operational focus in a country, with the DMC driving its own development and ADB providing customized solutions to development needs and challenges. The scope and content of ADB's support for poverty reduction is determined based on (i) thorough and participatory analyses of constraints to and

¹ ADB. 1999. *Fighting Poverty in the Asia and Pacific Region: The Poverty Reduction Strategy of the Asian Development Bank*. Manila. In 2001, ADB adopted a long-term strategic framework to guide its strategic management toward realizing its vision of Asia and the Pacific without poverty over the next decade and a half. See ADB. 2001. *Moving the Poverty Reduction Agenda Forward in Asia and the Pacific: The Long-Term Strategic Framework of the Asian Development Bank (2001–2015)*. Manila.

² ADB. 2004. *Review of ADB's Poverty Reduction Strategy*. Manila.

³ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

OPERATIONS MANUAL POLICIES AND PROCEDURES

opportunities for poverty reduction and inclusive growth, (ii) ADB's own capacity, and (iii) assistance programs of development partners. ADB may collaborate closely with all development partners in undertaking poverty assessments and other analytical work, identifying priority areas for its support to the DMCs, and implementing its assistance program in the DMCs.

5. The Sustainable Development Goals provide all development stakeholders, including ADB, with a framework of targets and indicators to help measure progress in reducing poverty in the region. The Strategy 2030 results framework and indicators track progress and results achieved by ADB operations and form a part of ADB's overarching corporate results framework. ADB reports annually on implementation progress of Strategy 2030 in the Development Effectiveness Review.

Bases

- i ADB. 1999. *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank*. Manila (R179-99).
- ii ADB. 2001. *Moving the Poverty Reduction Agenda Forward in Asia and the Pacific: The Long-Term Strategic Framework of the Asian Development Bank (2001–2015)*. Manila (Sec.M17-01).
- iii ADB. 2004. *Review of the Asian Development Bank's Poverty Reduction Strategy*. Manila (R95-04).
- iv ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.