

OPERATIONS MANUAL POLICIES AND PROCEDURES

These policies and procedures were prepared for use by the 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.

INCORPORATION OF SOCIAL DIMENSIONS INTO ADB OPERATIONS

A. Introduction

1. Social elements, such as gender, ethnicity, race, caste, and age, influence people's decision-making, access to services, resources, opportunities, and ability to cope with risks. These variables affect the character of the institutions (their formal and informal rules, norms, and values) that determine the level and nature of people's access and capability.

2. To achieve the Asian Development Bank (ADB) overarching goal of poverty reduction,¹ the Sustainable Development Goals, and ADB's long-term corporate strategy, Strategy 2030, it is important to understand how social elements influence poverty, inequality, and vulnerability. ADB operations can help reduce poverty, inequality, and vulnerability by transforming institutions, so they promote inclusiveness, equity, empowerment, and social security.

3. Under Strategy 2030, ADB will sustain its efforts to eradicate extreme poverty and expand its vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and Pacific. It will help the region prosper by sustaining economic growth and creating quality jobs. ADB will promote inclusiveness to ensure that economic gains are widely shared. The first operational priority under Strategy 2030—addressing remaining poverty and reducing inequalities—emphasizes human development and social inclusion as the key driver to incorporate social dimensions in ADB operations.

B. Policies

4. All ADB operations in its developing member countries have social dimensions that need to be considered during country strategy formulation, programming, and the project cycle. The key social dimensions, supported by ADB policies or strategies, include (i) participation; (ii) promoting gender equality and women's empowerment; (iii) social safeguards; and (iv) management of social risks, especially among poor and vulnerable groups.

5. ADB operations incorporate social dimensions to ensure the following social development outcomes, especially for the poor, vulnerable, and excluded groups:

- (i) policies and institutions that recognize and promote greater inclusiveness and equity in access to services, resources, and opportunities;
- (ii) greater empowerment to participate in social, economic, and political life; and

¹ ADB adopted poverty reduction as its overarching goal in 1999. The original strategy for achieving this goal is described in ADB. 1999. *Fighting Poverty in Asia and the Pacific—the Poverty Reduction Strategy of the Asian Development Bank*. Manila.

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- (iii) a greater sense of security and ability to manage risks.
6. In pursuing these social development outcomes, ADB
- (i) encourages consultation with and participation by stakeholders (including the government, executing and implementing agencies, clients and/or beneficiaries, people affected by ADB-supported projects, and civil society organizations, where appropriate)² and provides them with opportunities to engage in key stages of the country strategy formulation, programming, and the project cycle (i.e., processing, implementation, monitoring, and evaluation);
 - (ii) addresses gender inequalities in relevant aspects of ADB operations, including macroeconomic, sector strategy, country strategy formulation, and programming work, as well as in key stages of the project cycle; and proposes strategies to promote social inclusion and gender equality and to empower women, including recognizing multiple forms of discrimination and vulnerabilities;
 - (iii) integrates social analysis in preparing country partnership strategies and regional strategies and programs; identifies potential social issues during project preparation to ensure that the project design maximizes social benefits and avoids or minimizes social risks, particularly for vulnerable and marginalized groups; and
 - (iv) ensures that project design and implementation arrangements include actions to enhance benefits and to monitor and evaluate the distribution of the benefits of the project, with performance targets and indicators for monitoring and evaluating benefits included in the design and monitoring framework of the project.

Bases

- i ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.
- ii ADB. 2010. *ADB. Safeguard Policy Statement*. Manila.
- iii ADB. 1998. *ADB Policy on Gender and Development*. Manila (Reprinted in 2003).
- iv ADB. 1998. *Cooperation Between Asian Development Bank and Nongovernment Organizations*. Manila.
- v ADB. 2004. *Enhancing the Fight Against Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank*. Manila.

² More information on engagement with civil society is available in ADB. 2023. *Promotion of Engagement with Civil Society Organizations. Operations Manual*. OM E4. Manila.