

# Resident Missions: Delivering Services to Clients

- ADB opened its first resident mission in **Bangladesh** in 1982. It now operates a network of 23 **resident missions** and several other types of smaller field offices, covering over 80% of its **developing member countries** at an annual operating cost of about \$44 million.
- ADB's **Resident Mission Policy** of 2000, framed in the context of its **Poverty Reduction Strategy** of 1999, aims to provide the primary interface between ADB and the host countries and maximize the efficiency, effectiveness, and impact of ADB's operations there. Has the policy delivered on promise?

## Background

In 2000, the Asian Development Bank (ADB) identified that (i) client orientation and proximity were essential to increasing development impact and that the roles of resident missions should be geared to that; (ii) major changes in ADB's strategic orientation presented new opportunities and challenges for all its units, including resident missions; and (iii) the circumstances in which ADB operated had changed and ADB had gained experience in the working of resident missions since the last policy on resident missions formulated in 1986. It was in response to these developments that ADB formulated its new resident mission policy in 2000.

In 2007, the Operations Evaluation Department of ADB conducted a **Special Evaluation Study on Resident Mission Policy and Related Operations: Delivering Services to Clients**.<sup>1</sup> The study reviewed previous studies on resident missions prepared in 2001 and 2002, as well as integrating related material from, among others, recent **country assistance program evaluations** for **Bhutan, People's Republic of China, India, Indonesia, Pakistan, and Uzbekistan**. The findings of the study are meant to feed into the ongoing review of the policy by the **Strategy and Policy Department** and the **Budget, Personnel, and Management Systems Department**. It is also useful to the ongoing review of ADB's **Long-Term Strategic Framework, 2001–2015** and future ADB strategies.

The study assessed the performance of resident missions in terms of the achievement of the overall

objectives and functions of the policy. But it also examined the relevance of the policy and its future sustainability taking into account the changing business environment in developing member countries, development assistance delivery, and evolving implications for ADB's corporate strategies. The focus of the study was on aggregate assessments. It did not purport to evaluate the performance of individual resident missions. It covered mainly the period from 2000 to the first half of 2007.

The evaluation of the policy was a challenge because neither the policy nor its review of 2002 had been accompanied by a design and monitoring framework setting out objectives and indicators against which to assess progress. To offset this shortcoming, the study gathered feedback, from both external and internal clients, by means of questionnaire surveys; conducted structured interviews; analyzed operational data; and reviewed relevant policy and operations-related documents, and information included in evaluation reports as mentioned above. Given the limited availability of factual performance data, its findings were substantially based on client perceptions reflected in the questionnaire surveys.

## Summary of Findings

The evaluation framework for the study examined (i) *relevance* (the extent to which the policy's orientation and objectives in 2000 provided guidance and facilitated compliance in supporting the achievement of ADB's strategic objectives); (ii) *effectiveness* (the extent to

which the services and outputs of resident missions yielded desired quality outcomes, value added, and development effectiveness in the value chain of ADB's operations); (iii) *efficiency* (the extent to which resident missions contributed to improving product and service delivery in terms of timeliness, client responsiveness, and market appreciation); and (iv) *sustainability* (the extent to which the policy provides continuing and forward-looking policy guidance and facilitates resident mission operations).

### Overall Performance Assessment

Criterion	Assessment
Relevance	Highly relevant
Effectiveness	Effective
Efficiency	Efficient
Sustainability	Highly likely
<b>Overall Rating</b>	<b>Successful</b>

Overall, the policy and its related operations were rated "successful". The policy was rated as "highly relevant" in terms of value added at the time that it was formulated. It was also found flexible enough to be able to accommodate the emerging needs of ADB and its developing member countries. Resident mission operations were found compliant with the policy and "effective" and "efficient" in the delivery of services to both internal and external clients. More decentralization and a larger deployment of resources to resident missions would likely have resulted in higher effectiveness and efficiency ratings. The policy continues to remain "highly sustainable" in the present context, with the potential of continuing to remain so.

Moving forward, ADB should consider undertaking the preparation of a corporate decentralization strategy. The underlying rationale for such a strategy would be to help ADB respond to the future challenges arising from continued rapid economic progress in the Asia and Pacific region, such as those described in **Toward a New Asian Development Bank in a New Asia: Report of the Eminent Persons Group to the President of the Asian Development Bank**, and to meet the corporate goals to be enunciated under the **Review of ADB's Long-Term Strategic Framework**. The objectives of the strategy would be to (i) strengthen existing resident missions to improve operational effectiveness and efficiency, (ii) integrate the resident mission network more closely with headquarters' information technology and **knowledge work**, and (iii) enhance developing member country coverage. In preparing the

strategy, attention should be given to the strategic management principles of **organizational decentralization**, as well as to the lessons learned from the emerging best international practices among the **multilateral development banks**. A culture of **managing for development results** at ADB and a decision-making process that encourages delegation are the important prerequisites for success.

Organizational decentralization is a major challenge that has to be carefully assessed, planned, and managed, since it will have significant implications on ADB's business practices and may have major resource implications. Before undertaking the preparation of the proposed decentralization strategy, a detailed feasibility study should be undertaken to (i) explore the various alternative decentralization scenarios and their applicability to each of ADB's **regional departments**, (ii) assess the financial and human resource implications and impacts on business processes of the various scenarios, and (iii) set out a staged, time-bound, results-oriented implementation plan for the strategy.

### Recommendations

The following recommendation was put forward for consideration by ADB's Management in the ongoing review of the policy and in the revision of the Long-Term Strategic Framework:

- Prepare a decentralization strategy in light of the evolving challenges and opportunities and in line with ADB's future strategic directions. The strategy should be informed by a detailed feasibility study (covering, among other things, financial and human resources implications and impacts on business processes).

### Feedback

When these *Learning Curves* were prepared, **ADB Management's Response** and the **Chair's Summary of the Development Effectiveness Committee Discussions** were not available for disclosure to the public. The study was completed in October 2007.

<sup>1</sup> ADB. 2007. *Special Evaluation Study on Resident Mission Policy and Related Operations: Delivering Services to Clients*. Manila. Available: <http://www.adb.org/Documents/SES/REG/SST-REG-2007-24/SST-REG-2007-24.pdf>