

DMC Officials Training Program

9 October 08

Key Objective of Presentation

- Provide an overview of the role of resident missions in ADB
- Present preliminary findings from our ongoing review
- Receive feedback / answer questions from staff

Historical Background

- 1982: Opening of first RM in BAN
- 1986: First ADB RM policy
- By end 1999: 11 RMs established
- January 2000: New RM policy approved

2000 Resident Mission Policy

- ADB should have an RM in each borrowing DMC, where practical.
- RM will undertake a much broader set of functions:
 - Standard functions: (i) government, civil society and private sector relations; (ii) policy dialogue and support; (iii) country reporting; (iv) aid coordination; and (v) external relations and information dissemination.
 - Specific functions: (i) country programming; (ii) loan and TA processing; (iii) portfolio management; and (iv) economic and sector work.

2002 Review

Key Recommendations

- **Country Programming**: further delegation to RMs
- **Loan and TA Processing**: remains predominantly at HQ, with RM support
- **Portfolio Management**: further delegation to RMs
- **ETSW**: role of RMs can be expanded
- **Issues/Constraints**:
 - staffing (numbers and skills mix)
 - additional investment in ICT

ADB's Experience with Resident Missions

RMs and their activities have significantly expanded between 2000 and 2007

RM Activities (Number and % of ADB Total)	2000	2007
Number of RMs	13	23
RMs Leading Country Programming	3 (23%)	21 (91%)
Public Sector Projects Processed	5 (7%)	5 (7%)
TAs Processed	6 (2%)	26 (11%)
Public Sector Projects Administered	67 (15%)	187 (39%)
TAs Administered	65 (6%)	147 (16%)

Sources: (i) BPMSD; (ii) 2002 Review of the Implementation of RM Policy; (iii) Budget document; (iv) COSO Reports; (v) PPIS; and (vi) RDs.

But there are differences across RMs...

RM Category	Key Functions	Staffing	RMs in each Category
Small	<ul style="list-style-type: none"> Standard functions Country programming Country economic work Limited project administration (average 6 projects and TAs per year) 	1-4 PS 2-6 NO 1-6 AS Total: 10 staff on average	Australia (PLCO), Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Papua New Guinea, Philippines, Tajikistan, Thailand, Timor-Leste
Medium	<ul style="list-style-type: none"> Standard functions Country programming Country economic work Limited TA processing Project administration (average 16 projects and TAs per year) 	3-6 PS 4-12 NO 5-11 AS Total: 19 staff on average	Afghanistan, Cambodia, Fiji (SPSO), Lao PDR, Nepal, Sri Lanka, Uzbekistan, Viet Nam
Large	<ul style="list-style-type: none"> Standard functions Country programming Country economic work Other ETSW Limited project and TA processing Project administration (average 27 projects and TAs per year) Delegated disbursement 	7-10 PS 15-19 NO 16-23 AS Total: 44 staff on average	Bangladesh, India, Indonesia, Pakistan, PRC

Sources: BPMSD, COSO reports, and various RMs.

Benefits of Delegation

- Quantitative evidence from OED's SES suggests that delegation has contributed to improved operations:

	RM-administered	HQ-administered
Successful Projects (based on PCRs/PPERS)	69%	63%
Successful TAs (based on TCRs)	81%	81%
Delays in loans closing (Average 2001-2006)	639 days	667 days
Disbursement ratio (Average 1999-2006)	28%	20%

- Feedback from external and internal clients further confirm this finding and suggest that this is primarily attributed to:

- deeper country knowledge
- increased speed and responsiveness
- increased collaboration in country

Growth in RM Resources

	2000	2007
Staffing		
Total RM Staff Strength	161	472
PS	38	96
NO and AS	123	376
Total ADB Staff Strength	1,994	2,500
RM Staff Strength as % of ADB Total	8.1%	18.9%
Internal Administrative Expenses		
Total RM (\$ 000)	15,958	46,587
Total ADB (\$ 000)	204,904	332,701
% of RMs' IAE to Total ADB IAE	7.8%	14.0%
Annual Capital Expenditure		
Total RM (\$ thousand)	100 ^a	1,246
Total ADB (\$ thousand)	3,500 ^a	3,744
Percentage of Total ADB	3.0%	33.3%

^a2001 Figures. The Annual Capital Budget was first introduced in ADB in 2001.

Review of RM Operations: **Preliminary Findings**

- Main objectives of RM policy are being met through a significant expansion of RM activities
- Broad framework of 2000 policy seems sound
- Evidence suggests that delegation of responsibilities to RMs has had a positive impact on ADB's operations
- OED's SES rates RM policy as successful --- we support this rating
- But there is room for improvement in some areas

How to further improve RM Operations?

- Fine tune current model and strengthen RM-HQ interactions
- Further adjust staff complements and skills mix, taking into account the diverse nature of RMs
- Attract and retain qualified staff in RM posts
- Further invest in information and communications technology to expand bandwidth

Better Positioning RMs to Implement Strategy 2020

- Enhancing RMs' role in knowledge production and dissemination activities
- Strengthening RMs skills in the area of PSD and NSOs
- Clarifying RM role with respect to RCI

Which Way Forward?

- RMs to continue to play a lead role in country programming and country economic analysis in addition to the standard functions
- Project processing to remain predominantly at HQ. Processing of small grants and TA to be expanded in selected RMs
- Further delegation of project administration responsibilities to RMs
- Selectively expand ETSW, targeting MICs as a priority

**We welcome your questions
and feedback...**