

ASIAN DEVELOPMENT BANK

REVIEW OF PROGRESS IN IMPLEMENTATION OF THE RESIDENT MISSION POLICY

July 2002

ABBREVIATIONS

ADB	–	Asian Development Bank
ARM	–	Azerbaijan Resident Mission
BRM	–	Bangladesh Resident Mission
CAP	–	country assistance plan
CARECU	–	Central Asia Regional Economic Unit
CARM	–	Cambodia Resident Mission
CDF	–	comprehensive development framework
COS	–	country operational strategy
CPM	–	country programming mission
CPRGS	–	Comprehensive Poverty Reduction and Growth Strategy
CSP	–	country strategy and program
CSPU	–	country strategy and program update
CTL	–	Controller's Department
DDF	–	Delegated disbursement function
DMC	–	developing member country
EA	–	Executing Agency
ETSW	–	Economic, Thematic, and Sector Work
GMS	–	Greater Mekong Subregion
HQ	–	headquarters
ICT	–	information and communication technology
INRM	–	India Resident Mission
IRM	–	Indonesia Resident Mission
KARM	–	Kazakhstan Resident Mission
KYRM	–	Kyrgyz Resident Mission
LRM	–	Lao People's Democratic Republic Resident Mission
MNRM	–	Mongolia Resident Mission
MOU	–	memorandum of understanding
NBP	–	New Business Processes
NGO	–	nongovernment organization
NRM	–	Nepal Resident Mission
OED	–	Operations Evaluation Department
PAU	–	project administration unit
PHCO	–	Philippines Country Office
PNGRM	–	Papua New Guinea Resident Mission
PRC	–	People's Republic of China
PRCM	–	People's Republic of China Resident Mission
PRM	–	Pakistan Resident Mission
RD	–	Regional department
RM	–	Resident mission
SAGQ	–	South Asia Growth Quadrangle
SASEC	–	South Asia Subregional Economic Cooperation
SLRM	–	Sri Lanka Resident Mission
SPRM	–	South Pacific Regional Mission
TA	–	technical assistance
TRM	–	Thailand Resident Mission
UNDP	–	United Nations Development Programme

- URM – Uzbekistan Resident Mission
- VPN – virtual private network
- VRM – Viet Nam Resident Mission

WEIGHT AND MEASURE

- kbps – kilobits per second

NOTE

In this report, \$ refers to US dollars

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Note on Methodology and Questionnaires for Resident Mission Policy Review

EXECUTIVE SUMMARY

The Asian Development Bank (ADB) adopted a new Resident Mission (RM) policy¹ (the RM policy) in February 2000. The objective of the RM policy is to provide a framework for the ADB's RMs to more effectively support the implementation of ADB's strategic agenda, strengthen in-country activity and knowledge, and ensure greater responsiveness to the client. To achieve this, RM's objectives were defined into two groups: standard functions and specific functions. It was decided that while all RMs would begin implementing standard and specific functions immediately, the full transfer of specific functions to RMs should be pilot tested for implementability in selected RMs over two years. The purpose of this review is to assess whether the objectives and the expectations of the RM policy are being achieved. This review is organized according to the effectiveness of implementation of each function.

Country relations are about building country knowledge and relationships with the key institutions. There has been very significant expansion of activities in this function, which has become the most visible part of the new RM policy in the field. RMs have always had close contacts with the governments in developing member countries (DMCs), and this has continued. Areas where RMs have undertaken important new activities are engaging with nongovernment organizations (NGOs), and dialogue with the private sector. The results of a survey of government and civil society institutions have shown that they see increased levels of interaction, greater knowledge of local situations and problem solving since the RM policy was introduced.

In **policy dialogue** the review shows that RMs now have much greater involvement in both lead and supportive roles. Those RMs which lead country programming activities are most involved in policy dialogue in key areas particularly governance, macroeconomic policy and portfolio management. Much policy dialogue takes place in the context of sectors and projects, and here RMs play a more supportive role to HQ-led efforts. The main benefits of RM involvement are better local understanding of the political economy of change, as well as continuous dialogue.

Country reporting is an important function. RMs are usually well informed about country issues because of their location, and day-to-day contacts with country stakeholders and institutions. All RMs submit to headquarters regular monthly or quarterly reports on economic and political developments and performance of country portfolio of the concerned DMCs. Specific/ad-hoc reports to update any political and economic developments are also submitted.

The RM policy proposed an active, and sometimes a lead role for RMs in **aid coordination**. This is particularly important in countries where ADB is the largest donor. RMs have become very active in this function, and are heavily involved in all areas of donor coordination. Joint work with other aid agencies has increased. Surveys of other aid agencies indicate appreciation of the ADB's involvement in donor coordination. Responses from government agencies indicated general satisfaction with the ADB's role. Importantly, many perceived ADB as having a balanced and pragmatic approach on many issues with the aid community, and as a useful interlocutor with other aid agencies. However, there are constraints, arising largely from lack of staff: aid coordination at the sector levels is quite staff-intensive.

As the visible "face" of the Bank in DMCs, RMs are expected to play a critical role in **external relations and information dissemination** in terms of activities, most RMs have increased media contact, RMs are well placed to increase the ADB's profile in DMCs and to

¹ ADB. 2000. *Resident Mission Policy*. Manila.

build support for and knowledge of its activities, and within their limitations, have been doing so, with expanded media contact and briefings. However, most of them lack the skills and resources to effectively undertake this function. Language is another constraint to effective outreach. These issues need to be addressed.

The RM policy provided that all RMs would increase their involvement in **specific functions**, in differing degrees, depending upon country circumstances. The RM policy also specified that full transfer of these functions to RMs should be pilot tested in selected RMs. These are discussed below to see whether such full transfer was feasible, cost effective and efficient.

Country programming refers to the planning and scheduling of ADB's operations in a DMC. The RM policy provided for much greater RM involvement in programming, while recognizing that basic responsibility could rest with the HQ divisions. The expectations of the RM policy have been over-fulfilled. All RMs have expanded their role and participation in key aspects of country programming well beyond what was expected in the RM policy. The full delegation of this function was pilot-tested at the Bangladesh Resident Mission, Indonesia Resident Mission, Pakistan Resident Mission, and South Pacific Resident Mission (for Cook Islands and Vanuatu). These RMs took full responsibility for ADB's complete strategic and programming work in the country. This has been successful. Overall, both in terms of products, value-added, and stakeholders' reactions to pilot testing, the outcome has been very positive and demonstrates that in principle, the country programming function can be very effectively undertaken by RMs which have the proper resources and skills. Regional departments should consider expanding delegation to more RMs.

In the RM policy, **loan and TA processing** was considered a function that would predominantly be undertaken by HQ, with increased RM involvement and support, but it was also decided that it was worth pilot-testing fully RM-led loan processing. The results of the review show that RMs are more actively participating in processing activities. While this function was intended to be pilot-tested in five RMs, it has not been possible to achieve this with only three tests undertaken. RM level processing worked where the following conditions were met: (i) existence of a very experienced mission leader, (ii) prior and detailed knowledge of the sector and the country, (iii) relatively straightforward projects, and (iv) availability of strong local staff/consultants. Lack of sufficient staff skills at the RM and the HQ-focused review, check and balance and approval procedures, were constraints to effective RM processing. Overall, while it is possible for some of the larger and better-staffed RMs to undertake loan processing for some simple projects, HQ units will need to keep the lead in most cases. However, greater advantage can be taken of RM support.

The RM policy, however, recognized **project administration and portfolio management** as an area where RMs should play an increasing role and required that the maximum number of projects be delegated to them.² It is, however, disappointing that the loans delegated to RMs have remained roughly constant at about 21% of the total portfolio both before and after the RM policy. BRM and SPRM were selected for pilot testing of full portfolio management. However, the full project portfolio has not been delegated to either RM. In these circumstances, the outcome of the pilot test cannot be assessed. A number of reasons may account for the limited delegation of projects to RMs, including lack of staff, inappropriate skill mix; complexity of projects and unwillingness of some HQ units to "let go" projects. None of the above appear to be insurmountable obstacles to further delegation, when set against the benefits of greater RM involvement in portfolio management and project administration: local understanding, quicker problem solving, faster disbursement and greater capacity to address

² Delegation here refers to the transfer of a loan for administration to the RM.

systemic problems which are usually country-based, not sector-based. There is strong client demand for increased delegation. Regional departments should immediately review their country portfolios and prepare a plan for increasing delegation of projects to RMs in accordance with clear guidelines.

The amount of **economic, thematic and sector work (ETSW)** done by RMs shows some increase. While some RMs have undertaken independent ETSW studies, other RMs provided inputs to facilitate studies undertaken by HQ staff, discussed the results of these studies with country stakeholders and disseminated them in country workshops or through networks. There is scope for expanding independent ETSW, on key country topics by RMs in selected countries, where qualified researchers and good research institutions are available.

Since inception of the RM policy, **administrative budgets** for RMs have been provided keeping in mind the need to contain overall budget growth and in line with ADB's commitment to adopt a gradual approach in implementing the RM policy. At the same time, to address major constraints on RM operations such as staff resource requirements, communications, IT and office facilities, allocation of budget resources to RMs has been increased depending on specific circumstances of each RM. Resource allocations to RMs have grown at a rate of about 30% per annum, compared with the annual growth of about 5% for ADB's entire budget over the same period. This higher resource growth rate at RMs is necessary to meet increased requirements, including new RMs, and should be seen within the broader framework of enhanced RM work programs and delegation.

Between 2000 and 2002, the number of authorized **staff** positions in RMs have increased from 38 to 71, 53 to 123, and 70 to 120 for professional staff, national officers and other support staff, respectively. These increases were mainly aimed at providing minimum staff requirement for all RMs and, in the case of pilot RMs, strengthening their capacity to effectively deliver on various delegated functions. Notwithstanding the cost conscious approach adopted in implementing the RM policy to date, further increases of staff strength in RMs would be beneficial to the effectiveness of ADB operations in the field.

There have been marked improvements in the **information and communication technology** capacity of RMs since the RM policy was introduced. Out of 15 RMs (excluding Philippines Country Office), 8 RMs are equipped with leased circuit lines as of end 2001. In addition, virtual private network (VPN) facilities were installed in the rest of 7 RMs as a cheaper alternative for RM connection to HQ network system. In addition to leased lines and VPN, videoconferencing facilities have been provided to 5 RMs.

The broad objectives of the RM policy: to expand the role of RMs to provide greater support to ADB's strategic agenda and to improve effectiveness, are being met. The strategic and partnership objectives of the RMs, are being achieved through a very significant expansion of activities in the standard and specific functions. RMs are more integrated and proactive in all ADB's work, and more widely perceived as ADB's "face" in DMCs. The RM policy of establishing an RM in each borrowing DMC where practicable, is being followed. Staff numbers have improved, more experienced staff have now been posted to RMs and facilities, and budgets have considerably expanded. More importantly, evidence from all stakeholders shows that the RMs are seen as more proactive, responsive, and engaged with many more stakeholders in a wider range of development activities.

The role and functioning of RMs is continuing to evolve, and there are **areas which need attention to improve effectiveness, efficiency and coordination**. These include:

- (i) The **division of labor** between RMs and HQ. The reorganized ADB and the emphasis on teamwork provides an opportunity to organize work based on seamless integration of all units in a department, which includes the RMs. Thus, the department should decide collectively, which activity is best undertaken by which unit in each DMC, rather than pre-judge this according to location.
- (ii) Subject to the above, the review provides some broad conclusions **regarding specific functions**:
 - (a) In **programming**, both the increased level of activity of all RMs in this areas, as well as the success of pilot tests in four RMs, demonstrate that properly staffed RMs can be given a primary role in this function and regional departments should actively consider this.
 - (b) On **project processing**, the pilot tests demonstrate the complexity of doing loan processing from RMs. Thus, processing loans should remain a primarily HQ-based function, with some exceptions where RM has some specific advantages. However, TA processing can be expanded on a selective basis.
 - (c) **Project administration** and portfolio management are the areas where RMs are expected to have the greatest advantage in functioning. The review confirms that the original approach remains valid. Regional departments should, therefore, prepare plans for further delegation.
- (iii) In the area of **staffing two** issues have emerged. First, to undertake the full range of standard and specific functions, a minimum threshold of more than two professional HQ staff may be needed: two-person resident missions can only undertake a limited range of functions. Second, there is still some need to adjust the skill mix to meet specific country requirements in some areas.
- (iv) **Training of local staff**, both in ADB's official language, as well as its policies and procedures, needs intensification in some RMs. A more detailed review of this matter should be undertaken and a specific program prepared.
- (v) **Language** is beginning to emerge as a constraint on the deeper involvement of staff in some countries. Greater attention to language matters is necessary.
- (vi) High quality, timely **communication facilities** are essential to the integrated functioning of RMs in the reorganized ADB. For this, it will be necessary to make the required investments.

The RM policy sought to fundamentally alter the then relatively narrow functions of RMs and to mainstream RMs into all ADB's operations, so that their full potential could be realized. These positive and encouraging results point to the need to accelerate the implementation of the RM policy. To this end, it will be important to quickly resolve the issues identified earlier, increase delegation, and provide adequate and skilled resources.

I. INTRODUCTION

A. Background

1. The Asian Development Bank (ADB) adopted a new resident mission (RM) policy¹ (the RM policy) in February 2000. The objective of the RM policy is to provide a framework for ADB's RMs to more effectively support the implementation of ADB's strategic agenda, strengthen in-country activity and knowledge, and ensure greater responsiveness to the client. The RM policy established a mission statement and a set of objectives for RMs:

a) Mission Statement

"The RM provides the primary operational interface between ADB and the host developing member country (DMC) and strives to maximize the efficiency, effectiveness, and impact of ADB operations in the DMC."

b) Objectives

"(i) **The strategic objectives** are to (a) promote the implementation of ADB's overarching goal of poverty reduction and related strategic objectives in the DMC; (b) enhance policy dialogue with the DMC by providing high quality and timely advice; (c) be a recognized intellectual resource and knowledge base on development issues in the DMC; and (d) enhance the visibility of ADB and its activities in the DMC;

(ii) **The partnership objectives** are to (a) create strong partnerships with DMC development stakeholders including government, the private sector, and civil society; (b) enhance ADB's responsiveness to local needs and issues; (c) take leadership in aid coordination where possible, and build strong relationships with other funding sources; and (d) promote subregional cooperation."

2. To achieve these objectives, RMs are expected to undertake a much broader set of functions than hitherto. These are defined and classified into two groups: standard functions and specific functions. Standard functions include those functions that RMs must perform as ADB's principal representative in the field: (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 are those that relate more directly to the delivery and implementation of ADB's products and services: (i) country programming; (ii) loan and TA processing; (iii) portfolio management and project administration; and (iv) economic, thematic, and sector work (ETSW). It was decided that, while all RMs would begin implementing standard and specific functions immediately, the full transfer of specific functions to RMs should be pilot tested for implementability in selected RMs over two years. It was expected that with this new mandate, the RMs would contribute significantly to the effectiveness and quality of ADB's country operations.

B. Scope of This Review²

3. The purpose of this review is to assess whether the objectives and the expectations of the RM policy are being achieved, what issues and constraints to effective implementation have

¹ ADB. 2000. *Resident Mission Policy*. Manila.

² The review does not cover ADB's Philippines Country Office or the Special Office in East Timor. A list of RMs is in Appendix 1.

emerged, and how these might be addressed. More specifically, this review assesses the implementation of key aspects of the RM policy included in the schedule of implementation (Appendix 5 of the RM policy). This review also reports on the results of pilot testing.

4. It should be noted that the process of implementation of the RM policy is ongoing. Two years is not really enough for the considerable changes made by the RM policy to have fully worked through the system. In addition, ADB is still internalizing all the changes flowing from reorganization and the New Business Processes (NBP), and it will be some time before all these changes are fully integrated. Nevertheless, it is useful to examine the results so far.

C. Relationship with Reorganization

5. While the RM policy was being implemented, ADB undertook a major reorganization and change in its operational business processes. The reorganization carried forward some of the key ideas of the RM policy: a strong country focus and greater decentralization. The reorganization has created the potential for even greater effectiveness of RMs. All country activities are now conducted through a single department, reporting to one director general and managed by a single regional management team. The RM country directors are members of this team. This structure eliminates multiple lines of reporting. The strong emphasis on product delivery through teams makes the issues of location of work less salient, though it does not eliminate them. Directors general of regional departments (RDs) have been given wide discretion under the reorganized structure to decide on such issues in the country and institutional context.

II. METHODOLOGY

6. The focus of this review has been on the implementation of standard and specific functions. Assessment criteria were jointly developed by RMs, RDs, the Strategy and Policy Department, and the Budget, Personnel and Management Systems Department to capture the qualitative and quantitative dimensions of RM activities under each function, and the degree of change since the RM policy was implemented. Based on these criteria, a detailed set of questionnaires was developed to obtain data and inputs from RMs as well as stakeholders in the DMCs, including the governments, and other aid agencies, civil society, and executing agencies. Headquarters (HQ) staff visited selected DMCs to obtain firsthand information from RM staff and stakeholders.³ Feedback has also been obtained from selected mission leaders at HQ, as well as from HQ departments and offices. The review has also drawn on the interim findings of a special evaluation study by the Operations Evaluation Department (OED), which overlapped the change of RM policy and was therefore not processed further.

7. The information obtained from these activities has then been consolidated, analyzed, and reviewed interdepartmentally. This paper presents the results of this process. The rest of the paper is organized as follows: Chapter III reviews the status of implementation of the action plan, and assesses the implementation of standard and specific functions. Chapter IV examines the availability and effectiveness of resource use, and addresses issues relating to budget as well as human resources. Given the critical importance of communications to the effectiveness of RMs, a brief review of these is presented. Chapter V discusses corporate level issues of coordination, delegation, etc. Chapter VI draws together the key issues identified by the review and presents conclusions.

³ A note on methodology and copies of the questionnaires are in the supplementary appendix (available on request).

III. ASSESSMENT OF IMPLEMENTATION

A. Overview of Implementation: Status of the Action Plan

8. The RM policy recognized that implementation would require significant changes in a number of areas, including work allocation, business practices, staff resources, communications, and physical facilities. The implementation schedule, or action plan (Appendix 5 of the RM policy), was intended to direct and monitor implementation in key areas. The current status of implementation of the action plan is presented in Appendix 2. Overall, it can be seen that the action plan has been successfully implemented. Key items in the action plan are discussed in more detail in the following sections.

B. Reorientation of RM Functions

9. The major objective of clearly defining RM functions (para. 2) was to ensure that all RMs have a clear and consistent point of reference and a framework for planning their work. It was recognized that the extent to which each function would be implemented by individual RMs would be country-specific and flexible: the functions were intended to be a roadmap, not a straitjacket. The RM policy, therefore, proposed that the functions of individual RMs be assessed and redefined. While only a limited number of RMs (five) have formally redefined their functions, the results of the review show that all of them are active in each function, and have increased the level of their activities in most of them. The redefinition of functions has succeeded in reorienting the work of RMs in the desired direction by clearly focusing attention on these priority areas. At the same time the actual range and level of activity are being implemented based not only on country circumstances, but also on organizational matters, such as the availability of resources. The next sections present a more detailed review of activities under each function. A presentation of the results of RM and stakeholder surveys on these functions is in Appendixes 3 and 4.

C. Standard Functions

10. All RMs were expected to undertake all standard functions, with the degree and nature of activities depending upon the country circumstances as well as the availability of resources. A summary of the progress of implementation over 2 years, based on the data collected during the review process, follows.

1. Government, Civil Society, and Private Sector Relations

11. This function can most broadly be referred to as country relations: building knowledge about and relationships with the key institutions of the country concerned. It is the core of the country focus and underpins the other functions of RMs. RMs have always had close contacts with the governments in DMCs, and this has continued. Newer RMs such as the People's Republic of China Resident Mission (PRCM), Lao People's Democratic Republic Resident Mission (LRM), and Mongolia Resident Mission (MNRM) have made particular efforts to build strong relationships.

12. An area where RMs have undertaken important new activities is interacting with nongovernment organizations (NGOs). Virtually all RMs have established relationships with national and international NGOs. In all RMs, one staff member has been nominated as the NGO coordinator. The views of NGOs are more regularly sought in programming, project design, and

implementation. Some RMs have experienced constraints in this area, because NGOs are still in a formative stage, but continue to keep this item on the agenda.

13. Interaction with the private sector is regular, but perhaps less intensive than with NGOs. Most RM interaction tends to be with the local chambers of commerce. Several RMs regularly address meetings of private sector organizations. Nevertheless, there seems to be scope for expanding activity in this area.

14. The results of the survey of government and civil society institutions have shown a positive reaction to the role of RMs. Most institutions have perceived increased levels of interaction, greater knowledge of local situations, and problem solving since the RM policy (see Appendix 4). Box 1 presents examples of RMs' increasing interaction with stakeholders.

Box 1: Selected Examples of Increasing Interaction with Stakeholders

- Interaction with governments
 - More regular high-level policy dialogue with ministers and officials, including increased regular high-level meetings including meetings at the level of the Prime Minister and the President
 - In addition to building knowledge and relationships with the executive branches of governments, several RMs have established contacts with legislative branches (MNRM, Indonesia Resident Mission [IRM]) and different political groups (India Resident Mission [INRM]).
 - More outreach to local governments. INRM has an extended mission in Gujarat State of India for project administration. It has also conducted dialogue with ruling and opposition party leaders in Kerala State. IRM established new contacts with West Java and North Sumatra at the level of governors, regents, and mayors. The Pakistan Resident Mission (PRM) has increased interaction with the four provincial governments and holds quarterly project administration meetings with them.
- Interaction with private sector
 - Organizing private sector/business forums
 - More outreach to various chambers of commerce, and senior management of private companies
 - Speaking engagements
- Interaction with civil society
 - Organizing NGO forums (IRM) and regular briefings for NGOs/civil society (PRM)
 - Undertaking high-level forums for poverty reduction and annual reviews of poverty partnership agreements
 - Initiating summer internship programs with local universities (such as in PRCM and in PRM's university outreach program).

15. Government agencies are particularly appreciative of RMs' expanded role, and have asked for more delegation of activities to RMs. In fact, some governments have expressed satisfaction with the responsiveness of RMs, but indicated that when the matter is beyond their authority and referred to HQ, response time slows down. NGOs would also like more involvement with RMs and with ADB, but feel that there is need for more information, in more easily understandable language and terminology, if ADB is to reach wider sections of society.

16. The key expectations of the RM policy in this function were that RMs would significantly horizontally broaden and vertically deepen their relationships with country institutions. As summarized above, these expectations have been largely fulfilled. Virtually all RMs have built a wider range of contacts in all sectors of the country. Building this extensive range of

relationships is critical to the increasingly country-based approach to development. Strong stakeholder relationships bring many benefits to ADB's work in a DMC. Closer linkages with stakeholders are helping ADB to understand government priorities better, appreciate different approaches to national issues that impact on development strategies, build more inclusive and participatory approaches to operations, and facilitate project implementation. RM involvement has brought greater depth, intensity, frequency, quality, and interactivity to ADB's country relations, and is perhaps the most visible outcome of the RM policy.

2. Policy Dialogue and Support

17. The review shows that RMs have much greater involvement in both lead and supportive roles in this function, while recognizing that it is difficult to separate the relative role and contribution of RMs and HQ in policy dialogue. Box 2 presents RMs' major areas of policy dialogue.

Box 2: Major Areas of Policy Dialogue

RMs have conducted policy dialogue across a wide range of issues, usually in collaboration with the concerned HQ staff. The RMs' local presence has allowed them to maintain the policy dialogue on a continuous basis. Major areas of dialogue have included

- poverty assessments, poverty reduction strategies;
- governance assessments, corporate and financial governance;
- macroeconomic and fiscal policy;
- sector restructuring and reform, especially financial, transport, small and medium enterprises/microfinance;
- private sector development strategies;
- environmental policy and land laws; and
- regional cooperation.

RMs are also active participants in joint aid agency efforts at policy dialogue coordination through the Consultative Group on Indonesia and other consultative groups.

18. The role of RMs in policy dialogue depends largely on the extent to which they are responsible for other functions such as programming and project processing. Those RMs that lead country programming activities are most involved in policy dialogue in a number of key areas, particularly governance, macroeconomic policy, and portfolio management. Much policy dialogue takes place in the context of sectors and projects, and here RMs play a more supportive role to HQ-led efforts. The major advantage of RMs in policy dialogue lies in their in-depth understanding of the political economy of change and the intricacies of policy making and change in the countries concerned. The inputs and contacts of national staff are often particularly useful in understanding the local context. Such contextual background permits ADB to take a more nuanced and pragmatic approach to policy dialogue. RM participation also permits more regular, continuous interaction on complex and sensitive matters, which is difficult to maintain from HQ. Finally, local presence permits a more participatory dialogue than exchanges of facsimiles and electronic mail.

3. Country Reporting

19. RMs provide important information on country issues both formally and informally. RMs are usually well informed about such issues because of their location and their day-to-day contacts with country stakeholders and institutions. All RMs submit to HQ regular monthly or

quarterly reports on economic and political developments and on the performance of the country portfolio of the concerned DMC. Specific/ad hoc reports to update any political and economic developments are also submitted. This does not include the more administrative reports that they submit on their own activities. Some reports combine the two aspects of country and administrative reporting, and it may be useful for HQ and RMs to discuss this and clearly distinguish the two, or to agree on a set of reports that meet the specific information needs of HQ, so that scarce resources are used more effectively. Finally, country reporting is also done more informally, through regular e-mail and voice communication, and plays a crucial, though less visible role, in updating HQ on what is happening in the country concerned. Country reporting also overlaps with external relations (see para. 26). Box 3 presents selected examples of country reporting activities.

Box 3: Selected Examples of Country Reporting

Reporting country activities is one of the key standard functions of an RM. Some selected examples of work undertaken by the RMs during 1999-2002 are presented below.

- Publication and dissemination of monthly economic digests/reports (Nepal Resident Mission [NRM], INRM, Kazakhstan Resident Mission [KARM], Kyrgyz Resident Mission [KYRM], LRM, PRCM, and South Pacific Regional Mission [SPRM]) or activity/status reports (Cambodia Resident Mission [CARM], PRM, and Sri Lanka Resident Mission [SLRM]), bimonthly reports (MNRM) and quarterly economic bulletins/newsletters/updates (Bangladesh Resident Mission [BRM], INRM, IRM, PRM, LRM, and KARM) highlighting important economic and political developments and country portfolio performance. KARM produces quarterly newsletters in the local language (Russian) and reports on the country's major political and economic developments on a daily basis.
- Preparation of impact studies such as (i) impacts of the economic slowdown in the United States and Asia and impacts of the slowdown of the world economy on the People's Republic of China (PRC); and (ii) special reports on the implications and impact of the 11 September events on Mongolia, Nepal, Pakistan, and Kazakhstan.
- PRCM has translated important official PRC documents such as the Tenth Five-Year Plan and the Western Development Strategy into English for the advance information of HQ staff.
- PRCM has started a new publication series entitled "Observations and Suggestions" consisting of brief policy notes on economic and related policy issues, which is circulated to the higher echelons of the Government after interdepartmental review by ADB.

4. Aid Coordination

20. With many aid agencies such as the World Bank and bilateral agencies having delegated the majority of their development planning and operations to the field, the RM policy proposed a lead role for RMs in aid coordination. This is particularly important in countries where ADB is the largest donor, such as Bangladesh, Cook Islands, Fiji Islands, Mongolia, Pakistan, and Vanuatu. RMs have become very active in this function. Box 4 provides selected examples of RM activities in aid coordination. In countries with large aid communities such as Bangladesh, Indonesia, Nepal, and Viet Nam, there is a well-organized system of country, sector, and thematic level coordination forums that meet regularly. ADB is well recognized by other aid agencies as a major player in these forums. In other countries, aid coordination is less formal, but nevertheless quite regular and intensive. In fact, some RMs have noted that the volume of aid coordination work is such that it reduces the time available for other work. The important challenge in this area is not just to have coordination meetings, but to coordinate work effectively to reduce overlap and recipient transaction costs.

Box 4: Selected Examples of Aid Coordination

ADB RMs have become very active participants in country-level aid coordination. Their participation and their balanced and pragmatic approach is appreciated by other aid agencies, as well as by governments. Key activities include:

- KYRM representing ADB in the high profile comprehensive development framework (CDF) meetings and contributing to the CDF process;
- participation in Consultative Group meetings and providing inputs for them;
- participation, often as a core member, in apex aid coordination groups; for example, in Bangladesh, BRM is a member of the Executive Committee of aid agency groups, along with the World Bank, United Nations Development Programme (UNDP), and International Monetary Fund;
- leading some of the sector or thematic donor groups;
- participation in major joint programs, such as the Governance Partnership in Indonesia co-founded by IRM with the World Bank and UNDP;
- joint portfolio review missions, especially with the World Bank, and policy dialogue with governments on important systemic issues;
- structured coordination, such as implementation of multilateral development bank harmonization of processes at the country level in Viet Nam; and
- identifying cofinancing opportunities and following up with in-country offices of other agencies.

21. Surveys of aid agencies indicate appreciation of ADB's involvement in aid coordination (Appendix 4). Much of the potential overlap of work occurs with the World Bank, and here there has been general satisfaction with the seriousness of the efforts made by ADB's RMs, and ADB more generally, to strengthen coordination. Bilateral aid agencies have somewhat less frequent interaction with RMs, but generally rated cooperation as good. In interviews, several agencies made the point that the quality of ADB's interaction with other aid agencies is not only a function of structure and policy, but of the staff in the RM. The approach of individual staff, particularly the country director, was cited as important. Responses from government agencies indicated general satisfaction with the ADB's role. Importantly, many perceived ADB as having a balanced and pragmatic approach on many issues with the aid community, and as a useful interlocutor with other aid agencies.

22. Overall, RM activity in this area has created much better operational conditions in the field. Regular interaction builds knowledge of other aid agencies' activities, and helps to avoid conflicts of turf, and of overlap. There is scope for ADB to play an "honest broker" role between the aid community and governments. However, there are constraints, arising largely from lack of staff: many other institutions such as the World Bank have more specialist staff on the ground in specific countries. Aid coordination at the sector level is quite staff-intensive and ADB cannot always fully participate in all such coordination work.

5. External Relations and Information Dissemination

23. The reorganization of ADB, and the NBP, place great emphasis on knowledge management and information dissemination. As the visible "face" of ADB in its DMCs, RMs are expected to play a critical role in this area. In terms of activities, most RMs have increased media contact, through press conferences, interviews, articles for papers, and in conducting media persons on site visits to projects. Many RMs have also established/expanded their own websites to disseminate information about ADB and its activities to the public. Libraries have been strengthened in several RMs, though not all are open to the public or for public borrowing.

24. RMs are well placed to increase ADB's profile in its DMCs and to build support for and knowledge of its activities, and, within their limitations, have been doing so. However, most of them lack the skills and resources to effectively undertake this function. Information dissemination and media outreach are increasingly highly specialized matters. To be effective, they need a well-defined, proactive communications strategy developed for the local context, and staff with the necessary skills. This is not, in today's world, something to be managed as an add-on by a program or sector specialist. In the larger RMs, consideration could be given to providing a local media practitioner or advisor. Another constraint to more effective external relations and communication is language—in most DMCs, English is confined to a very small, capital city-based group. This hampers efforts even to reach major provinces. Some RMs already translate documents into the local language and vice versa, and this will only grow as ADB seeks to reach out to more groups. The language issue needs to be more seriously addressed.

25. RMs' role in knowledge development and management needs to be more carefully defined. RMs need to be actively involved in the sector and thematic networks that have been established at HQ. This poses its own resource and logistical difficulties, but these need to be overcome so that RMs do not become isolated from this increasingly important component of knowledge management.

26. It should be noted that the activities of RMs in this function increasingly overlap those under the country reporting function. For example, country economic reports, quarterly economic updates, etc., are increasingly made available publicly as well as for internal circulation. In keeping with the overall strategy to widely disseminate the results of ADB's knowledge products, it may be worthwhile to merge the country reporting and external information and dissemination functions into a single "information development and dissemination" function, with a coherent strategy for outreach.

D. Specific Functions

27. The RM policy provides that all RMs will increase their involvement in specific functions, to differing degrees depending upon country circumstances. The RM policy also specifies that full transfer of these functions to RMs should be pilot tested in selected RMs. The objective of the pilot test was to see whether such full transfer was feasible, cost effective, and efficient. RMs were selected by the then programs and project departments for the pilot tests. Table 1 summarizes the organization of the pilot testing exercise.

Table 1: Pilot Testing of Full Delegation of Specific Functions From HQ to RMs

Type of Specific Functions	Scope of Pilot Test in Policy	Resident Missions	Countries
Country Programming	2 RMs	IRM	Indonesia
		PRCM	China, People's Republic of
		BRM	Bangladesh
		SPRM	Cook Islands, Vanuatu
Project Processing	About 5 projects	IRM	Indonesia
		INRM	India (2)
		SPRM	Cook Islands, Vanuatu
Portfolio Management	2 DMCs	BRM	Bangladesh
		SPRM	Cook Islands, Vanuatu

Source: Asian Development Bank estimates.

1. Country Programming

28. Country programming refers to the planning and scheduling of ADB's operations in a DMC, and includes specific activities such as the preparation of the country strategy and program (CSP) and the country strategy and program update (CSPU) through country programming missions (CPMs), undertaking country program confirmation missions, and making adjustments to the country program as needed. It also overlaps some of the standard functions such as country relations, policy dialogue, and aid coordination. The RM policy provides for much greater RM involvement in programming, while recognizing that basic responsibility could rest with HQ divisions. Full transfer of programming was to be pilot tested in selected cases.

29. The expectations of the RM policy have been overfulfilled. All RMs have expanded their role and participation in key aspects of country programming well beyond what was expected in the RM policy, as shown in Table 2.

Table 2: RM Involvement in Country Programming

Activity	1999	2000	2001
Lead CPM	1	3	8
Lead CSP	2	2	5
Participated in CPM Mission	8	10	15
Participated in Midterm Review of Country Program	6	9	9

Source: RM Survey.

30. The expansion in the number of RMs leading CPMs and CSP preparation is especially noteworthy. All RMs provided country knowledge, economic analysis, and data, and actively participated in country programming activities including country programming and confirmation missions.

31. The full delegation of this function was pilot tested by BRM, IRM, PRCM, and SPRM (for Cook Islands and Vanuatu). These RMs took full responsibility for ADB's complete strategic and programming work in the country. Preparing CSPs and CSPUs is the core of the programming function. All four RMs prepared CSPUs in 2001. This required leading the in-house work on economic, thematic, and sector updates; policy dialogue and programming meetings with government agencies; aid coordination; and interaction with domestic stakeholders. The RMs worked closely with HQ divisions in this exercise, making extensive use of all communications facilities, especially videoconferencing. The CSPUs prepared by the RM fully met the expected standard.

32. Pilot test RMs are also leading the much larger exercise of preparing the CSP in their respective countries. IRM and PRCM expect to complete the CSPs in 2002. BRM will initiate work in 2002 for the preparation of the full CSP in 2004. CSP preparation adds extensive analytical work, including poverty assessments, to the CSPU activities. All activities also have to be performed at a much higher level of intensity, detail, and interaction with stakeholders. There is also much greater internal review and scrutiny. Box 5 presents the benefits derived in Indonesia from in-country programming.

Box 5: Benefits from In-Country Programming: IRM Pilot Test

Enhanced and Continuous Contact with Clients. RM staff maintain client contacts throughout the year with key central agencies such as Ministry of Finance, and BAPPENAS (National Development Planning Agency). With decentralization, there are now 378 separate regional governments with whom contact has to be established.

More Comprehensive Discussion of Programming and Country Issues. A major benefit is movement to a continuous programming process as opposed to intermittent programming through missions. More in-depth participatory programming is now possible, for example developing a geographic focus in operations so that investments can be targeted at high poverty areas better than in the past, preparing a new country strategy, and addressing complex onending issues following decentralization. From HQ, these would have had to be done on a more limited basis because of time and information constraints.

Increased Contact with Local Governments to Build Ownership. This contact is essential, as these regional governments now have the final say on whether regional level development projects will be undertaken by them or not.

Enhanced Contact with NGOs/Aid Agencies and Other Stakeholders. It is now possible to regularly meet NGOs. An IRM Working Group of NGOs has been meeting regularly both formally and informally. Similar working groups at the regional level are in the process of being established in the target provinces of the geographical focus. Regular contact with aid agencies, especially at organized forums such as the Consultative Group on Indonesia working groups and the Partnership for Governance Reform, is now possible.

33. In addition to the formal pilot test, several RMs, such as the Viet Nam Resident Mission (VRM), KYRM, KARM, and PRM, have also led the country programming exercise in the last 2 years. The full CSP for Viet Nam was prepared jointly by VRM and the HQ divisions, and was well received by the Board. As in Indonesia, the Viet Nam case demonstrates that the addition of in-country programming provides a more sustained process of local participation and aid agency coordination, thus building more ownership than is possible through an exclusively HQ-based approach. Box 6 presents VRM's experience with CSP preparation.

Box 6: VRM's Experience with CSP Preparation

The Viet Nam Country Strategy and Program was prepared with joint team leadership from VRM and the then Programs Department (West). Joint team leadership had several advantages, including (i) following up closely on inputs and perspectives from both HQ and the field, and (ii) combination of the "analytical distance" brought by the country economist at HQ with first-hand awareness of programming implications contributed by VRM. Availability of good telecommunication links critically contributed to the success of coordination.

The advantages of basing a significant share of CSP preparation in the field included:

- The RM participated through the joint Government-Aid Agency Poverty Task Force in joint in-country poverty analysis and strategy formulation. This included (i) preparation of eight papers on "localizing" the international development goals and targets to suit Viet Nam's situation (ADB took the lead responsibility in the areas of health and governance), (ii) support for regional consultations on the Government Comprehensive Poverty Reduction and Growth Strategy (CPRGS) (ADB financed under a small-scale technical assistance two of the four regional consultations), and (iii) providing detailed comments on the various drafts of the CPRGS. While some of these activities could have also been organized from HQ, past experience shows that this is not easy: meeting dates are frequently changed or convened on short notice, and working level interaction is required when producing documents jointly with the Government or other development partners.
- As important as the "official" meetings is participation in "informal" agenda-setting occasions where many of the directions adopted at official meetings are first vetted. It is difficult to get involved in this network unless one has "ears to the ground" and flexibility to attend events where these directions are shaped.
- VRM could attend meetings where the country strategies of other aid agencies were discussed during their preparation process. For example, VRM staff attended the World Bank Country Team retreat during the last 2 years. This allowed very detailed exchange of information, and on sector-specific issues facilitated closer coordination and division of responsibilities. Such activities typically take place in-country.
- In-country presence facilitates access to Government documents and data.
- In-country presence allows a longer lag time between the circulation of memorandums of understanding (MOUs), Government wrap-up meetings, and the final signing of the MOUs. This gives the Government the opportunity to review ADB's proposals more thoroughly.

34. The experience of both the pilot testing and other RMs in increasing RM involvement in country programming identified some difficulties with not having a clear-cut division of labor in all cases. There were cases of programming decisions taken by HQ or RMs without keeping the other unit fully informed. The increasing need for constant interaction and coordination with HQ units also posed difficulties, especially for smaller RMs. The first issue needs to be considered in the context of the reorganization. RMs are now fully integrated into the RDs, and report to only one director general. The NBP places the responsibility for country programming on the country team, rather than any particular organizational unit. These changes should allow for a seamless programming exercise. The actual degree of responsibility transferred to RMs will depend on a number of factors, including the size and complexity of the program, and the availability of sufficient staff at RMs. The second issue—effectively managing appropriate coordination with HQ units—has become particularly important in view of the need for RMs to interact effectively with the new sector and thematic networks. While improved communications can resolve some of the problems, one option for countries with fully delegated programming

functions may be to have a designated single point anchor for the country in the Operations Coordination Divisions. Another possible approach that combines country focus with strong HQ inputs would be to have the country team led from either HQ, or the RM, but report to the country director. Other models are possible, and should ultimately be left to the RD to determine.

35. In general, country stakeholders have welcomed the increased involvement of RMs in country programming. Governments feel that this allows more regular interaction on the program, and on the adjustments required during the year. It also enables ADB to be closer to the country's own development planning cycles and activities. The linkage with aid coordination is closer, with more funding agencies having delegated their programming activities to the country level.

36. In summary, both the very positive outcome in terms of products, value-added, and stakeholders' reactions to pilot testing, as well as the experience of other RMs that have taken a proactive role in this function, demonstrate that, in principle, the country programming function can be very effectively undertaken by RMs that have the proper resources and skills. In this background, regional departments should consider how to more actively delegate this function to RMs.

2. Loan and TA Processing

37. In the RM policy, loan and TA processing is considered a function that would predominantly be undertaken by HQ, with increased RM involvement and support, but it was also decided that it was worth pilot testing fully RM-led loan processing.

38. The results of the review show that RMs are more actively participating in processing activities (Table 3).

Table 3: RM Involvement in Loan/TA Processing

Type of Involvement	1999	2000	2001
Projects where mission leader was from RM	4	3	11
Loan negotiations led by RM staff	1	5	8
TAs processed by RM staff	4	10	31
Project processing missions in which RM staff participated	16	38	73
TA fact-finding missions in which RM staff participated	20	39	62

Source: RM Survey.

39. RMs' involvement includes (i) stand-alone processing of projects (mostly technical assistance [TA]); (ii) substantive inputs into project design as assigned through terms of reference, (iii) involvement in project- and sector-related policy dialogue, (iv) data and document collection and translation, (v) local follow-up on key matters such as MOU approval, and (vi) logistic and facilitation support. The extent of such involvement and its outcome is difficult to separate from that of HQ work (except for logistics and specific follow-up actions) but is acknowledged by the majority of HQ-based mission leaders (see Appendix 5).

40. Nevertheless, there are important benefits of increased RM involvement in loan processing. These are (i) more continuous and detailed interaction with stakeholders in project design; (ii) closer interaction with project preparatory TA consultants in the field, especially under the NBP, which requires much greater up-front staff involvement; and (iii) continuing institutional memory from design through implementation. At the same time, RM participation in

this function is constrained by (i) limited numbers of staff, (ii) focus on their own work, and (iii) availability of necessary skills. Instructions have been issued that RM staff should be requested to join project missions, but it is left to the country director to decide whether this is possible.

41. For the purpose of pilot testing, loan processing was defined as being led by a mission leader (and possibly some other staff/consultants) based in the RM. While this function was intended to be tested in five RMs, it has not been possible to achieve this. Loan processing was pilot tested only in India (2), Indonesia (1), and the South Pacific (1). Of these, two projects were the result of the transfer of a staff member already processing the loan at HQ to the RM, who then carried on the work. One project was initiated at INRM, which successfully completed processing. SPRM processed one project in the Cook Islands. While it is difficult to generalize from this small sample, RM-level processing works where the following conditions are met: (i) existence of a very experienced mission leader, (ii) prior and detailed knowledge of the sector and the country, (iii) a relatively straightforward project, and (iv) availability of strong local staff/consultants. Lack of sufficient staff skills at the RM, and the HQ-focused review, check and balance, and approval procedures, which require not only e-mail and voice communication, but often personal interaction with several staff simultaneously, were important constraints. The results of the pilot test, therefore, indicate a limited level of success in fully delegating loan processing.

40. On the other hand, selective TA processing by RMs (from 4 to 31) has proved to be effective. This is due to this lower level of staff resources and skills required, as well as the simpler procedural requirements.

41. In the survey of stakeholders, two thirds of government agencies felt that RMs has contributed to facilitating project processing (Appendix 4). The views of HQ mission leaders on the RM role in this function are of interest. Of 38 mission leaders surveyed, 22 responded (Appendix 5). The majority requested RM assistance for their missions (16); used RM facilities (18); and had RM staff participate in the mission (16); found RMs useful in follow up (17) and problem resolution (13); and in helping stakeholder participation (14). Clearly, RMs are perceived as being very supportive of HQ missions.

42. Overall, while it is possible for some of the larger and better staffed RMs to undertake loan processing for some simple projects, HQ units will need to keep the lead in most cases. However, greater advantage can be taken of RM support. Under the project team approach, several specific activities can be delegated to RMs that have the necessary qualified staff. As RMs acquire more senior and experienced staff, vis-à-vis HQ, their technical inputs with project design will become increasingly important. As delegation of project administration increases, it will also enable them to provide more direct feedback on a given design. It should also be possible to undertake more activities in country, such as loan negotiations. It is not possible or desirable to be prescriptive in this matter, and it is best left for each RD to determine the degree of support to be provided by an RM. Experience with TA processing has been much more positive, and can be further expanded on a selective basis.

3. Portfolio Management and Project Administration

43. Project administration is a function that has long been undertaken by many RMs. The RM policy recognizes this as an area where RMs should play an increasing role and requires that the maximum number of projects be delegated to them.⁴ Given this policy direction, it is

⁴ Delegation here refers to the transfer of a loan for administration to the RM.

somewhat disappointing that the proportion of loans delegated to RMs has remained roughly constant at about 21% of the total portfolio both before and after the RM policy. The number of loan projects delegated to RMs actually decreased from 83 in 1999 to 77 in 2000 (partly due to the closing of some loans), but increased to 91 in 2001. Table 4 summarizes the status of delegation of loans and TAs to RMs. Appendix 6 shows the status of delegation of loan projects to RMs in detail. On the other hand, the number of TAs administered by RMs increased from 51 in 1999 to 76 in 2001 (from 11% to 17%), which is due partly to the increase of TAs processed by RMs.

Table 4: Status of Delegation of Loans and TAs to Resident Missions, 1999-2001

Item	Overall Country Portfolio			RM Portfolio ^a			RM Portfolio to Country Portfolio (in percentage)		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
Ongoing Loans	381	393	406	83	77	91	21%	20%	22%
Ongoing TAs	450	431	453	51	62	76	11%	14%	17%

^a SPRM portfolio includes Cook Islands, Fiji Islands, Kiribati, Samoa, Solomon Islands, Tonga, and Vanuatu.

Source: Project Coordination and Procurement Division.

44. BRM and SPRM were selected for pilot testing of full portfolio management. This was intended to transfer all country projects (except program loans and some very complex ones) to them. However, the full project portfolio has not been delegated to either RM. BRM is currently delegated 18 of 33 projects and SPRM 10 of 16. In 2001, SPRM had responsibility for project administration in Cook Islands, Fiji Islands, Kiribati, Samoa, Solomon Islands, Tonga, and Vanuatu. In these circumstances, the outcome of the pilot test cannot be assessed.

45. A key dimension of the utility of RM involvement in this function is the performance of RM portfolios. The results of the review show that, compared with HQ-administered portfolios, no clear conclusions can be drawn at the level of macro-indicators. Table 5 shows the role and impact of RM policy implementation on portfolio performance.

Table 5: The Role and Impact of RM Policy Implementation on Portfolio Performance^a

Area of Portfolio Performance	Resident Missions (no.)		
	Significant Improvement	No Significant Improvement	Deterioration
Contract Awards Ratio	3	5	—
Disbursement Ratio	5	4	1
Audited Financial Accounts/Corporate Financial Statements more than 6 months overdue	4	3	—
Status of Portfolio Performance Rating (IP/DO)	4	2	—

IP = Implementation Progress, DO = Development Objective.

^a Only limited responses were received to this question.

Source: RM Survey.

46. RMs have indicated that numbers alone should not be the basis for judging performance in this area; quality should also count. RMs can provide much more rigorous supervision and scrutiny at the country level. It has also been pointed out by RMs that a number of projects have been transferred to them at the tail-end of the project period, or with accumulated problems, both of which make it difficult to improve performance.

47. To enhance RMs' capacity and provide better services to DMCs, the Controller's Department (CTL) has been undertaking delegated disbursement function (DDF) to larger RMs. So far, DDF is being undertaken by the RMs shown in Table 6.

Table 6: Delegated Disbursement Function Undertaken by Resident Missions

Resident Mission	Partial Delegation ^(a)	Full Delegation ^(b)
BRM	August 1998	August 1999
IRM	October 1996	January 1998
INRM	September 1998	August 2001
PRM	July 2001	(July 2002)

^a For RM-administered loans only.

^b For all loans except for program loans and loans with cofinancing arrangements.

Source: Loan Administration Division.

48. DDF to these RMs has been successful, and the benefits of delegation have been reduced processing time and better services to the borrower and executing agencies (EAs). Further enhancements, such as secure use of information and communication technology (ICT), are being considered to streamline disbursement operations. At the same time, RMs' compliance with ADB's disbursement policies and procedures is reviewed through regular reviews by CTL.

49. Many governments and EAs strongly pressed for increased delegation of projects to RMs, citing the clear benefits of more rapid decision making, processing of procurement matters, and claims for disbursement. OED's recent report to the Development Effectiveness Committee on loan and TA administration also stresses the need for increased delegation of projects to RMs for effective implementation.⁵

50. A number of reasons may account for the limited delegation of projects to RMs. First, several RMs have only recently been established and will need time to take on project administration activities. Second, concerns have been expressed that (i) RMs do not have the staff or expertise necessary to manage delegated projects; (ii) projects are increasingly complex and have greater policy issues, which require detailed consultation and management interaction, and therefore are best managed from HQ; and (iii) shifting projects to RMs will break the link and feedback from project implementation to project processing. (These points were also made at the time the RM policy was developed, but the decision was taken to increase delegation nonetheless.) Third, in some cases there is simply a reluctance of some HQ units to "let go" of projects to RMs. Fourth, the existence of a project administration unit (PAU) in each HQ sector division presupposes that a significant number of projects will be kept at HQ and not delegated to the RMs; however, there is no real bar to having PAUs at HQ for the projects there, as well as others in RMs where the size of the portfolio justifies them. Fifth, there is a requirement that a project remain with the mission leader who processed it for at least one year after effectiveness, which creates a delay in delegation.

51. None of the above appear to be insurmountable obstacles to further delegation, when set against the benefits of greater RM involvement in portfolio management and project administration: local understanding; quicker problem solving; faster disbursement; and greater capacity to address systemic problems, which are usually country based, not sector based. There is strong client demand for increased delegation. There are limitations to this—staff

⁵ ADB. 2002. *Annual Report on Loan and Technical Assistance Portfolio Performance for the Period Ending 31 December 2001*. Manila.

strength and skills, fiduciary issues, and complexity of management—but these are not insurmountable. One possible approach may be to let some RMs have overall responsibility for the portfolio, even if individual projects are managed from HQ. Such an approach is being initiated in IRM, which leads a portfolio management group. Another is to employ considerably more local staff, where available, with some increase in professional supervisors. Many DMCs already provide “back-office” services to public and private sector organizations worldwide, and the ADB should consider increasing use of this pool of talent where possible. RDs should immediately review their country portfolios and prepare a plan for increasing delegation of projects to RMs in accordance with clear guidelines.

4. Economic, Thematic, and Sector Work

52. The amount of ETSW studies done by RMs shows some increase. While some RMs have undertaken independent ETSW studies, other RMs have provided inputs to facilitate studies undertaken by HQ staff, discussed the results of these studies with country stakeholders, and disseminated them in country workshops or through networks (Box 7). There is scope for expanding independent ETSW on key country topics by RMs in selected countries where qualified researchers and good research institutions are available. These have the advantage of local knowledge and can be more cost effective than internationally recruited persons or groups. RMs can also build domestic research networks, which can eventually be linked across countries through the Regional and Sustainable Development Department. ADB is undertaking a more detailed review of the management of its knowledge products and services, and that review should specifically address the role of RMs.

Box 7: Selected Examples of Economic, Thematic, and Sector Work and Knowledge Dissemination

The major activities of RMs under ETSW include (i) preparation of country studies on important sectors and themes, and on the economy; (ii) preparation research and intellectual output relevant to the country; (iii) dissemination of the above output and best practices; and (iv) networking with local research organizations.

These are some selected examples of the above activities undertaken by the RMs during 1999-2002:

- Providing assistance to governments in preparing important plans on various themes. For example, (i) CARM assisted the Government of Cambodia in developing a comprehensive Governance Action Plan and the concept of priority mission groups and work in decentralization (in consultation with HQ staff); (ii) SPRM assisted the Government of Vanuatu in preparing its Infrastructure Master Plan and in developing benchmark procedures and criteria in association with the Pacific Water Association and the Pacific Power Association.
- Conducting staff studies on important thematic areas, such as (i) a study on growth potential in Indonesia and governance assessment for Indonesia (IRM); (ii) a study on opportunities for public-private partnership in Nepal drawing upon the services of a summer intern (NRM); (iii) studies on public expenditure review and poverty assessment jointly by BRM and the local office of the World Bank, which were circulated to the participants in the Bangladesh Development Forum in March 2002 in Paris; (iv) a study on cooperation with NGOs (KYRM); and (v) the Viet Nam Development Report 2001 (VRM), with ADB as a joint author for the first time, which was submitted to the Consultative Group Meeting held in Hanoi in 2000.
- Establishing local networks, e.g., SLRM with local think tanks and economic research units in close interaction with the International Monetary Fund and World Bank. PRCM sponsored a high-level NGO poverty reduction policy forum jointly with the Ford Foundation, UNDP, World Bank, Mercy Corps, International Fund for Agricultural Development, and local NGOs in October 2001. PRM held a series of meetings with provincial chambers of commerce to publicize ADB's new private sector strategy.

E. Regional Cooperation

53. An important objective of the RM policy was greater contribution of RMs to regional cooperation. Since RMs (except for SPRM) operate only in one country, their primary role is to build support in that country for regional cooperation programs. RMs are heavily involved in all the major regional initiatives: Greater Mekong Subregion (GMS), Central Asia, and South Asia Subregional Economic Cooperation (SASEC). Their contribution is through dialogue, workshops and seminars, and studies. Box 8 presents some examples of regional cooperation activity by RMs.

Box 8: Selected Examples of Assistance in Subregional Cooperation

RMs have assisted in subregional cooperation in various ways. Selected activities include the following:

- BRM strengthened SASEC subregional cooperation in the energy sector as the lead agency and the chair of the subgroup of the local consultative group in the energy sector.
- SPRM coorganized the first workshop on the World Water Forum. A high-level regional workshop on water in small island countries is planned in 2002.
- NRM supported HQ staff in reviving the South Asia Growth Quadrangle (SAGQ) (comprising Bangladesh, Bhutan, Nepal, and northeast India) initiative partly through building links with the private sector to promote the SAGQ initiative.
- BRM organized the third workshop on the Kunming initiative in collaboration with the Center for Policy Dialogue. This workshop was participated in by Bangladesh, People's Republic of China, India, and Myanmar.
- CARM provided assistance in organizing the second meeting of the Trade Facilitation Working Group and the first meeting of the GMS Summit Task Force held in Phnom Penh.
- KARM assisted Central Asia Regional Economic Unit (CARECU) in conducting the high-level conference on Central Asia Regional Cooperation in Transport in Almaty and the related country workshop.
- KARM and KYRM assisted in the approval of the Almaty-Bishkek regional road rehabilitation project, the first Central Asia regional cooperation project, and the signing of the Cross-Border Agreement between Kazakhstan and Kyrgyz Republic.
- The Uzbekistan Resident Mission (URM) coorganized an energy workshop in April 2002 in the context of the Central Asia Power Transmission Improvement Project. The workshop represented a major step forward in processing this complex regional investment project with significant policy and institutional components.
- URM houses a gender consultant for a regional TA on enhancing gender and development in DMCs and facilitates regional cooperation activities for CARECU.

IV. RESOURCE ASPECTS

A. Overall Budget Resources for RMs, 2000-2002

56. Since inception of the RM policy, administrative budgets for RMs have been provided keeping in mind the need to contain overall budget growth and in line with ADB's commitment to adopt a gradual approach to implementing the RM policy. At the same time, to address major constraints on RM operations such as staff resource requirements, ICT, and office facilities, allocations of budget resources to RMs have been increased depending on the specific circumstances of each RM.

54. Resource allocations to RMs have grown at a rate of about 30% per annum, compared with the annual growth of about 5% for ADB's entire budget over the same period. This higher

resource growth rate at RMs is necessary to meet increased requirements, including new RMs, and should be seen within the broader framework of enhanced RM work programs and delegation, and the overall share of RM cost in ADB's total annual budgets as discussed in paras. 58 and 59.

55. Subsequent to the Board's approval of the RM policy in February 2000, the Budget Review Committee thoroughly discussed (in April 2000)⁶ the cost implications of the RM policy's implementation. Three operational and related cost scenarios (high, medium, and low) were presented, based mainly on different assumptions of the degree of delegation of specific functions and the availability of ICT facilities. The high case scenario assumed that five RMs would fully undertake all four specific functions (i.e., country programming, project processing, portfolio management and project administration, and ETSW) and 15 other RMs would perform full country programming and partial portfolio management and project administration, and ETSW. The high case scenario also envisaged that satellite communication links and videoconferencing facilities would be provided to all RMs. Under the medium scenario, it was assumed that 12 RMs would fully undertake the country programming functions and partially carry out portfolio management and project administration, as well as ETSW. The other 8 RMs carry out a part of portfolio management and project administration work, with all RMs also being provided with leased lines and videoconferencing facilities. The low case scenario assumed that all RMs would undertake partial portfolio management and project administration, with access to leased lines and videoconferencing available to only five RMs. In comparison, the current level of delegation of specific functions is estimated to be slightly higher than the low case scenario, with the provision of ICT facilities close to the medium case scenario (15 RMs have effective data links to HQ). The current total number of RMs is, however, less than the 20 assumed under all three scenarios. Overall the current level of delegation and ICT facilities of RMs generally fall between the low and medium case scenarios.

59. Costwise, it was envisaged that, under the three scenarios approach, the ratio of RM resources against the total ADB budget would be 27%, 21% and 9% for the high, medium, and low case scenarios, respectively. The actual ratio of RM resources in the 2002 budget is 11.7%, or slightly higher than the estimated low case scenario (Appendix 7). This clearly demonstrates that ADB has remained cost conscious in implementing the RM policy. This has been possible mainly through cost savings at HQ, by redeploying professional staff positions to RMs (para. 60), together with the containment of HQ/RM communication costs (para. 65). Table 7 summarizes the growth of RM staff and expenses over the 2000-2002 period.

⁶ ADB. 2000. *Cost Implications of the Implementation of Resident Mission Policy*. Manila.

Table 7: Resident Missions Staffing and Expenses, 2000–2002

Items	2000 Actual	2001 Actual	2002 Budget
A. Staffing (Authorized Positions)			
Professional Staff	38	64	71
National Officer	53	108	123
Other Support Staff	70	104	120
B. Expenses (\$'000)			
Operational Expenses (e.g., staff costs, consultants, travel, relocation)	12,862	19,585	22,223
Administrative Expenses ^a (e.g., leased circuit, office occupancy, equipment)	4,328	5,486	5,949
C. Percentage to Internal Administrative Expenses			
	8.4%	11.4%	11.7%

^a Assumes that half of leased circuit cost would be charged to RMs.

Source: Financial records and 2002 Budget Document.

B. Human Resources

60. As shown in Table 7, between 2000 and 2002, the number of authorized staff positions in RMs has increased from 38 to 71, 53 to 123, and 70 to 120 for professional staff, national officers, and other support staff, respectively. These increases were mainly aimed at providing the minimum staff requirement for all RMs and, in the case of pilot RMs, strengthening their capacity to effectively deliver various delegated functions, especially country programming, portfolio management and project administration, and ETSW. RMs' staff strength is shown in Appendix 8. Of the 33 additional professional staff positions for RMs in 2000-2002, 20 (or more than 60% of the total increment) have been redeployed from HQ, and only 13 positions constitute net additions to ADB's staff complement. Moreover, of these 13 net incremental professional staff positions, 7 were for newly established RMs. This strong emphasis on redeployment as opposed to net increments significantly contributed to the containment of RM costs. It should, however, be noted that there are limits to such trade-offs between HQ and RMs' staffing, beyond which the effectivity of ADB's integrated country-focused operations may be affected.

61. The number of national officers has more than doubled over the past 2 years. In general ADB has adopted the approach of using more national officers for implementing various RM functions. The effectivity of such an approach, however, varies between RMs, as it very much depends on the domestic human resources capacity, which varies considerably between DMCs. It is also important to strike an appropriate balance between professional staff from HQ and national officers, both to optimize the comparative advantages of each staff category and in the interest of good corporate governance. Training and development program for RM staff will be expanded, including language proficiency and greater understanding of ADB policies and procedures. This will be further pursued together with concrete measures required to strengthen the role of the national officers and their potential career growth.

62. Notwithstanding the cost conscious approach adopted in implementing the RM policy to date, further increases of staff strength in RMs would be beneficial to the effectiveness of ADB operations in the field. First, there may be a need to consider increasing the minimum RM

professional staff complement from two to three to strengthen the standard functions of small RMs. For example, there are many critical in-country activities, meetings, and workshops on a wide range of development issues (e.g., poverty reduction, governance and private sector development, in addition to traditional aid coordination and project-specific meetings) that the country director or the number two have not been able to attend due to multiple, conflicting demands on their time. ADB's involvement in in-country knowledge sharing and dissemination would therefore be enhanced through provision of additional professional staff in such RMs. Second, as functions are further delegated to RMs, it is logical that the number of staff at RMs should be increased. While ADB will continue to explore redeployment from HQ for this purpose, as mentioned in para. 60 there are limits to such an approach, as an adequate critical mass of professional staff at HQ must be maintained for effective integrated country-focused operations.

63. To support the reorientation of ADB's strategic agenda, it was recognized that the organization must ensure that the roles, responsibilities, and competencies of staff are aligned with the redefined RM functions, ensuring that there are appropriate staff in the RMs to implement this new agenda. In response, extensive ADB-wide consultations on RM human resource aspects were conducted. During the consultation process, a number of important issues were identified, and 30 policy initiatives were designed to address them. Since this identification, significant progress has been made in aligning the RM staffing requirements with the new functions. Initiatives to increase resource management flexibility of both the HQ staff assigned to RMs as well as the national officers have included the introduction of flexible tenure periods for HQ staff based on business needs and the implementation of a new integrated classification structure and person-driven promotion system for national officers and support personnel. Augmenting the new RM compensation and benefits package, which was introduced in January 2001, a family support system was introduced to assist spouses and families to settle into RMs. To ensure that there will be appropriate staff available in the longer term, work on the identification of competencies required for RM positions and the development program to support this is ongoing.

C. Information and Communication Technology

64. There have been marked improvements in the ICT capacity of RMs since the RM policy was introduced. Of 15 RMs (excluding the Philippines Country Office), 8 (BRM, INRM, IRM, NRM, PRM, PRCM, SPRM, and VRM) are equipped with leased circuit lines (as of end-2001). In addition, virtual private network (VPN) facilities were installed in the remaining seven RMs (CARM, KARM, KYRM, LRM, MNRM, SLRM, and URM) as a cheaper alternative for RM connection to the HQ network system.

65. Given the relatively high recurrent cost of leased lines, ADB has been proactively pursuing the containment of such expenses through negotiations with telecommunications companies to reduce leased circuit costs and, where feasible, introduced VPN as the alternative (VPN cost is significantly lower than that of leased circuit). With these efforts, the average communication cost has been contained and it is to be further reduced in 2002 (Table 8). In addition to leased lines and VPN, videoconferencing facilities have been provided to five RMs (INRM, IRM, PRCM, SLRM, and VRM) as of end-2001. Videoconferencing facilities are an important component of the RMs' ICT package to maintain effective coordination with HQ. Under the new organization and business processes, the importance of videoconferencing has further increased to allow RMs' participation in operational meetings such as staff review committee meetings, and to ensure full integration of RMs in the concerned RD operations within the framework of regional management teams, country teams, and project teams.

However, given that the recurrent cost of communication infrastructure for videoconferencing can be significant for some RMs, this issue needs to be addressed cautiously and requires a careful benefit-cost analysis taking into account the size of individual RMs and of the concerned DMC's country program, the level of delegation, and other operational factors. Table 8 summarizes ICT facilities and related expenses over the 1999-2001 period. Appendix 9 provides the details of this information.

Table 8: Communication Facilities and Costs, 1999 – 2001

Item	1999	2000	2001
Leased Circuit			
Number of RMs	6	7	8
Total Cost (\$'000)	497	1120	1,838
Total Capacity (kbps)	384	768	960
Virtual Private Network			
Number of RMs	–	–	7
Total Cost (\$'000)	–	–	127
Total (Leased Circuit+VPN)			
Number of RMs	6	7	15
Long Distance Telephone including Videoconference (\$'000)			
	353	519	836

kbps = kilobits per second.

Source: Office of Information Systems and Technology records.

66. Notwithstanding a general improvement of RMs' ICT support, some RMs still experience serious constraints. RMs without leased line connections to HQ still have difficulties in accessing HQ data. For example, while RMs in Central Asia have access to HQ through VPN, the speed and reliability of data access remain serious problems due to the limited capacities of local Internet providers. Given that proper communication with HQ is an absolute prerequisite for the effective implementation of the RM policy (and even more so under the new organization structure and NBP), it is essential that adequate investments be provided for RMs' ICT infrastructure, even if these may have a relatively large impact on ADB's budget.

D. Other Administrative Matters

67. The office spaces of some of RMs have also been expanded or upgraded to accommodate additional staff needed for carrying out their expanded mandate. Seven RMs (BRM, CARM, INRM, IRM, SLRM, URM, and VRM) have done so since 2000. In addition to more staff office space, this has included improved conference rooms and public information centers/library to increase the effectiveness of standard functions such as government, civil society, and private sector relations; aid coordination; and external relations.

V. OTHER ISSUES

A. Cohesion and Consistency of Operations

68. The RM policy expressed some concerns regarding the implications of the expanded role of RMs on the cohesion of ADB's functioning, the need to ensure consistency of policy

approaches, and avoidance of isolation and fragmentation. Most of these concerns have been addressed by the new organizational structure of ADB and the NBP. The unified RDs and the strong emphasis on teamwork considerably reduce isolation and fragmentation. Some RM staff are also members of the sector and thematic networks designed to strengthen horizontal coordination across organizational units and to act as communities of practice, though there is a need to strengthen this and overcome logistical problems.

B. Delegation of Authority

69. Formal authority refers to final approvals in a number of areas ranging from project administration matters (changes in scope, for example) to administrative matters such as travel authorization. In the RM policy, more delegation of formal authority was also considered, and a review proposed. Very considerable delegation and decentralization have been undertaken through the NBP and the revision of the project administration instructions, and this applies equally to the RMs. Following this, it has not been found necessary so far to delegate more formal authority to RMs. The survey shows that most RMs feel the current delegation of authority is adequate for them to function effectively.

C. Governance and Fiduciary Issues

70. To address governance and fiduciary issues, the RM policy provides that there will be no weakening or dilution of ADB's policies and procedures on procurement or disbursement, and that effective audit will be maintained. This has been done. In fact, supervision of procurement has been intensified in at least one RM, from where several cases have been investigated and forwarded to Office of the General Auditor, which continues to undertake audits of RMs on a regular basis, usually two per year. In 2000, CTL issued detailed guidelines on delegation of disbursements to RMs, which include detailed procedures for checks and internal controls.

D. Security

71. Following the events of 11 September 2001, security concerns at RMs have increased. Steps to address these are being taken. A recent positive development is the signing of an umbrella agreement, with the United Nations, which brings all RMs within the UN security system.

VI. CONCLUSIONS

72. From the preceding chapters, it can be concluded that the broad objectives of the RM policy—to expand the role of RMs to provide greater support to ADB's strategic agenda and to improve effectiveness—are being met. The strategic and partnership objectives of the RMs (para. 1) are being achieved through a very significant expansion of activities in the standard and specific functions. RMs are more integrated and proactive in all ADB's work, and more widely perceived as ADB's "face" in its DMCs. As required by the RM policy, the range and depth of RM activities have developed according to country circumstances and to the availability of resources. The flexible approach has served ADB well, and should continue. What is most encouraging is that RMs have continuously sought to engage in new areas, with new stakeholders and development partners. The RM policy of establishing an RM in each borrowing DMC, where practicable, is being followed. Staff numbers have improved, more experienced staff have now been posted to RMs and facilities, and budgets have expanded. More importantly, evidence from all stakeholders shows that the RMs are seen as more proactive, responsive, and engaged with many more stakeholders in a wider range of

development activities. From the point of view of client satisfaction, the RM policy has certainly provided considerable gains.

73. This does not mean that there are no issues that need resolution. The role and functioning of RMs is continuing to evolve, and, as previous sections have indicated, there are areas that need attention to improve effectiveness, efficiency, and coordination. These include the following:

- (i) The appropriate location of work. The reorganized ADB and the emphasis on teamwork provide an opportunity to construct a different way of looking at how work should be organized, based on seamless integration of all units in a department. With the unification of the former projects and programs departments into full-function RDs under one management, the emphasis has shifted to a regional management approach, a single strategy for the department, and a strong team concept. All key products are to be prepared by teams of staff within the department, which includes the RMs. Thus, the department should decide collectively, through the regional management team, which activity is best undertaken by which unit in each DMC, rather than prejudging this according to location.
- (ii) Subject to the above, the review provides some broad conclusions regarding specific functions:
 - (a) In programming, both the increased level of activity of all RMs in this area, as well as the success of pilot tests in four RMs, demonstrate that properly staffed RMs can be given a primary role in this function, and regional departments should actively consider this.
 - (b) On project processing, the pilot tests demonstrate the complexity of doing loan processing from RMs. This conclusion is supported by reactions from both HQ and RM staff. Thus, processing loans should remain a primarily HQ-based function, with some exceptions where the RM has some specific advantages. However, RMs can provide increased support to HQ-led processing. TA processing by RMs can be expanded on a selective basis.
 - (c) Project administration and portfolio management are the areas where RMs are expected to have the greatest advantage in functioning. It was expected that, under the RM policy, there would be a significant increase in delegation of projects to RMs. However, the ADB-wide figures show that this is not happening. The review confirms that the original approach remains valid. Regional departments should, therefore, prepare plans for further delegation.
- (iii) The issue of staffing arises in a number of contexts. Much has been done in the past 2 years, but two sets of issues have emerged. First, it may be that to undertake the full range of standard and specific functions, a minimum threshold of more than two professional HQ staff are needed: two-person resident missions can undertake only a limited range of functions at any serious level of intensity. Second, there is still some need to adjust the skill mix to meet specific country requirements in some areas: governance and social development have been

most commonly cited. This is particularly so where other major aid agencies have staff in those areas.

- (iv) High quality, timely ICT facilities are essential to the integrated functioning of RMs in the reorganized ADB. For this, it will be necessary to make the required investments.
- (v) Training of local staff, both in ADB's official language, as well as its policies and procedures, needs intensification in some RMs.
- (vi) Knowledge of the local language has emerged as a constraint to expanding activities beyond a limited range of areas and people in many DMCs. This issue needs greater attention.

74. The RM policy seeks to fundamentally alter the formerly relatively narrow functions of RMs and to mainstream RMs into all ADB's operations, so that their full potential can be realized. The results so far are positive and encouraging, and point to the need to accelerate implementation of the RM policy. To this end, it will be important to resolve the issues identified earlier, increase delegation, and provide adequate and skilled resources.

RESIDENT MISSIONS AND DATE OF OPENING¹

Regional Department/Resident Mission	Dates
South Asia	
Bangladesh Resident Mission	July 1982
Pakistan Resident Mission	July 1989
Nepal Resident Mission	November 1989
India Resident Mission	December 1992
Sri Lanka Resident Mission	November 1998
Mekong	
Viet Nam Resident Mission	May 1997
Cambodia Resident Mission	May 1997
Thailand Resident Mission	April 2000 ²
Lao People's Democratic Republic Resident Mission	July 2001
East and Central Asia	
Kazakhstan Resident Mission	January 1998
Uzbekistan Resident Mission	September 1998
Kyrgyz Resident Mission	April 2000
People's Republic of China Resident Mission	June 2000
Mongolia Resident Mission	August 2001
Southeast Asia	
Indonesia Resident Mission	July 1987
Pacific	
South Pacific Regional Mission	August 1984

¹ In addition, Philippines Country Office was established in March 2001.

² Date of approval by the Board of Directors. Preparatory work for establishment is underway.

PROGRESS OF IMPLEMENTATION OF ACTION PLAN
(as of June 2002)

Implementation Item	Current Status of Implementation
<p>1. Immediate</p> <p>(i) Assess the functions and staff requirements for DMCs currently without RMs, and seek Board approval of new RMs as required.</p> <p>(ii) Assess and revise the functions of existing RMs on the basis of the approach proposed in the RM policy paper.</p> <p>(iii) Increase RM staffing to at least two headquarters staff per mission.</p> <p>(iv) Initiate pilot tests in selected RMs of</p> <p style="padding-left: 20px;">(a) country programming in at least two DMCs,</p> <p style="padding-left: 20px;">(b) project processing of about five loan projects ADB-wide, and</p> <p style="padding-left: 20px;">(c) delegation of administration of all projects to two DMCs.</p>	<p>The following RMs were approved in 2000-2001: KYRM, LRM, MNRM, and PRCM. TRM was approved but is not yet operational.</p> <p>The role and responsibilities of existing RMs have been reviewed in the majority of cases. (i) Revisions in responsibility have been formally made in KARM, KYRM, NRM, PRM, and SLRM; (ii) formal redefinition in the rest is pending (BRM, CARM, INRM, IRM, URM, SPRM, and VRM) but not considered a problem; (iii) RMs established after RM policy have functions defined on the basis of the policy (PRCM, LRM, MNRM).</p> <p>Done.</p> <p>Pilot testing was undertaken as follows:</p> <p>BRM, IRM, PRCM, and SPRM (Cook Islands and Vanuatu) have been formally given full responsibility for country programming.</p> <p>After further consideration of this proposal, pilot testing was restricted to projects in IRM (1), INRM (2), and SPRM (1).</p> <p>Only one RM (BRM) was selected for pilot testing. BRM has been delegated an increased number of loans (18 of a total of 33 in 2001). SPRM already had significant responsibilities but was also not delegated the full portfolio. This is not sufficient for a pilot test.</p>

ADB = Asian Development Bank, BRM = Bangladesh Resident Mission, CARM = Cambodia Resident Mission, CTLA = Loan Administration Division, DMC = developing member country, HQ = headquarters, INRM = India Resident Mission, IRM = Indonesia Resident Mission, KARM = Kazakhstan Resident Mission, KYRM = Kyrgyz Resident Mission, LRM = Lao People's Democratic Republic Resident Mission, MNRM = Mongolia Resident Mission, NBP = New Business Processes; NRM = Nepal Resident Mission, PRM = Pakistan Resident Mission, PRCM = People's Republic of China Resident Mission, RM = Resident Mission, SLRM = Sri Lanka Resident Mission, SPRM = South Pacific Regional Mission, URM = Uzbekistan Resident Mission, VRM = Viet Nam Resident Mission

Implementation Item	Current Status of Implementation
<p>(v) Issue instructions requiring RM staff to be included as full members of headquarters programming, project processing, and review missions.</p> <p>(vi) Upgrade information technology and communications to support pilot testing.</p>	<p>Instructions were issued and are being implemented subject to staff constraints.</p> <p>See Appendix 9 on ICT status.</p>
<p>2. Short-Term (12 months)</p> <p>(i) Review arrangements for all special location of work cases (paras. 69-76 of RM Policy Paper).</p> <p>(ii) Upgrade information technology and telecommunications to bring RMs to the standard commensurate with their redefined functions.</p> <p>(iii) Review human resource, compensation, and benefits policies relating to RM staff.</p> <p>(iv) Prepare guidelines for the delegation of projects to RMs and delegate projects accordingly.</p> <p>(v) Review and revise the delegation of authority to RMs in the context of their revised responsibilities.</p>	<ul style="list-style-type: none"> • The proposal for restructuring SPRM and ADB's RMs in the Pacific was kept pending in 2000 until the resolution of political disturbances in some Pacific developing member countries. A proposal is now under preparation. • With regard to small countries such as Bhutan and Maldives, based on current and planned workloads, it does not seem efficient to establish RMs, and they will therefore continue to be handled from HQ. <p>Ongoing. Also see Appendix 9 on ICT.</p> <p>ADB has completed a review of RM-related compensation and benefit policies.</p> <p>Not completed. This needs to be done in the light of experience so far, and finalized soon.</p> <p>Comprehensive decentralization and delegation of authority to various levels of staff in ADB have been undertaken under the reorganization and NBP. This also applies to RMs. In response to surveys, RMs have indicated that current formal delegation is adequate.</p>

Implementation Item	Current Status of Implementation
<p>3. Medium-Term (18-24 months)</p> <p>(i) Deploy staff to existing RMs in accordance with revised functions.</p> <p>(ii) Issue guidelines to ensure integrity of disbursement, control, and procurement procedures consistent with redefined RM functions.</p> <p>(iii) Review and introduce alternate recruitment procedures aimed at increasing RM staffing flexibility.</p> <p>(iv) Review accommodation options and facilities for existing and planned RMs.</p> <p>(v) Review the organizational impact of the revised RM structure and revise business processes as necessary.</p>	<p>Ongoing.</p> <ul style="list-style-type: none"> • The following guidelines were issued on 25 January 2000: (i) Delegation of Disbursement Functions to Resident Missions, and (ii) Guidelines and Procedures for Reviewing the RMs' Disbursement Processing. • The guidelines present, among others, detailed procedures to check the internal control arrangements of RMs in dealing with disbursement processing. In accordance with the guidelines, CTLA is regularly reviewing RMs' disbursements operations regarding procedures and internal control function. <p>ADB reviewed the recruitment procedures and introduced (i) tenure periods determined by the business needs up to a maximum of six years, which can be extended further by mutual agreement; (ii) expansion of the sharing of staff between RMs and also between HQ and RMs for short-term assignments; (iii) extension of the person-driven promotion system in technical positions; and (iv) expansion of direct local recruitment of third party nationals.</p> <p>Several RMs have moved to new premises (INRM, URM, VRM). Others have expanded accommodation as needed.</p> <p>The new NBP have taken this into account.</p>

SURVEY OF RESIDENT MISSIONS: SUMMARY OF RESPONSES
PART I: QUALITATIVE RESPONSES

Items/Questions	Major Findings
I. Redefinition of Resident Mission (RM) Functions Delegation, Allocation of Functions, and Division of Labor 1. Were the functions redefined?	Functions of some of the RMs that had been established prior to the RM policy were formally redefined, and others are pending. New RMs generally have their functions defined in light of the RM policy.
2. Is the division of labor clear between headquarters (HQ) and the RM?	In practice, HQ and RM know of the broad lines of their respective role and functions. The division of labor has been made clearer with the reorganization. Most RMs are content with the current status, while a few believe this division is not clear enough and/or found it necessary to set out criteria for delegation of functions.
3. Is the delegation of formal authority sufficient?	Sufficient for most RMs. Some found it insufficient with respect to country programming and administrative matters, or as compared with peer organizations.
4. Suggestions on RM functions and delegation of authority?	<ul style="list-style-type: none"> • Further delegation should focus more on country liaison, country programming, loan/technical assistance (TA) administration and related subjects, but less on project processing. • Country Team could report to country director. • Large RMs may need higher approval limit on procurement under Asian Development Bank (ADB) projects. • Could consider delegating more authority to RMs on emergency evacuation. • One RM [Bangladesh Resident Mission (BRM)] mentioned delegation of authority on engagement of staff consultant and overseas training. • Resources should be commensurate with the delegation of authority.
II. Review of Standard Functions A. Government, Civil Society, and Private Sector Relations 1. Changes in above areas since RM policy?	Increased frequency and improved quality are generally noted with respect to relations with government, civil society, and the private sector. Most noticeable for RMs with delegation function on programming.
2. Key Achievements:	
2.1. High-level dialogue/discussion with government	<ul style="list-style-type: none"> • Frequency varies from biweekly [Indonesia Resident Mission (IRM), Pakistan Resident Mission (PRM)] to monthly [Uzbekistan Resident Mission (URM)] • Key achievements include progress in negotiations on poverty partnership agreement, improvement in strategic planning, furtherance of sector reforms, and drafting of new legislation.

Items/Questions	Major Findings
2.2. High-level dialogue/discussion with civil society	<ul style="list-style-type: none"> • Conducted frequently, on monthly to quarterly basis. • Such dialogue/discussions promoted participation of nongovernment organizations (NGOs) in ADB-assisted projects, facilitated understanding of ADB resettlement policy, strengthened cooperation on environment issues, and supported activities on governance and gender and development.
2.3. High-level dialogue/discussion with the private sector	Frequent interactions with chambers of commerce and business leaders in various sectors, which resulted in strengthening the relationship between the public and private sectors, promotion of business opportunities with ADB, and better administration of ADB-invested projects.
2.4. Establishment of new contacts for the following:	
2.4.1 Government	<ul style="list-style-type: none"> • Examples included members of parliament and high ranking officials in both central and local governments. • For RMs that had no new contacts (BRM), dialogues are more intensive and frequent on delegated issues.
2.4.2. Civil society	<ul style="list-style-type: none"> • Examples include: NGO Forum, NGOs and Human Resource Commission.
2.4.3. Private sector	<ul style="list-style-type: none"> • Examples include: Chamber of Commerce, Federation of Small-Scale Industry and Business Club.
2.5. Holding of seminars/workshops	Most RMs are proactive in organizing seminars/workshops attended by government officials, executing agencies, NGOs, and aid and business communities such as, the organization of the first Private Sector Forum on South Asia Subregional Economic Cooperation in November 2000 (India Resident Mission). The topics included disbursement, procurement, project implementation and administration, new loan facility, poverty reduction, governance, sector policy, Global Environmental Facility, etc.
2.6. Others	Some RMs have provided an extensive list of contacts.
3. Strengthening of ADB relations with development stakeholders	It is widely recognized by RMs that local presence has significantly strengthened ADB relations with development stakeholders.
4. Innovations in strengthening relations with development stakeholders	<ul style="list-style-type: none"> • Annual reviews on partnership agreement • Support NGO forum or working group • Regular meetings with stakeholders; workshops on studies prepared by ADB • Creating informal network • Producing policy notes on strategic topics or economic update for wide dissemination • Developing standard briefing materials on ADB operations to share with stakeholders • Initiating summer internship programs with local universities
B. Strengthening Policy Dialogue	
1. Policy dialogue conducted last year	Examples include: policy dialogue in the areas of power sector reform, legislative reform, privatization of public institutions, private sector development, financial governance, agricultural market reform, water sector reforms, legal and judicial reforms, and anticorruption.

Items/Questions	Major Findings
2. Innovations in policy dialogue	<ul style="list-style-type: none"> • Participate in Consultative Group on Indonesia (CGI) and support the government partnership • Canvassed with parliamentarians • Roundtable discussion • Encourage the government to take ownership of reforms • Assist the government in formulating strategy for poverty reduction • Assist the Government in studies and/or in public investment programs • Help the government in prioritization of projects • Use findings and lessons learned from TA in poverty profile, national conference, and workshop/training; disseminated finding of studies
C. Strengthening Country Reporting	
1. Changes in country reporting	<ul style="list-style-type: none"> • More timely and successive report on the host country • Allow HQ to have stronger understanding of concerned developing member country (DMC)
2. Key achievements	<ul style="list-style-type: none"> • The standard is monthly activity report (including economic and policy developments of the host DMC). Some RMs could provide reports bimonthly. • Ad hoc reports on special events, such as impact of “9/11” event
3. Specific country reporting outputs and frequency	<ul style="list-style-type: none"> • Briefs/notes on key policy/program issues as required • Weekly or daily report on major political and economic developments • Monthly economic digest—12 times a year • Quarterly portfolio reports • Quarterly economic bulletin/update • Background paper on country portfolio performance (annual for PRCM) • Country economic review (annual) • Annual environment outlook • ADB annual briefing notes • Inputs to country economic report, Asian Development Outlook, and Annual Report • Newsletter • Update website (e.g., twice a month)
4. Innovations in this area	<ul style="list-style-type: none"> • Use of email for quick dissemination to HQ staff • Producing short notes on current hot issues • Translating important government documents from local language into English • Establishment of database • Development of possible country operational scenarios for ADB • Focusing economic and sector work on key issues
D. Improving Aid Coordination	

Items/Questions	Major Findings
1. Changes in aid coordination	Aid coordination has been significantly enhanced, in particular through participation in regular aid coordination meetings that ADB could not have been able to attend without local presence. RMs with delegated programming authority have reported greater changes in this area.
2. Role and key achievements	
2.1. At institutional level	For most RMs, contacts have been established and maintained with all major multilateral and bilateral agencies. These include World Bank, United Nations Development Programme, Japan Bank for International Cooperation (JBIC), United Kingdom Department for International Development, Australian Agency for International Development, United States Agency for International Development.
2.2. At country, thematic, and sector levels	Examples include: joint review of country portfolio with the World Bank, JBIC, etc. and chairing thematic aid groups.
2.3. At project level	Examples include: coordination with other aid agencies in implementing ADB projects, and assisting in mobilization of cofinancing for ADB projects.
3. Innovations in this area	<ul style="list-style-type: none"> • Active participation in CGI working groups • Roundtable meeting • Establishment of working group • Preparing a matrix on each major aid agency's strategy and program • Participating in the joint aid commonality study • Informing other aid agencies (and vice versa) about HQ missions for the purpose of aid coordination • Joint aid agency database/website on host country
E. Raising ADB's Public Profile	
1. Changes in external relations	Most RMs noted that, through regular and constant interaction with the local and foreign media in the host country, ADB and its image as a major development partner have been enhanced.
2. How was it achieved? <ul style="list-style-type: none"> 2.1. Press conference/media interview 2.2. Dissemination through print media/ADB web 2.3. Setting up of a library 2.4. Arrange HQ visit to provincial areas 2.5. Setting up of website 2.6. Others 	The answer is generally "Yes" for all means listed, except for the "library," which was set up only by some RMs.

Items/Questions	Major Findings
<p>3. Frequency of the interaction</p> <p>3.1 Press conference/media interview</p> <p>3.2 Dissemination through print media/ADB web</p> <p>3.3 Arrange HQ visit to provincial areas</p> <p>3.4 Others</p>	<p>Usually, 3-4 times a year</p> <p>From monthly [Nepal Resident Mission (NRM)] to twice a year (Uzbekistan Resident Mission)</p> <p>In principle, from monthly to quarterly</p>
<p>4. Innovation in this area</p>	<ul style="list-style-type: none"> • Developing a media strategy • ADB-NGO forum • Setting up a unit specifically for external relations and information and communication technology • Information sheet, video, and CD ROM for ADB operations in the host country • Newsletter and website, with some local language content • Translation of ADB documents in local language • Event-focused outreach: visit of ADB President, memorandum of understanding (MOU) signing, seminars • Making visiting missions aware of opportunities for media coverage and its importance • Encouraging pertinent HQ staff to write short articles on important issues for local media • Media tours to take small groups of journalists to project sites • Workshop with media on ADB operations and terminology to improve accuracy and quality of press reports on ADB activities • Mailing list for information dissemination • E-mailing information on ADB's activities to local and international media • Cooperation with a public relations service firm for news clipping • Publishing picture book and contributing to various magazines and other publications • Arrange broadcast of ADB videos by local television channels • Information bulletin board in RM office for internal communication
<p>III. Achievements in Specific Functions</p>	
<p>1. Contribution to country programming and country strategy formulation</p>	<p>Several RMs either led or participated in country programming and country program confirmation missions and prepared and assisted in preparation of country strategies and programs (CSPs), country strategy and program updates (CSPUs), country assistance plans, and country operational strategies.</p> <p>These RMs have played a very important role in CSP/CSPU through participation as mission members or leading the mission. The local knowledge of the host country has been vital for identification of key CSP strategic thrusts and for successful programming and refinement of ongoing programs and projects.</p>

Items/Questions	Major Findings
<p>2. Contribution to loan and TA processing</p>	<p>Several RMs participated in loan processing missions, provided inputs to MOUs and mission back-to-office reports, and undertook government liaison. In most cases RMs have contributed to loan/TA processing as mission members and facilitating agents. While some RMs have led loan/TA negotiations or processed TAs, it is believed that RMs should be selective in handling loan processing (IRM) and focus more on country liaison and programming, project administration and related subjects, but less on project processing (South Pacific Regional Mission)</p> <p>Some examples of loan and TA processing:</p> <ul style="list-style-type: none"> • Assigned 1 NRM staff to support all loan and TA processing missions • Processed 1 TA in 2001 and provided key inputs for TAs on governance and devolution (PRM) • Conducted the poverty analysis for CSP (PRM) • Organized interaction with aid agencies and NGOs for country programming missions (CPMs) (BRM) • Prepared CAP for 2001-2003 (BRM) • Prepared CSPU for 2002-2004 (BRM) • Led 2002 CPM with full participation of NRM staff • Lead role in preparation of CSP (PRM) • Provided inputs and participated in 2000 and 2001 CPM (PRM)

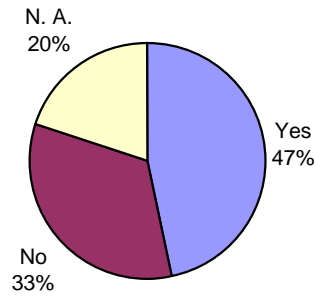
Items/Questions	Major Findings
<p>3. Contribution to portfolio management in the country</p>	<p>Most RMs have strengthened portfolio management through participating in loan and TA missions, monitoring progress of projects, reporting potential problems, and resolving issues related to implementation. Liaison with governmental authority and EAs has improved. Regular portfolio review meetings and coordination with concerned agencies also contributed to project administration. Many RMs report better contract award and disbursement performance or more timely submission of audited projects accounts, and improved quality of loan and TA portfolio.</p> <p>Several RMs held regular meetings with relevant ministries and executing agencies, provided assistance to executing agencies regarding implementation issues, tracks monitored problems and alerted HQ of potential problems that require attention, and performed systematic analyses of underlying reasons for portfolio nonperformance.</p> <p>Some examples of portfolio management related work include:</p> <ul style="list-style-type: none"> (i) prepared comprehensive country portfolio review mission (CPRM) background papers with sector recommendations for further ADB interventions (NRM). (ii) first joint ADB/World Bank/His Majesty's Government of Nepal (HMGN) CPRM in July/August 2000 and time-bound action plan to improve portfolio performance (NRM) (iii) joint quarterly review of CPRM plan (iv) led first joint 2001 CPRM participated by HMGN/World Bank/ADB, and JBIC (NRM).
<p>4. Contribution to economic, thematic, and sector work (ETSW)</p>	<p>While a few RMs have taken up responsibility for preparing ETSW-related works (PRCM), most RMs facilitated HQ and provided valuable inputs in this regard. Some RMs widely discussed ETSW with stakeholders and disseminated results of ETSW studies in workshops or through networks established with local research institutes. Some examples of ETSW conducted by RMs include:</p> <ul style="list-style-type: none"> • prepared six ETSW papers in 2001 and two ETSW papers jointly with the World Bank (BRM) • study on rural development priorities is being published (BRM) • initiated a study of opportunities for public private partnership in Nepal • poverty analysis for Pakistan • network established with local think tanks/economic research units and close interaction with the International Monetary Fund and World Bank (Sri Lanka Resident Mission)

Items/Questions	Major Findings
IV. Qualitative Assessment of Constraint	
A. Rank the Constraint (with 1 as the highest) <ol style="list-style-type: none"> 1. Number of staff 2. Skills and competencies 3. Skills mix 4. Training 5. Information and Communication Technology 6. Budget 7. Others 	<p>Ranking varies depending on specific circumstances of each RM. Number of staff was identified as number one constraint by 8 replies out of 14 received. Other highly ranked constraints include information and communication technology (ICT) [No. 1 for Mongolia Resident Mission (MNRM), Kyrgyz Republic Resident Mission (KYRM), and URM] and Skills and Competencies [No. 1 for BRM, SLRM, Cambodia Resident Mission (CARM), and IRM]. It is noted that “Others” may also become No. 1 or key constraint. That is the case for SPRM whose size and functions are still to be clarified.</p>
B. Nature of Constraint and Suggested Solution	
<ol style="list-style-type: none"> 1. Number of staff 	<ul style="list-style-type: none"> • The needs for national officer seem to be the most acute. These relate to social/governance issues (BRM), economics (NRM), and portfolio management (URM). • Local staff are also needed for ICT support, Finance and Administration, and secretarial support (NRM, PRM) • Need for professional staff is mostly linked with further delegation of authorities (CARM, LRM) or increasing demands of customer (PRCM). • Timely filing of budgeted professional staff position was raised by Kazakhstan Resident Mission (KARM) and IRM.
<ol style="list-style-type: none"> 2. Skills and competencies 	<ul style="list-style-type: none"> • Usually correlative with the need for additional staff (BRM, CARM, NRM, PRCM, SLRM). • General weak competencies and/or problem on work attitude were reported by KARM and URM. • Language skills (spoken and/or written English) could be an issue (IRM, NRM, and URM)
<ol style="list-style-type: none"> 3. Skills mix 	<ul style="list-style-type: none"> • Not a (serious) problem for most RMs. • If any, this is mostly linked with the need for additional staff (CARM, NRM) • One RM reports on imbalance between engineering and economics/financial skills (SPRM) • Potential difficulty with rotation of national officer (IRM)
<ol style="list-style-type: none"> 4. Training 	<ul style="list-style-type: none"> • Many RMs require HQ or outside country training (BRM, NRM, PRM, SLRM, PRCM, KARM) • Training through videoconferencing or by HQ missions in RMs are suggested as a cheaper solution (PRCM, KYRM, KARM) • Training is most needed for new staff (LRM, MNRM, KYRM) • Proposed training subjects include ADB policies and procedures (CARM, LRM, MNRM, KARM, KYRM), specific themes/areas (NRM, PRM), management skills (PRM, CARM), and language (IRM). • Personnel interaction of RM staff with HQ staff is raised as necessary by PRCM and IRM

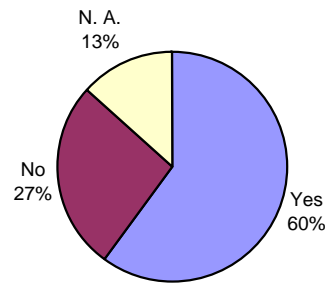
Items/Questions	Major Findings
5. ICT	<ul style="list-style-type: none"> • Reliability of communication with HQ could be a problem (BRM, NRM, CARM, LRM, MNRM, KARM, KYRM, URM), especially for RMs in CARs. • Some RMs still lack videoconferencing (NRM, MNRM, KARM, KYRM). • Few RMs had problem with server and/or PC software (NRM, IRM) • Local IT support is needed, either with additional staff position (see above) or through contracting-out (SPRM)
6. Budget	<ul style="list-style-type: none"> • Need for additional budget is generally focused on budget travel (BRM, SLRM, CARM, PRCM, IRM, and SPRM) • Flexibility and access to monitoring tool were raised by URM and PRM, respectively
7. Others	<ul style="list-style-type: none"> • These include office space (NRM, PRM), security concerns (IRM), and debate on RM's size and functions (SPRM). External factor (i.e. government bureaucracy) was referred to by one RM—URM.

Part II: QUANTITATIVE RESPONSES

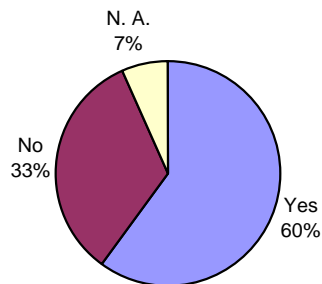
Redefinition of Resident Mission (RM) Functions
1. Were the RM functions redefined?



2. Does this provide a clear definition of the responsibilities between the RM and HQ?



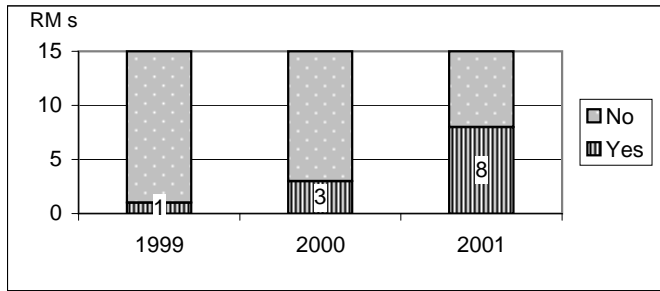
3. Is the delegation of formal authority sufficient to carry out RM responsibilities efficiently?



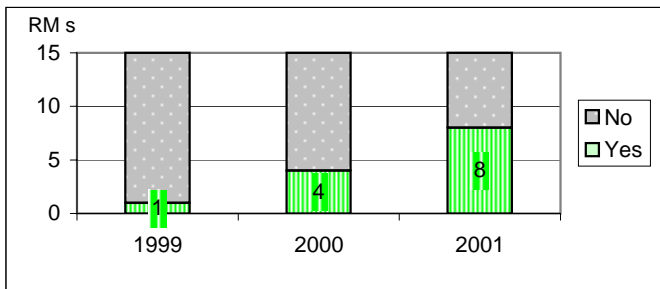
Specific Functions

4. Country Strategy and Programming

Lead CPM

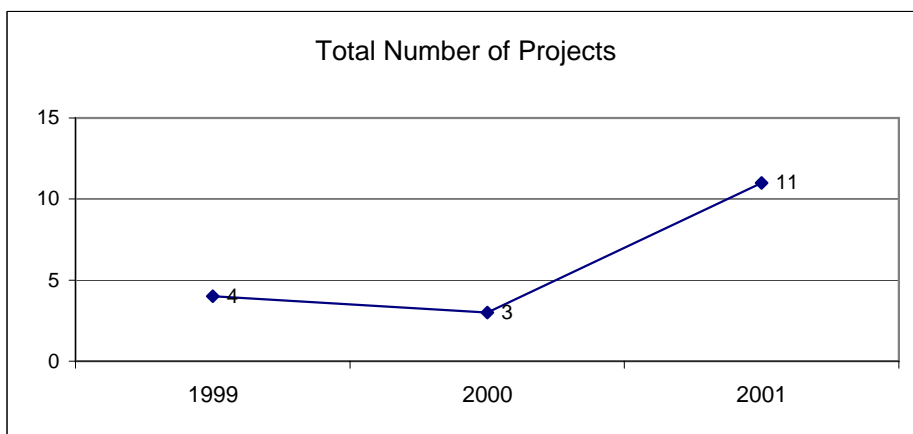


5. Responsible for CAP/COS/CSP/CSPU preparation

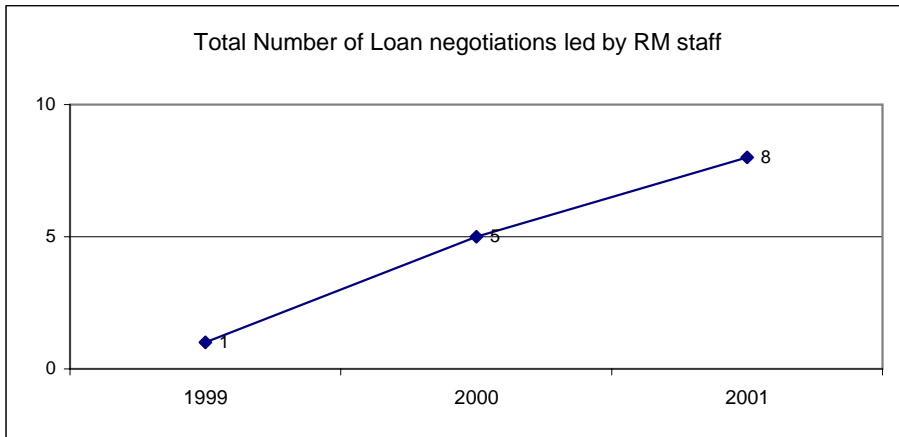


Project and TA Processing

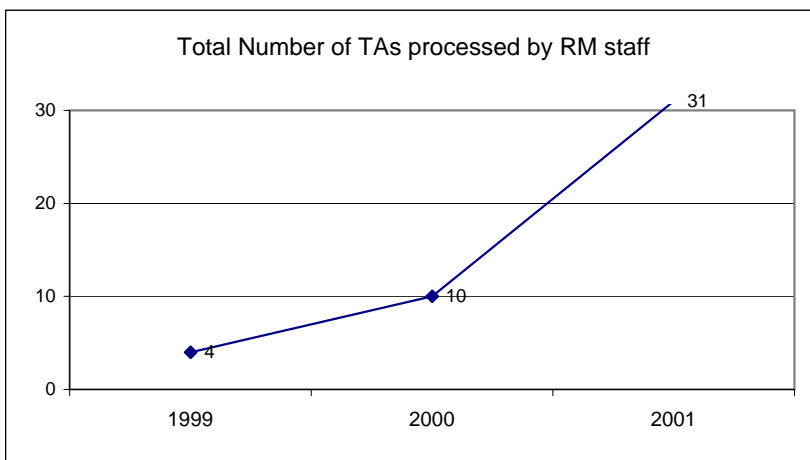
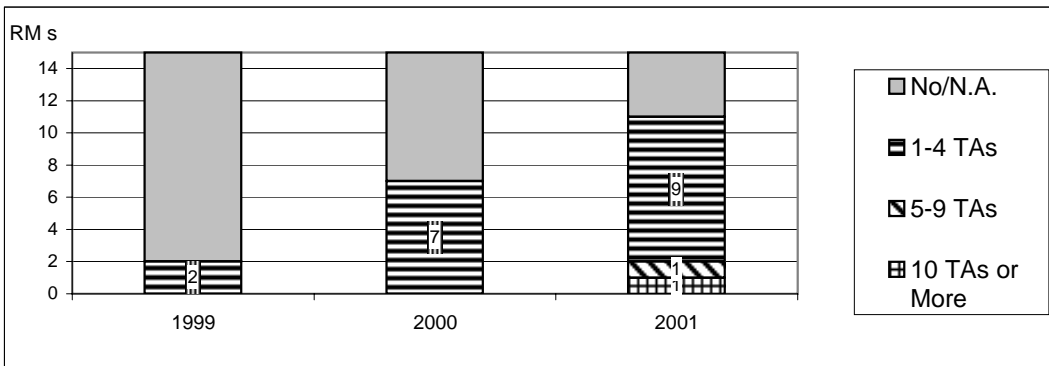
6. Number of projects for which the mission leader was from RM



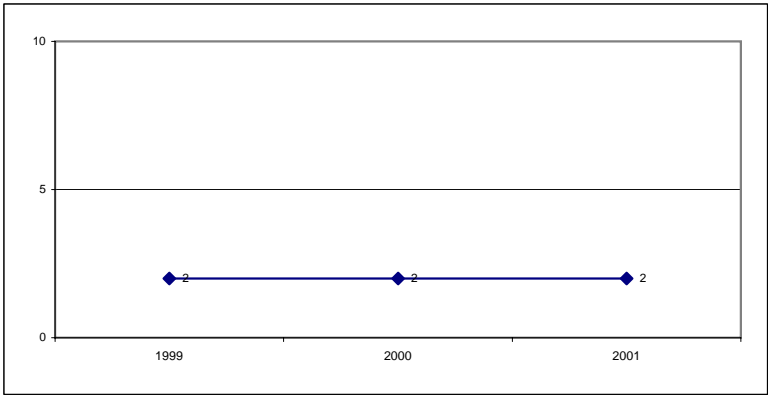
7. Loan negotiations led by RM staff



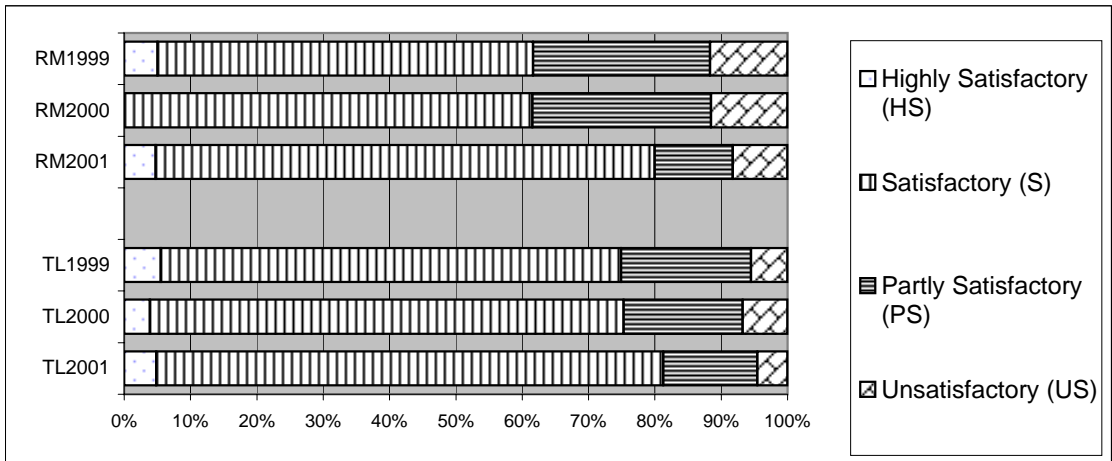
8. Number of TAs processed by RM staff



9. Country portfolio review missions led by RM



10. Status of Portfolio (IP/DO)



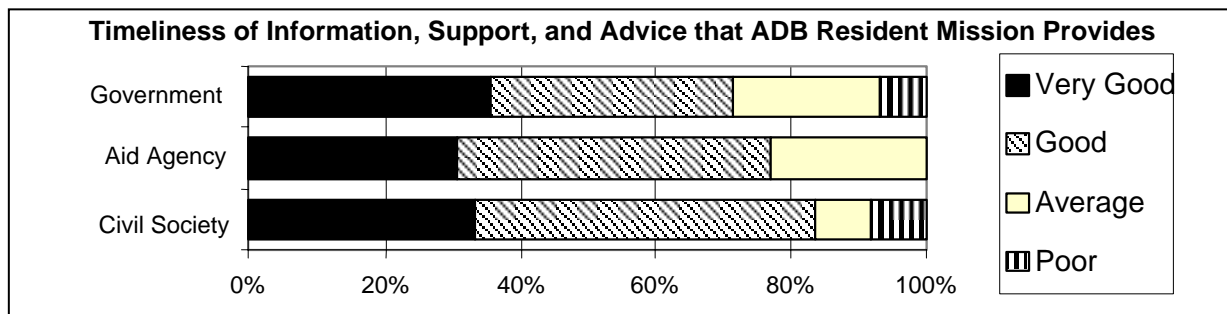
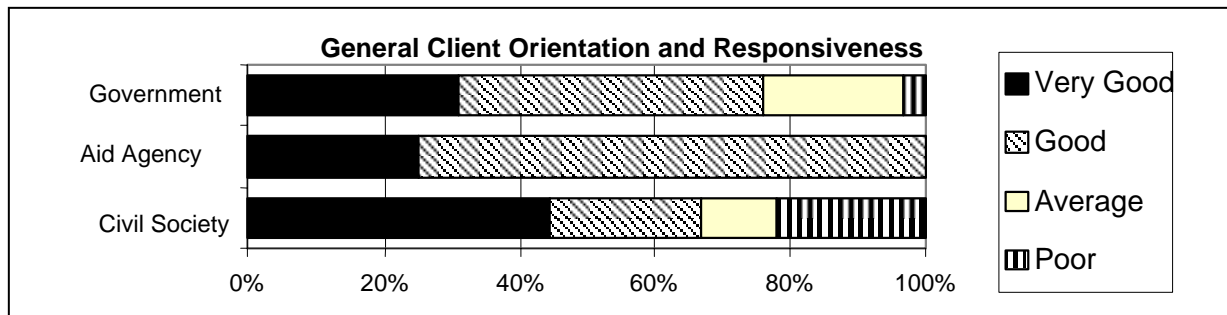
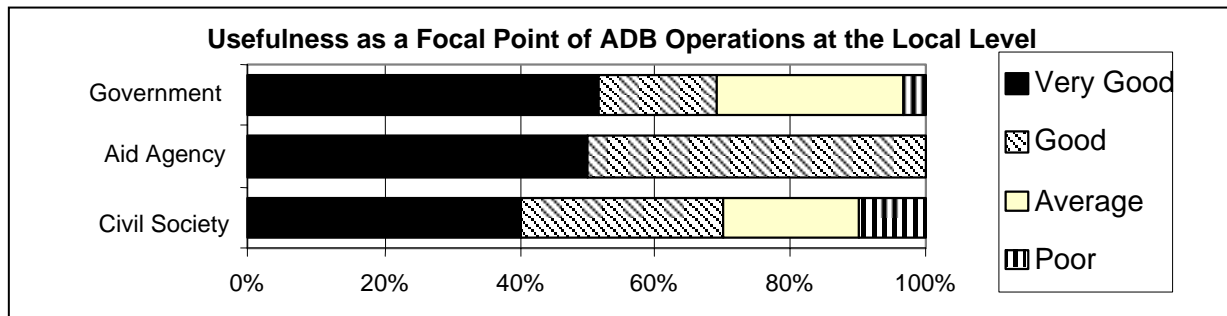
DO = Development Objective, IP = Implementation Progress, TL = Total.

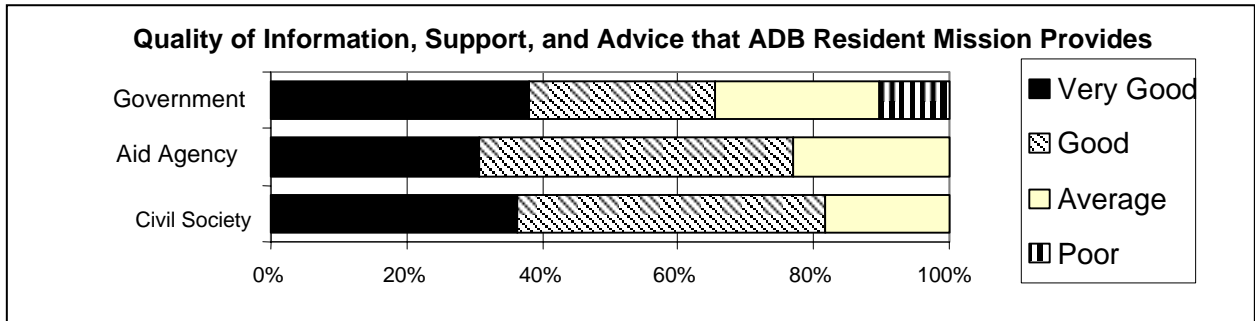
SURVEY OF GOVERNMENT, AID AGENCIES, AND CIVIL SOCIETIES: SUMMARY OF RESPONSES

1. To obtain views and feedback from the governments, aid agencies, and civil society on resident missions (RMs), client and partners surveys were conducted and field visits were made. The results are summarized as follows.

A. Overall Views

2. Overall, clients and development partners expressed positive views on RMs, appreciated RMs' roles and functions, and recognized RMs as a useful focal point of Asian Development Bank (ADB) operations in their respective countries.

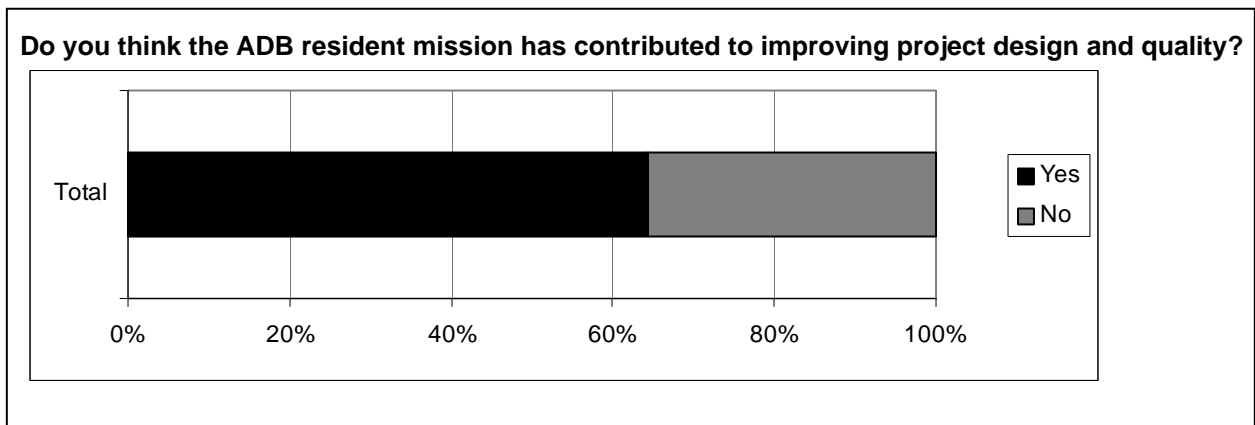
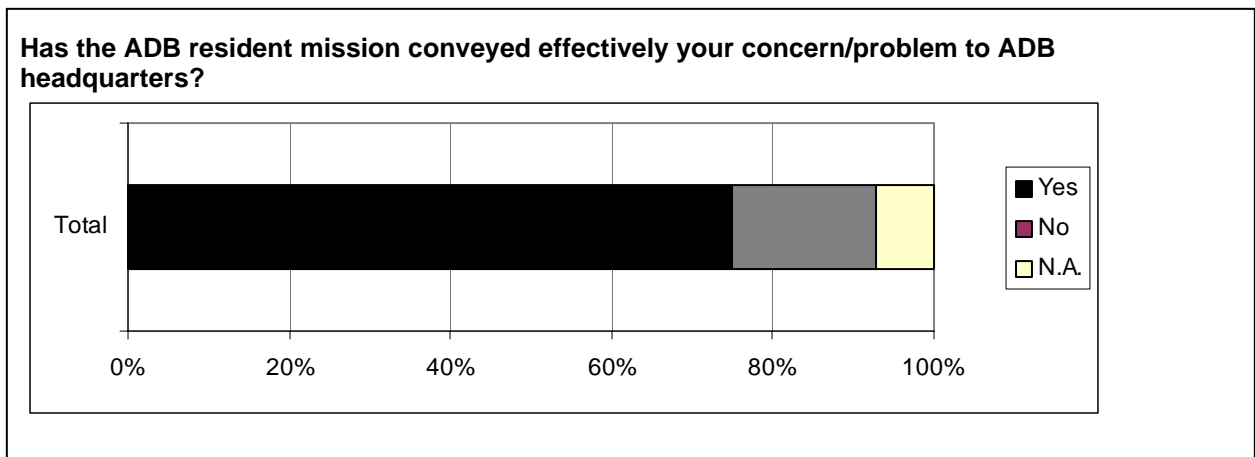




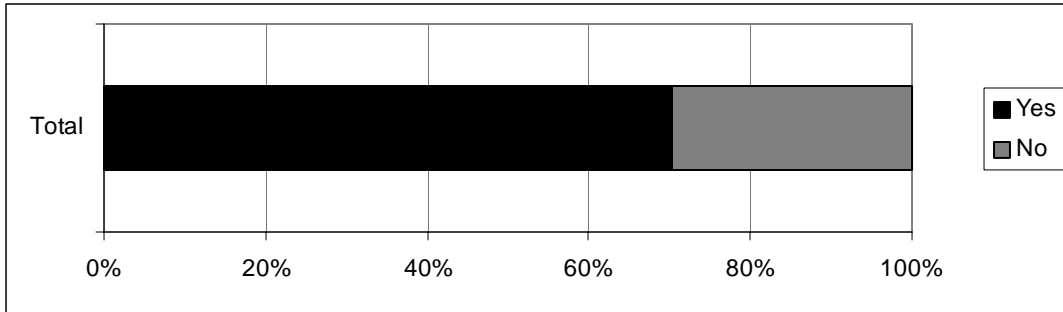
B. Government Agencies

3. Government agencies are generally satisfied with RMs in terms of (i) timeliness and quality of information, support, and advice that RMs provide; (ii) local knowledge; and (iii) general client orientation and responsiveness. RMs have maintained and strengthened relations with government agencies through regular and close contacts and interactions.

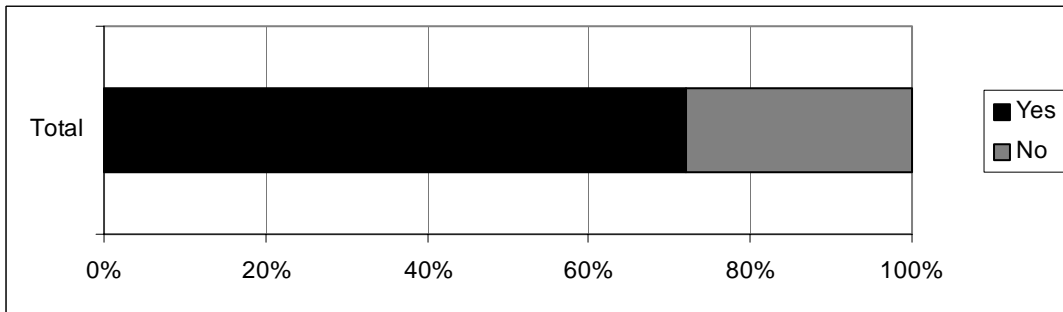
4. RMs have made generally useful contributions to (i) disseminating information, (ii) providing general consultation and advice, (iii) resolving problems concerning ADB operations, (iv) improving project design and quality, (v) facilitating project processing, (vi) facilitating stakeholder participation, and (vii) improving portfolio performance.



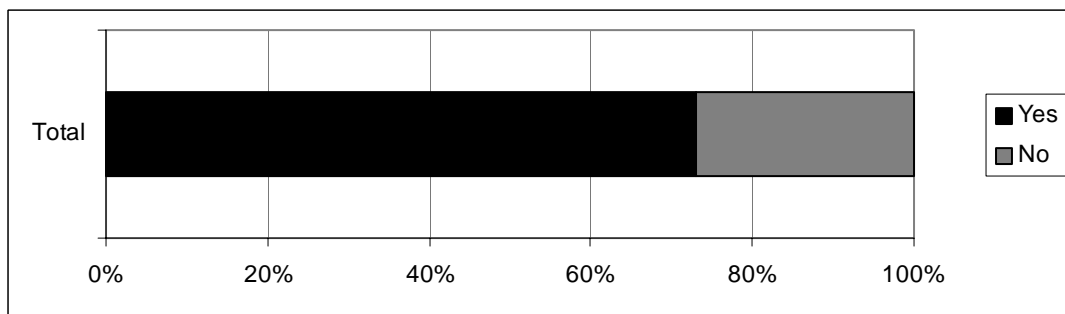
Do you think ADB resident mission has contributed to facilitating project processing?



Do you think the ADB resident mission has contributed to facilitating stakeholder participation?



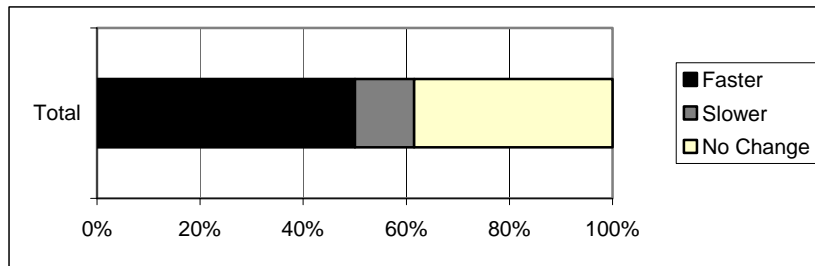
Do you think the ADB resident mission has contributed to improving portfolio performance?



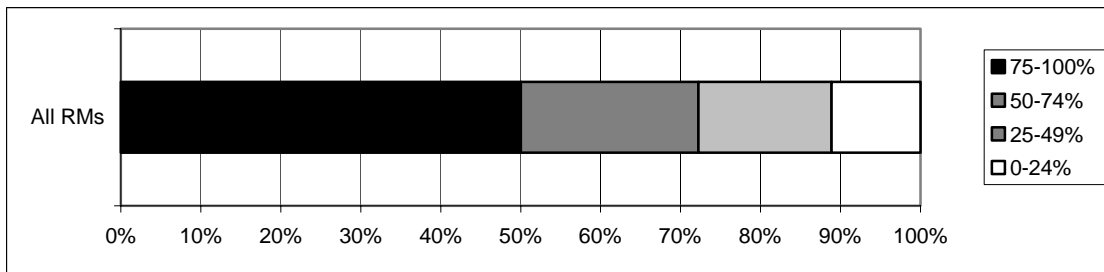
5. Some government agencies observe that the RMs' effectiveness and efficiency are also dependent on (i) headquarters effectiveness and efficiency, (ii) appropriateness of the division of labor between RM and headquarters, (iii) appropriateness of the RM's staff skills mix, and (iv) level of delegation of authority to the RM.

6. Some government agencies are of the view that RMs could play more proactive roles and take more initiative in (i) conducting policy dialogue, (ii) addressing development issues at the local level, and (iii) providing more local perspectives in project identification and design.

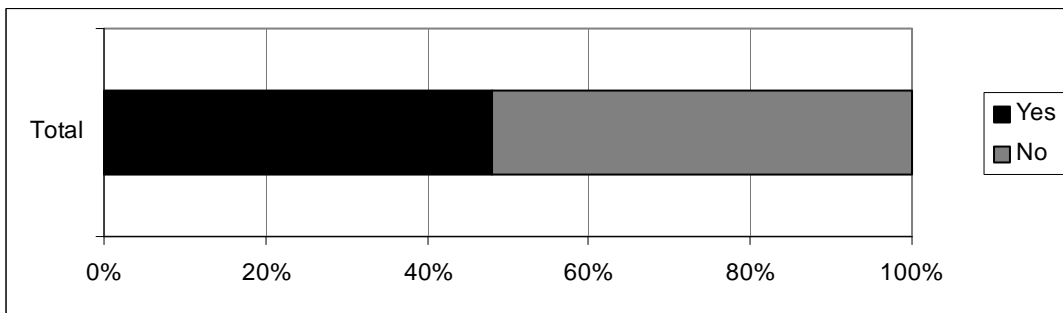
When a decision by ADB is required, do you think the speed of the decision-making has become faster, slower, or no change?



What percentage of problems has the ADB resident mission been able to fully resolve by itself?



Do you think the ADB resident mission has contributed to conducting policy dialogue?



C. Aid Agencies

7. The aid agencies generally appreciate the presence of RMs and their consultative and facilitative roles. RMs are recognized as a useful focal point. RMs have maintained regular and ad hoc contacts and meetings with representatives of the aid agencies at the local level, and have contributed to aid coordination mainly at the sector and project levels.

D. Civil Society Organizations

8. The civil society organizations generally welcome RMs' outreach and closer and stronger relations, and appreciate RMs' client orientation and responsiveness.

**SURVEY OF SELECTED MISSION LEADERS AND PROGRAM OFFICERS:
SUMMARY OF RESPONSES¹**

1. Please indicate the number of loans and TAs you processed for the country in the last 3 years.

	1999		2000		2001	
	Loans	Responses	Loans	Responses	Loans	Responses
	0	19	0	13	0	14
	1	2	1	7	1	6
	3	1	2	1	5	1
	0	0	7	1	6	1
Total		22		22		22

	1999		2000		2001	
	TAs	Responses	TAs	Responses	TAs	Responses
	0	13	0	11	0	11
	1	5	1	5	1	7
	3	3	2	4	2	2
	12	1	3	1	9	1
	0	0	11	1	10	1
Total		22		22		22

2. In preparing for your mission, do you request for assistance from the resident mission?

Reply	Yes	No
Number of Responses	16	6

- a. How would you rate the resident mission in providing the assistance above? Please check one

(In the space provided below, please indicate your reasons for your rating)

Rating	Very good	Good	Average	Poor	Very poor
Number of Responses	8	8	3	0	0

3. Do you visit resident missions during your mission?

Frequency of Visit	Frequently for Regular Consultation	Briefing and Debriefing by Appointments	Rarely	No
Number of Responses	15	5	0	2

4. During your mission, do you use resident mission facilities?

Reply	Yes	No
Number of Responses	18	4

¹ A total of 38 mission leaders were sent questionnaires, and 22 responded.

Type of Facilities	Number of Responses
Arranging meetings	15
Office space	15
Office equipment	16
Secretarial assistance	6
Transport assistance	9

5. Do resident mission staff participate in your missions?

Reply	Yes	No
Number of Responses	18	3

a. Is there a specific staff member assigned for your sector/ mission/project?

Reply	Yes	No
Number of Responses	16	4

b. Please indicate the number of missions you undertook and the number of your missions participated in by resident mission staff for the following year:

Average Number of Missions Undertaken and Participated in by Resident Mission Staff

Year	Your Missions	Participated in by RM	% Missions in which RM Participated
1999	2.00	1.76	88%
2000	3.35	2.40	72%
2001	3.40	2.63	77%

c. Please indicate the nature of participation by the resident mission staff who joined in your mission.

Nature of Participation	Number of Responses
Specific assignment with terms of reference	5
Joining meetings	20
Assisting in write-ups	6
Joining wrap-up meeting	14
Others	4

6. Has the ADB resident mission contributed to the following?

a. Inclusion in loan/TA processing team.

Reply	Yes	No
Number of Responses	14	5

b. Project review and implementation of your projects.

Reply	Yes	No
Number of Responses	12	4

c. Following up on outstanding issues with the government.

Reply	Yes	No
Number of Responses	17	4

d. Resolving specific problems.

Reply	Yes	No
Number of Responses	13	3

e. Providing specific technical/policy support.

Reply	Yes	No
Number of Responses	10	9

f. Facilitating project processing through liaison and logistical support.

Reply	Yes	No
Number of Responses	13	3

g. Facilitating stakeholder participation

Reply	Yes	No
Number of Responses	14	4

h. Conducting policy dialogue (for programs officers only).

Reply	Yes	No
Number of Responses	9	5

i. Improving portfolio performance

Reply	Yes	No
Number of Responses	6	7

7. Overall, how would you rate the ADB resident mission in terms of the following:

a. Timeliness of information, support, and advice that ADB resident mission provides to HQ:

Rating	Very good	Good	Average	Poor	Very Poor
Number of Responses	6	8	6	2	0

b. Quality of information, support, and advice that ADB resident mission provides to you.

Rating	Very good	Good	Average	Poor	Very Poor
Number of Responses	6	9	6	1	0

c. Depth of knowledge of, and understanding of the country's economic, political, and social situations, and development needs and priorities.

Rating	Very good	Good	Average	Poor	Very Poor
Number of Responses	8	9	5	0	0

d. General client orientation and responsiveness to country agencies and stakeholders.

Rating	Very good	Good	Average	Poor	Very Poor
Number of Responses	9	4	7	1	0

DELEGATION OF LOANS AND TAs TO RESIDENT MISSIONS, 1999-2001

Resident Mission	1999						2000						2001					
	No. of Ongoing Loans			No. of Ongoing TAs			No. of Ongoing Loans			No. of Ongoing TAs			No. of Ongoing Loans			No. of Ongoing TAs		
	Country Portfolio	RM Portfolio	%	Country Portfolio	RM Portfolio	%	Country Portfolio	RM Portfolio	%	Country Portfolio	RM Portfolio	%	Country Portfolio	RM Portfolio	%	Country Portfolio	RM Portfolio	%
BRM	36	13	36%	37	1	3%	32	12	38%	30	2	7%	33	17	52%	33	6	18%
CARM	11	-	0%	20	-	0%	13	-	0%	21	-	0%	17	1	6%	22	-	0%
PRCM	50	-	0%	70	-	0%	45	-	0%	65	4	6%	48	-	0%	63	2	3%
INRM	27	16	59%	29	2	7%	32	13	41%	30	6	20%	32	20	63%	32	6	19%
IRM	76	21	28%	37	-	0%	70	20	29%	36	-	0%	62	16	26%	49	2	4%
KARM	6	-	0%	6	-	0%	9	-	0%	7	-	0%	9	-	0%	10	-	0%
KYRM	12	-	0%	15	-	0%	14	-	0%	16	-	0%	16	-	0%	13	-	0%
LRM	17	-	0%	26	-	0%	20	-	0%	26	-	0%	19	-	0%	26	-	0%
MNRM	13	-	0%	21	-	0%	15	-	0%	16	-	0%	15	-	0%	20	-	0%
NRM	20	8	40%	28	5	18%	21	5	24%	23	5	22%	22	5	23%	24	5	21%
PRM	44	11	25%	30	-	0%	43	13	30%	24	-	0%	51	14	27%	31	-	0%
SLRM	21	-	0%	24	-	0%	24	-	0%	28	-	0%	27	3	11%	25	-	0%
SPRM ^a	18	14	78%	60	43	72%	20	14	70%	59	45	76%	16	10	63%	66	50	76%
URM	5	-	0%	15	-	0%	8	-	0%	14	-	0%	10	2	20%	11	1	9%
VRM	25	-	0%	32	-	0%	27	-	0%	36	-	0%	29	3	10%	28	4	14%
Total	381	83	22%	450	51	11%	393	77	20%	431	62	14%	406	91	22%	453	76	17%

^a SPRM portfolio includes Cook Islands, Fiji Islands, Kiribati, Samoa, Solomon Islands, Tonga, and Vanuatu.

Source: Project Coordination and Procurement Division.

RESIDENT MISSION INTERNAL ADMINISTRATIVE EXPENSES, 1999 - 2002
(\$'000)

Item	Actual			Budget
	1999	2000	2001	2002
A. Costs/Expenses (\$'000)	13,088	17,190	25,070	28,172
Operational Expenses	10,307	12,862	19,585	22,223
Staff Costs	9,553	11,427	17,151	19,813
Other Operational Expenses (Consultants, Business Travel, and Representation)	755	1,434	2,434	2,411
Administrative Expenses	2,781	4,328	5,486	5,949
Communications ^a	785	827	1,395	1,407
Office Occupancy	1,071	1,879	2,387	2,523
Other Administrative Expenses	925	1,622	1,704	2,019
B. Percentage of Internal Administrative Expenses	6.6%	8.4%	11.4%	11.7%
Total IAE	198,511	204,904	220,659	239,992

Note: Figures may not add up due to rounding.

^a Assumes that half of leased circuit cost is charged to resident missions.

Source: Financial records and 2002 Budget Document.

RESIDENT MISSION STAFF STRENGTH, 1999-2002

	1999			2000			2001			2002		
	P/S	NO	SS	P/S	NO	SS	P/S	NO	SS	P/S	NO	SS
Total	30	50	63	38	53	70	64	108	104	71	123	120
Operations 1	19	31	45	23	33	51	33	59	60	35	70	66
SARD										23	48	51
BRM	4	8	14	4	8	14	7	12	15	7	13	17
PRM	4	6	10	4	6	11	5	9	11	5	11	12
NRM	3	4	6	3	4	7	3	7	7	3	8	7
INRM	4	6	10	4	6	10	5	8	11	6	10	12
SLRM	1	2	1	2	2	2	2	5	3	2	6	3
MKRD										12	22	15
CARM	1	2	1	2	2	2	2	4	3	2	5	4
VRM	2	3	3	2	3	3	4	6	4	5	8	5
LRM	-	-	-	2	2	2	2	4	3	2	5	3
TRM	-	-	-	-	-	-	3	4	3	3	4	3
Operations 2	11	19	18	15	20	19	31	49	44	36	53	54
ECRD										17	30	26
PRCM	-	-	-	-	-	-	6	11	13	6	11	13
KARM	1	2	1	2	2	1	2	4	2	2	4	3
URM	1	2	1	2	2	1	2	4	2	3	4	4
KYRM	-	-	-	2	1	1	2	4	2	2	4	2
MNRM	-	-	-	-	-	-	2	4	2	2	4	2
ARM	-	-	-	-	-	-	-	-	-	2	3	2
SERD										15	14	21
IRM	6	9	11	6	9	11	9	13	13	10	14	15
PHCO	-	-	-	-	-	-	5	-	5	5	-	6
PARD										4	9	7
SPRM	3	6	5	3	6	5	3	6	5	3	6	5
PNGRM	-	-	-	-	-	-	-	3	-	1	3	2

ARM = Azerbaijan Resident Mission, BRM = Bangladesh Resident Mission, CARM = Cambodia Resident Mission, INRM = India Resident Mission, IRM = Indonesia Resident Mission, KARM = Kazakhstan Resident Mission, KYRM = Kyrgyz Resident Mission, LRM = Lao People's Democratic Republic Resident Mission, MNRM = Mongolia Resident Mission, NO = national officer, NRM = Nepal Resident Mission, PHCO = Philippines Country Office, PRM = Pakistan Resident Mission, PRCM = People's Republic of China Resident Mission, P/S = professional staff, PNGRM = Papua New Guinea Resident Mission, SLRM = Sri Lanka Resident Mission, SPRM = South Pacific Regional Mission, S/S = supporting staff, TRM = Thailand Resident Mission, URM = Uzbekistan Resident Mission, VRM = Viet Nam Resident Mission.

Source: Budget documents.

RESIDENT MISSION ICT FACILITIES, 1999 and 2001

Regional Department/ Resident Mission	1999				2001			
	Communication Facilities	Video Conferencing	LAN	Servers	Communication Facilities	Video Conferencing	LAN	Servers
SARD								
BRM	Leased Circuit (64 kbps)	NA	YES	1	Leased Circuit (128 kbps)	NA	YES	2
PRM	Leased Circuit (64 kbps)	NA	YES	1	Leased Circuit (128 kbps)	NA	YES	2
NRM	Leased Circuit (64 kbps)	NA	YES	1	Leased Circuit (128 kbps)	NA	YES	2
INRM	Leased Circuit (64 kbps)	NA	YES	1	Leased Circuit (128 kbps)	YES	YES	3
SLRM		NA	NA	NA	VPN (64-128 kbps)	YES	YES	1
MKRD								
CARM		NA	NA	NA	VPN (64-128 kbps)	NA	YES	1
VRM		NA	NA	NA	Leased Circuit (64 kbps)	YES	YES	2
LRM		NA	NA	NA	VPN (64-128 kbps)	NA	YES	2
ECRD								
PRCM		NA	NA	NA	Leased Circuit (128 kbps)	YES	YES	3
KARM		NA	NA	NA	VPN (64-128 kbps)	NA	YES	1
URM		NA	NA	NA	VPN (64-128 kbps)	NA	YES	1
KYRM		NA	NA	NA	VPN (64-128 kbps)	NA	YES	1
MNRM		NA	NA	NA	VPN (64-128 Kbps)	NA	YES	1
SERD								
IRM	Leased Circuit (64 kbps)	YES	YES	1	Leased Circuit (128 kbps)	YES	YES	2
PARD								
SPRM	Leased Circuit (64 kbps)	NA	YES	1	Leased Circuit (128 kbps)	NA	YES	2

BRM = Bangladesh Resident Mission, CARM = Cambodia Resident Mission, ICT = information and communication technology, INRM = India Resident Mission, IRM = Indonesia Resident Mission, kbps = kilobits per second, KARM = Kazakhstan Resident Mission, KYRM = Kyrgyz Resident Mission, LRM = Lao People's Democratic Republic Resident Mission, MNRM = Mongolia Resident Mission, NRM = Nepal Resident Mission, PRM = Pakistan Resident Mission, PRCM = People's Republic of China Resident Mission, SLRM = Sri Lanka Resident Mission, SPRM = South Pacific Regional Mission, URM = Uzbekistan Resident Mission, VRM = Viet Nam Resident Mission.

Source: Office of Information Systems and Technology records.