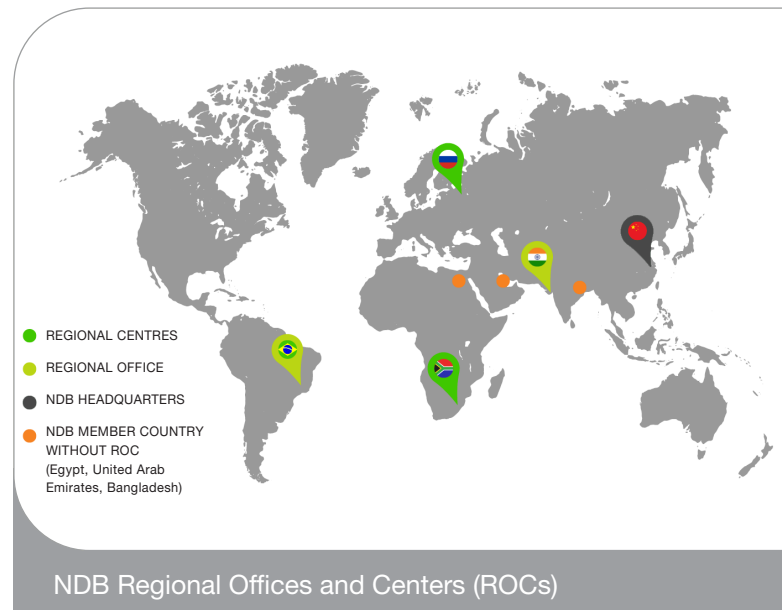


## NDB'S REGIONAL PRESENCE ON THE GROUND: WHAT'S THE EXPERIENCE SO FAR?

*NDB's approach to its global presence is almost unique amongst multilateral development banks (MDBs). Where most organisations start with a base at a central headquarters and only over time develop country or regional offices and a decentralised structure, NDB was different: it planned an on-the-ground presence at the very beginning of its existence through the setting up of Regional Offices and Centres (ROCs) in its founding member countries. Its first ROC was opened in South Africa in 2018 — just three years after NDB commenced operations.*

**Why was this approach chosen?** The rationale was that by being in-country, NDB would be, from the outset, closer to its clients. This would allow it to strengthen its relationships with them in the origination, preparation, implementation and monitoring of projects (amongst other things). It would also advance NDB's visibility, presence and reputation in member countries. This would have been much more difficult to accomplish for an HQ-only organisation.



### ROCs: THE ESSENTIAL TIMELINE

2018

The Africa Regional Centre (ARC) opens in Johannesburg in April.

2019

The Americas Regional Office (ARO) opens in Sao Paulo and a Sub-Office in Brasilia in July.

2020

The Eurasian Regional Centre (ERC) opens in Moscow in July.

2022

The Indian Regional Office (IRO) opens in Gujarat in June.

**So, six years after the opening of the first ROC, what can we say of the experience to date? What, if any, are the things that need improvement? And what should the Bank do in the future?**

The NDB Independent Evaluation Office (IEO) conducted an evaluation synthesis asking these very questions – below are some of its findings.

### What are some of the positives?

- ▶ Despite the recentness of their establishment and differing phases of maturity, and the disruptions to normal business of the COVID-19 pandemic, the overwhelming feedback received is that the ROCs have already begun playing an important role for NDB and are solidifying the “One Bank” identity of staff in geographically dispersed locations.
- ▶ ROCs are already helping advance engagement and dialogue with a wide range of institutions.
- ▶ The phased approach taken in setting up the offices – see left – was the appropriate course of action to take in the Bank's early stages, allowing it to prioritise and better manage the limited resources available, and to focus on getting the setups right.

## AN EVALUATION SYNTHESIS. WHAT IS IT AND WHAT DOES IT AIM TO DO?

An Evaluation Synthesis (ES) is first and foremost a knowledge product, focusing on learning. It does not include recommendations or performance ratings.

The main objectives of this ES were to: (i) capture the initial experience and lessons in setting up of the ROCs; (ii) identify good practices from NDB and peers with extensive on-the-ground presence; and (iii) highlight issues that merit Management and Board attention.

- ▶ Staffing the ROCs with only nationals of the country where the offices were located was the right strategy in the initial years of the Bank. It ensured rapid mobilization of local resources, limited costs and started activities on the ground.
- ▶ The decision to locate the China Desk – responsible for managing engagement in China – at NDB HQ (instead of a separate office) has enabled economies of scale and staff efficiency.

### What are some of the current challenges?

- ▶ The focus within ROCs on operations along with their limited human and financial resources are restricting the opportunities for the Bank's deeper engagement in non-lending activities such as knowledge-sharing and capacity-building. Going forward, improving these aspects should add value to ROCs' outputs, and improve NDB's visibility and performance.
- ▶ The limitations of institutional IT systems challenge the efficiency of ROCs. The development of a corporate intranet, a portal to connect stakeholders remotely to HQ systems, and better connectivity – which is of varying quality – will improve efficiency.
- ▶ Staffing capacities and capabilities: although hiring local staff has been a wise choice to date (see above), the narrow talent pool limits the diversity of staff, and career management, and mobility possibilities. Amending this would also bring NDB more into line with peer organisations.
- ▶ With the Bank still in the process of establishing a corporate results framework, it is difficult to decipher clear targets and contribution the ROCs are expected to make to the Bank's strategic objectives.

Corporate developments will affect ROCs going forward.

What are some aspects to consider? Here are two examples:

1. **The growing membership of NDB.** What will the implications be for ROCs with respect to additional workloads and responsibilities (e.g. to cover operations in other countries?)
2. **The growing project portfolio of NDB:** Would ROCs be able to manage additional workloads of a more technical nature? Are reporting and decision-making lines with HQ clear enough to support effective implementation and avoid silos?

### The way forward: things to reflect upon

- ▶ With ROCs now well established in each country, greater attention could be devoted to developing partnerships with peer MDBs, the United Nations system, research organizations, etc.
- ▶ Developing country strategies could be beneficial in, for example, helping ensure country priorities are aligned to the Bank's overall strategic imperatives, and providing transparency and clarity to clients and stakeholders. This could be coupled with tailored communication strategies such as designated country/regional webpages with information in local languages.
- ▶ The requirements and expectations of a growing, global MDB, might require widening the available talent pool for ROCs to include not just host country nationals. Developing a strategic staffing AND MOBILITY plan for ROCs (in line with the Bank's overall human resources policies) could help in this regard.

## THE INDEPENDENT EVALUATION OFFICE

The NDB Independent Evaluation Office was established in April 2022. The Director General of IEO reports directly and exclusively to the NDB Board of Directors. The main objective of IEO is to promote accountability and learning for enhancing the Bank's performance. IEO conducts a range of independent evaluations at different levels: evaluations of projects and programmes as well as of policies, strategies, instruments, and corporate processes.

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