

## Evaluation Approach Paper

# Renewing, Revitalizing, and Reforming: An Evaluation of the Asian Development Bank's New Operating Model

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## A. Overview

1. The Asian Development Bank (ADB) is engaging in an ambitious and complex program of internal reforms. On 30 June 2023, ADB launched the New Operating Model (NOM) which was ADB's first major reorganization since 2002. However, the NOM goes beyond a reorganization and included many other changes to how ADB works internally and interacts with partners. The Board Paper on Organizational Review, approved in October 2022, acknowledged the need for structural reforms.<sup>1</sup> The ultimate objective of the NOM is to enhance ADB's relevance; the Board Paper lays out a set of reforms that aim to increase the provision of development solutions to address complex challenges.

2. To provide early feedback on the process and to enhance the prospects for success, ADB's Board of Directors requested the Independent Evaluation Department (IED) to undertake an evaluation of the NOM. Given that the NOM is still being implemented, the evaluation will incorporate many attributes typical of a real-time evaluation,<sup>2</sup> such as the emphasis on tracking progress and providing more immediate feedback for adaptive management and adjusting better to achieve the NOM's objectives. This formative evaluation was included in IED's Work Program (2024-2026).<sup>3</sup>

## B. The New Operating Model

3. The Board Paper builds on the objectives and priorities of ADB's corporate strategy, Strategy 2030.<sup>4</sup> The underlying vision in the Board Paper is to reform ADB to make it "fit for purpose given the region's changing landscape and development challenges." The NOM aims to increase ADB's flexibility and to create synergies across the organization. The Board Paper identified four shifts: (i) solutions; (ii) private sector development (PSD); (iii) climate change; and (iv) ways of working. The shifts respond to concerns in internal reviews and IED evaluations, as well as changes in the global landscape and new, high-level strategic directions. The shifts are expected to lead to greater collaboration, less bureaucracy, and a more solution-focused ADB. They will reorient ADB's focus on the emerging global agenda. This, in turn, will increase ADB's

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<sup>1</sup> ADB. 2022. *Organizational Review: A New Operating Model to Accelerate ADB's Transformation Toward Strategy 2030 and Beyond*.

<sup>2</sup> The Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) offers a definition of RTE: "A process that provides immediate (independent) evaluative evidence, insights and feedback to inform decision-making, learning and implementation while the intervention is underway."

<sup>3</sup> IED. 2023. Independent Evaluation Department Work Program, 2024-2026.

<sup>4</sup> ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*.

development impact at the country, regional, and global level. Table 1 outlines the challenges that ADB faces and its proposed response.

**Table 1: The Four Shifts of the NOM**

Shifts	Challenge	Approach
1 Solutions	ADB's organizational structure limits its ability to effectively integrate public, private sector, knowledge and advisory services for clients. Fragmented sector and thematic expertise located in silos constrain knowledge flow and collaboration. Internal incentives prioritize volume over quality, discouraging holistic solutions.	Offer knowledge-based, innovative, and integrated solutions. Bring together fragmented expertise with a structure that rewards collaboration and impact.
2 Private sector development	ADB has inconsistent coordination and collaboration between its sovereign, nonsovereign, and advisory operations. ADB has skill gaps in private sector financing and PSD. It has cumbersome processes, and challenges in incorporating development impact into risk-return considerations. These factors impede a holistic approach to PSD.	Better coordination and collaboration between ADB's upstream, midstream and downstream operations. Improve transaction efficiency. Increase staff with private sector development and private sector financing skills, backed by sector and country expertise.
3 Climate change	ADB's capacity to incorporate climate into sector and country operations is not in line with the scale of needs. Climate actions are fragmented across operations, making it difficult to develop common approaches. Skill gaps exist in climate-related activities.	Embed climate action across ADB and leverage ADB's regional position. ADB aims to commit at least \$100 billion in climate financing by 2030, mostly aligned with the Paris Agreement. Develop more technical expertise and greater integration of climate change across all sectors.
4 Ways of working	ADB has a bureaucratic, headquarters-first mindset. Compliance-focused business processes constrain delivery of complex, innovative solutions. Rigid human resource and budget processes, and siloed structure limit agility and collaboration.	ADB will be more client-centric with a greater presence in the field. It will streamline processes, promote principle- and risk-based approaches, and increase workforce agility. It will also incentivize collaboration, while increasing ADB's efficiency and strategic focus.

ADB=Asian Development Bank, DMC=developing member countries, PSD=private sector development

Source: IED, based on the analysis described in the Organizational Review, 2022.

4. The four shifts operate on two levels. Two of the shifts (private sector development and climate change) refer to changes in ADB's orientation as a development bank. The other two shifts (ways of working and solutions) are organizational shifts that underlie the two development shifts; they reflect the need to change the way ADB operates. This is intended to improve all ADB operations, not just the two development shifts.

5. Strategy 2030 called for integrated solutions across "a range of sectors and themes... [with] public and private sector operations." The solutions shift aims to strengthen this, by improving how ADB addresses new and complex development challenges. The Board Paper states that while ADB has worked to improve quality, it often focuses more on delivery and volume. This is the result of structural incentives that emphasize lending targets. ADB's structure also divided expertise across the organization (regional departments, the private sector operations department, and several knowledge-focused departments) with few mechanisms for collaboration or synergies.

6. For ADB to become a catalyst for PSD, the Board Paper identified two major challenges that ADB needs to address to implement the PSD shift. First, ADB needs to better understand the impediments to developing private sector activities, especially those affecting the creation of an

enabling environment for private sector-led growth. ADB needs to better coordinate its upstream, midstream, and downstream activities. Second, ADB needs to increase its internal capacity to scale up nonsovereign and advisory operations, while working more cohesively with sovereign operations of the other solutions teams. This will require expanding the number of staff with private sector and advisory skills, sector and country expertise, and improved business processing.

7. ADB is already advanced in the first steps of implementing the climate change shift. It has an ambition to provide \$100 billion in climate financing from ADB resources by 2030 and has committed to align most of its operations to the Paris Agreement. In November 2023, ADB approved its Climate Change Action Plan to outline its approach. While ADB has several climate change initiatives, the Board Paper indicates that it needs to increase its capacity. As an organization, ADB needs to improve its skills base, increase internal collaboration, and work closer with the private sector. To be effective, ADB needs to incorporate climate change interventions across its range of sectors.

8. The ways of working shift focuses on changing how ADB works internally and interacts with partners and clients. While new digital tools and decentralization support the shift, the Board Paper is clear that ADB needs to change its culture and its business practices. This requires substantial change in incentives, processes, and key performance indicators.

9. The Board Paper states that ADB's existing structure and system lack the capacity to address the shifts. The NOM is ADB's attempt to operationalize the four shifts. The Board Paper identifies ten features of the NOM. Table 2 outlines these features.

**Table 2: Features of the New Operating Model**

Features of the NOM		Description
1	One ADB regional departments and resident missions	Regional departments will lead DMC engagement and oversee the strategic agenda. They will lead the origination of all ADB products.
2	ADB-wide sectors and themes	New ADB-wide sector and themes will better integrate knowledge with operations.
3	Expanded synergies between sovereign and nonsovereign operations	Sovereign, private sector, and advisory operations will be increasingly brought together for ADB-wide solutions.
4	Private sector development platform	ADB will work across the institution to strengthen the private sector through a mix of investments, policy dialogue, and knowledge.
5	Renewed role for economists	ADB will expand the role of economists and establish closer connection between economic research and operations.
6	Empowered One ADB project teams	Greater centralization of operations services will bring together safeguards, thematic, and back-office staff.
7	Closer to clients	ADB will expand the number and role of staff in resident missions, transferring staff currently based in headquarters.
8	Updated governance, steering, and collaboration mechanisms	ADB will create new management structures that will encourage collaboration and work across the bank.
9	Culture, skills, and people reforms	ADB will strengthen its ongoing cultural transformation and human resource reforms.
10	Business process reforms	ADB will revise its business process to increase efficiency and empower staff.

Source: IED analysis based on Organizational Review (2022).

10. To implement the NOM, ADB proposed a series of institutional reforms and changes. These can be grouped into four categories, namely changes to: (i) processes and systems; (ii) culture, skills, and people; (iii) governance and steering; and (iv) operating model and structure. The changes are broad and run across all ten features. Table 3 outlines these four categories of changes and provides examples of some of these changes.

**Table 3: Changes in ADB supported by the NOM**

Changes	Definition	Examples
1 Processes and Systems	Changes in the rules, procedures, approval, and workflow in ADB	Quality assurance and internal review, approval of travel
2 Culture, Skills, and People	Changes in ADB talent management and staff (including their number and role) as well as in the values and behaviors	New staff hired to support four shifts, training in the four shifts, cultural transformation initiatives, transferring staff to field offices
3 Governance and Steering	Changes in high-level decision-making and major policies	New role for Vice Presidents, new approach to budget support
4 Operating Model and Structure	Changes in the organization of staff and units, including reporting lines	Creation of Sector and Thematic Groups, greater integration of operations

Source: IED, based on Organizational Review (2022)

11. The NOM introduces two major structural changes. The first is how partners engage with ADB. “One ADB” regional departments serve as the sole point of origination for all operations. Resident missions will become “one-stop-shops” for development solutions. This includes technical assistance projects, public and private sector operations, policy dialogue, and advisory services. The second reform changes how ADB operates internally, bringing together staff with the same form of specialization into ADB-wide units. The NOM created ADB-wide sector and thematic groupings that offer operational support to regional and country management teams. In addition, the NOM grouped most staff supporting operations (e.g., procurement, and safeguards specialists) into ADB-wide groups. The resident missions will host staff from across ADB.

12. The NOM was envisioned to be implemented in three phases, from 2023 to 2025. Phase 1 of the NOM started on 30 June 2023, when ADB formally reorganized its structure, creating the Climate Change and Sustainable Development Department (for thematic priorities) and the Sectors Group under the Sectors and Themes Vice-Presidency. In addition, ADB established an Office of Safeguards bringing together safeguards specialists from various departments. Phase 2 began in January 2024, focusing on deepening and fine-tuning the transformation. This includes decentralization, structural changes in resident missions, new planning and human resource procedures, among others. Phase 3 will start in January 2025 and will focus on scaling-up, while integrating recommendations of the Strategy 2030 Midterm Review.<sup>5</sup>

13. The NOM is ADB’s first major reorganization since 2002.<sup>6</sup> The previous ADB model had five regional departments which maintained relationships with developing member countries (DMCs), prepared country strategies, designed and implemented sovereign operations, and played an overall coordinating role. Central departments supported country programs. The Private Sector Operations Department and the Office of Public-Private Partnerships were central departments that directly served clients in DMCs, with some coordination with the regional departments. Other departments focused on knowledge and policy dialogue, supporting ADB’s operations. Between 2002 and 2023, ADB had several major changes to individual departments, typically involving merging internal units. ADB also merged departments and created new ones.<sup>7</sup>

14. The NOM started during a time of internal change within ADB. Prior to the approval of the Board Paper in October 2022, ADB was engaged in a series of major reform initiatives. The One

<sup>5</sup> ADB. 2024. Strategy 2030 Midterm Review: An Evolution Approach for the Asian Development Bank

<sup>6</sup> This section is not a complete description of either ADB’s previous or current organizational structure.

<sup>7</sup> For example, in 2005, ADB created the Credit Risk Management Unit (now the Office of Risk Management). In 2019, the Office of Cofinancing Operations functions were spread across several departments in ADB. This office itself was created by the 2002 reorganization. The Office of the Public-Private Partnership was established in 2014. There are many similar examples showing that ADB’s model has been evolving.

ADB Evaluation (2022) reported that ADB was engaged in 19 reform activities.<sup>8</sup> This created a sense that the change needed to be better coordinated. Many reforms were formally incorporated in the Board Paper.

## C. The Proposed Evaluation

### 1. Evaluation Purpose, Scope, Theory of Change, and Key Questions

15. **Objective.** The evaluation will support the implementation of the NOM by providing real-time analysis and insights, identifying good practice examples, shortcomings, ambiguities, and opportunities. This is articulated in the Board Paper (para. 159):

*An independent formative evaluation of the organizational review will also take place in 2025, conducted by IED as part of its work program. The evaluation will assess the early implementation of these reforms and whether future adjustments are needed. It will focus on the extent to which greater collaboration across the organization has been achieved.*

16. **Purpose.** The NOM is not static and is designed to be flexible, with adjustments as necessary. Timely feedback to the ADB Board of Directors and Management will support strategic decision making and course correction. The evaluation's analysis will support ADB's Board and Management to better innovate and adapt. As indicated in the Board Paper, the evaluation is a formative evaluation in nature. It will not assess outcomes or the completed implementation of the NOM; rather the evaluation has a dual purpose. First, it will promote greater strategic reflection, helping ADB to identify gaps in its reform program. Second, it will help identify areas that require course correction in terms of accelerating, maintaining, slowing down, or reversing ongoing NOM-related activities. By its nature, it will focus on ongoing implementation to identify potential course correction. The highest value addition will come from reviewing ongoing rather than completed implementation.

17. **Scope.** As the NOM and associated processes cover all aspects of ADB's operations, IED will be selective in the covered topics (Section C.2, Evaluation Focus). The evaluation will have two parts, with part 1 finishing in mid-2025 and part 2 finishing in mid-2026.

18. In the first part, the evaluation will focus on early implementation of the NOM, including identifying strengths and bottlenecks, developing more detailed theories of change, and proposing indicators of the NOM's progress. The first part will identify both progress and bottlenecks in selected focus areas; the primary focus here will be on (i) decentralization and empowering the resident missions, (ii) the PSD shift (focusing on the initial set up and early lessons), and (iii) the roles of the sector and thematic groups. Finally, the first part will set the detailed priorities for the second part. The evaluation will consider the four changes (Table 3), with varying emphasis depending on the context.

19. The second part will build on the findings of the first part. Broadly, this part will explore the delivery of the NOM reforms and emerging outcomes, with a particular focus on the PSD and climate change shifts. This includes the views of DMCs and other ADB partners. Some of these emerging outcomes may be defined during the first part, depending on the quality and coverage of ADB indicators. It may also look at existing and new bottlenecks in implementation. The objectives, scope, and evaluation questions of the second part will be guided by a separate

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<sup>8</sup> Supplementary Appendix B. IED. 2022. [One ADB: An Evaluation of ADB's Approach to Delivering Strategy 2030](#).



evaluation approach paper, which will be informed by the findings of the first part and the ongoing progress and evolving issues with the NOM's implementation.

20. **Theory of Change.** The evaluation's theory of change proposes a model of how the NOM will affect ADB as an organization (Figure A1.1 in Appendix 1). It traces the process of developing and implementing a program of reforms. This starts with an analysis of the challenges that ADB faces. This leads to the identification of the four shifts. The NOM operationalizes the shifts with a series of proposed reforms. The ten features of the NOM are the implemented reforms. These reforms lead to changes in the corporate behavior of ADB and its staff, leading to new outputs, such as better-targeted country strategies and operations. These changes, in turn, lead to better ADB-specific outcomes. Ultimately, the NOM contributes to ADB's continued relevance as well as contributing to the Sustainable Development Goals. This theory of change models the reform process; it is not a theory of change of how ADB will operate after the NOM is fully implemented. Thus, it does not consider the role of ADB resources or how ADB produces its outcomes.

21. **Evaluation Questions.** The evaluation questions are broad and reflect the need for flexibility in the evaluation. The overarching evaluation question is: To what extent will the NOM effectively transform ADB, improve the quality of its solutions, and help it reach its development objectives?

22. Four evaluation questions support the main evaluation question:

- (i) **How are the rationale, goals, and objectives of the NOM articulated?** *This question explores the overall logic behind the NOM and the consistency of its understanding across ADB.*
- (ii) **Does the NOM have the right mix of activities to meet its goals and objectives?** *This question explores the coherence and coordination of the activities supported by the NOM.*
- (iii) **How likely is it that NOM-supported activities will achieve the objectives of the four shifts?** *This question considers the effectiveness of the elements of the NOM.*
- (iv) **To what extent did ADB sufficiently prepare for the needed resources and change management to deliver the NOM?** *This question analyzes ADB's institutional set-up and support for the NOM.*

23. The questions cover different aspects of the NOM and ADB's theory of change as depicted in Appendix 1. They focus both on the design of the NOM as well as emerging evidence of changes in outcome and behavior. Appendix 2 presents the evaluation framework, which provides a broad outline of the areas that the evaluation will explore.

## 2. Evaluation Focus

24. The evaluation will cover the NOM's four shifts to various degrees (as described below). The evaluation will be strategic in its choice of topics. The topics in both parts should balance: (1) magnitude (the topic should be important); (2) difficulty (the topic should represent a challenge for ADB); (3) evaluability (the topic should be within IED's mandate and competence); and (4) ongoing (the topic should be in an area where there is still space for further adjustments). Furthermore, IED recognizes its comparative advantage of being strategic and at arm's length. IED will coordinate with the efforts of the other units in ADB (such as the Transformation Office, the Office of the Auditor General, the Budget, People, and Management Systems Department, and others) in undertaking the evaluation. The aim is to prevent duplication, and share findings and approaches.

25. As described in the scope section above, part 1 will largely focus on the progress in the implementation of selected features of the NOM: (i) decentralization and empowering the resident missions, (ii) the PSD shift (focusing on the initial set up and early lessons), and (iii) the roles of the sector and thematic groups. This will include mapping activities and objectives. This includes developing a more detailed theory of change to identify gaps in the NOM and ADB's reform agenda. In addition, the evaluation will identify potential indicators of the expected outcomes from the reform.

26. Part 2 of the evaluation will build on the first part. It will continue to assess selected features of the NOM as well as deepening the analysis of early outcomes. The analysis of outcomes will continue to focus on the views of DMCs and other ADB partners, expanding on the findings of part 1.

27. **Solutions Shift.** This shift focuses on making ADB more impact and quality-focused, innovative, and knowledge-intensive by providing integrated solutions and bringing together ADB's products and expertise. This shift resulted in a major reorganization where thematic and sector staff were grouped into new ADB-wide sectors and thematic groups to better deliver solutions to clients, supported by consolidated support units. The evaluation will focus on identifying any potential bottlenecks in the implementation of these changes and on the early outcomes from the reorganization. The evaluation, therefore, will analyze issues that ADB has faced, potential consequences, and lessons to feed back into ongoing actions. Under this shift, special emphasis will be made on *Process and Systems, and Operating Model & Structure* (Table 3).

- **Establishment of the thematic and sector groups.** This will be a major focus in the first part of the evaluation. The evaluation will identify areas that are working well and potential bottlenecks. Changes in the portfolio (speed of delivery, number of flagged projects, changes in the portfolio composition, etc.) may be indicators of the effect of the NOM. The evaluation will analyze quality assurance, coordination within and between ADB units.
- **Other changes in ADB structure.** The evaluation will selectively look at changes in organization, such as the Office of Safeguards. This will look at issues associated with changes in responsibilities.

28. **Private Sector Development Shift.** This shift focuses on expanding ADB's focus on delivering private sector development (PSD) through a One ADB approach. The evaluation will assess how the PSD shift is being implemented across and the role of different units. ADB's understanding of the PSD shift will be a major focus of part 1, and likely to be a focus in part 2. IED is also planning a separate PSD evaluation in 2027, which will likely combine summative and formative elements, building on this evaluation. In part 1, a special emphasis will be placed on changes in *Culture, Skills, and People, and Governance & Steering* (Table 3).

- **ADB's understanding and interpretation of the PSD Shift.** ADB has long supported PSD, launching a PSD Strategy in 2000.<sup>9</sup> It directly incorporated PSD targets in its Strategy 2020 (approved in 2008).<sup>10</sup> The evaluation will assess ADB's overall approach to PSD and how it has evolved with the NOM. It will identify and assess how the PSD shift is being implemented across ADB, including in the Sector Groups, the regional departments, the Private Sector Operations Department, and the Office of Market Development and Public-Private Partnership. The evaluation will also assess business

<sup>9</sup> Asian Development Bank. 2000. [Private Sector Development Strategy](#).

<sup>10</sup> Asian Development Bank. 2008. [Strategy 2020: Working for an Asia and the Pacific free of Poverty](#). Strategy 2020 included a target that 50% of ADB operations would include support PSD.

process reforms across its nonsovereign, sovereign, and transaction advisory operations. It will consider how ADB applies a differentiated approach to different types of DMCs and market conditions.

- **Skills gaps and staff expertise.** In part 1, the evaluation will undertake an initial review of skills gaps in private sector financing and private sector development identified across ADB, and the various initiatives underway to address such deficiencies.
- **Sovereign and nonsovereign integration pilots.** The evaluation will assess the implementation and initial lessons from the ongoing pilots to integrate teams across sovereign and nonsovereign units. The evaluation will review integrated solutions to understand the synergies and collaboration across ADB to support these pilots.

29. **Climate Shift.** This shift emphasizes the importance of incorporating interventions to address climate change. The shift crosses sector boundaries and requires changes across ADB's portfolio. This requires greater synergy between sovereign and nonsovereign operations. The evaluation will focus on initial changes in governance and in human resources supporting the climate change shift. The evaluation will focus on ADB's institutional setup to deliver climate-related outcomes envisaged under the NOM. It will not focus on adaptation or mitigation outcomes. IED carried out an evaluation of climate change action in 2021 and is conducting additional evaluative work on climate change in 2024. The evaluation will build on both these products. Referencing the changes in Table 3, the evaluation will concentrate on *Processes and Systems, and Governance & Steering*.

- **Review of leadership and climate strategy.** In part 1, the evaluation will assess ADB's initial steps to reach ADB's stated goal of becoming "the climate bank of Asia and the Pacific."<sup>11</sup> In part 2, the evaluation will review the sequencing and rollout of ADB's reforms in this area. The evaluation will also review the alignment of the shift with the ambitions of the Climate Change Action Plan 2023-2030.
- **Change in business processes.** Part 1 of the evaluation will assess initial business process reforms to support the systematic consideration of climate change across nonsovereign, transaction advisory, and sovereign operations, and how these enhance the interplay between climate action and private sector development. Part 2 will assess how such reforms affect the pipeline of ADB investments.

30. **Ways of Working Shift.** This shift focuses on modernizing how ADB works. This is largely internal and touches on aspects ranging from decentralization (becoming more client-centric and being closer to clients by placing a larger number of staff in field offices) and changes in governance to changes in culture, business processes, information technology, and human resources. Given the broad nature of this shift, the evaluation will encompass all the changes outlined in Table 3.

- **Decentralization.** Part 1 will give a special focus on decentralization processes and initial feedback from internal stakeholders. This includes both the transfer of staff as well as the change in decision-making authority. The evaluation will include questions on decentralization in surveys, interviews, and focus group discussions. Part 2 will expand on this to incorporate the views of external stakeholders.
- **Cultural transformation.** Parts 1 and 2 will analyze perceptions of cultural transformation. The evaluation will incorporate questions on culture in surveys, interviews, and focus group discussions.
- **Business processes and human resource policy.** In both parts, the evaluation will explore the adequacy and cohesion of changes in business processes and HR policies.

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<sup>11</sup> See, for example, [Asia and the Pacific's Climate Bank](#).



- **Changes in governance.** Part 2 will focus on changes in governance associated in regional departments and resident missions.

### 3. Evaluation Methods

31. Given the ongoing implementation of reforms, both the focus and methods are subject to change. The evaluation will monitor the status of the implementation of the NOM and adjust as needed. The submission of the first report (planned for July 2025) will be used to further define the focus of part 2 (para 18), based on internal feedback from ADB.

32. The evaluation will use a range of qualitative and quantitative methods. On the quantitative side, the evaluation will analyze corporate and portfolio data, survey results, and performance indicators. On the qualitative side, the evaluation will conduct extensive focus group discussions interviews and surveys across ADB and with DMC governments and clients (para 35).

33. The evaluation will focus on providing timely advice to the ADB's Board and its Management, focusing on learning and feedback. In line with ADB's disclosure policy, IED will publish the main findings from both parts. This may include redaction of some information on ongoing changes in the organization. This redaction will likely be more substantial in part 1 than in part 2.

34. IED will maintain its independence throughout the evaluation. Some real-time evaluations, particularly those done for humanitarian agencies, have the heavy participation of the evaluated organization. This builds on the evaluator's skill to create a type of self-evaluation. While this can lead to greater understanding and ownership of the findings, it has the risk of reducing candor and discussion of "unpleasant" findings. For this reason, IED will conduct an independent evaluation but coordinate closely with other units in ADB to reduce the risk of duplication.

35. The evaluation recognizes the ongoing work of the different units to track, monitor, and report on the progress of the implementation of the NOM. The evaluation will build on these inputs to assess the progress towards the outcome level objectives of the NOM as guided by the evaluation questions. At the same time, the evaluation will also assess the effectiveness of ADB's change management.

36. As a formative evaluation, IED will pay particular attention to activities that are currently under implementation.<sup>12</sup> These are the areas where adjustments may be most required. Of particular importance are the climate change shift and private sector development shifts. Both have substantial histories in ADB and have been evolving. The evaluation will build on ADB's long experience in these areas. It will also feed into future IED summative evaluations.

37. **Document review of key structural business processes and resourcing reforms.** The evaluation will consider the alignment of the new structural changes, roles and responsibilities, staff instructions and business processes with resources and decision-making authority to deliver the NOM. To ensure complementarity, the evaluation will closely coordinate with the Office of the Auditor General, which will likely analyze changes in efficiency of business processes. The

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<sup>12</sup> Broadly speaking a formative evaluation focuses on learning as opposed to final outcomes. The evaluation will use the following definition: "A formative evaluation is a process of gathering and analyzing feedback during the development or implementation of a program, project, or product. It identifies strengths, weaknesses, and areas for improvement, with the aim of making adjustments to improve the quality and effectiveness of the program or product." EvalCommunity. [Formative Evaluation](#).

evaluation will also focus on the potential implications and outcomes of the changes in business processes for delivering the four shifts.

38. **Portfolio analysis and targeted use of project case studies.** The evaluation will look at major trends in ADB's pipeline of operations. This will include reviewing the population of projects and concept notes approved since the NOM. The evaluation will selectively compare projects prepared before and after the NOM to identify changes related to the NOM shifts. The evaluation will selectively use case study analysis to better understand the benefits and challenges of delivering the shifts under the NOM.

39. **Interviews and Surveys of ADB Stakeholders.** The evaluation will conduct semi-structured interviews, focus group discussions, and surveys with concerned ADB staff in headquarters and resident missions, DMC governments, clients, and other stakeholders. The purpose is to solicit their views and experiences with the implementation of the different shifts and features of the NOM (e.g., One ADB Regional Departments and Resident Missions, business processes, PSD platform, working closer with clients). The surveys will be conducted periodically to allow for trend analysis and to provide real-time feedback on the different aspects of the NOM implementation. The surveys will also build upon and complement existing ADB surveys (e.g., Staff Engagement Survey, Client Perception Survey, and Directors' Survey).

40. **Good Practice Case Studies of Comparator Institutions.** The evaluation will carry out assessments of peer institutions (such as the World Bank Group, the European Bank for Reconstruction and Development, the Inter-American Development Bank Group, and others) looking at organizational structure, processes, products, strategies and key features of organizational changes. This assessment will use these case studies to compare the advances and challenges ADB face with those of others. Based on initial consultations, this is likely to be particularly important in understanding the PSD shift. Case studies will involve (i) document review of policies and process, (ii) document review of recent studies and analytical work, and (iii) interviews with relevant informants. IED will be cognizant of differences in structure, organization, and financing of peer institutions and will be careful in drawing lessons.

41. **Literature Review.** The evaluation will conduct a review of different organizational restructuring as well as their strategic and cultural changes. This will help put the bottlenecks and challenges that ADB faces into a broader context.

42. **Limitations.** The evaluation will need extensive support from ADB. This includes data on human resources, consultants' reports, information on ongoing and planned operations, resource allocations, among others. Since corporate data are housed in various departments and not easily accessible, the evaluation will rely on the support and cooperation from other units. The Director General of IED will discuss issues related to delays in the data or documents with appropriate counterparts in ADB. Delays and bottlenecks will also be discussed in the evaluation reports.

#### 4. Reporting, Resources, and Timeline

43. **Reporting.** IED will prepare two reports at the end of each evaluation. IED will strictly adhere to ADB's Policy on Access to Information. IED will redact information, analysis, and findings related to internal or restricted ADB data or documents.<sup>13</sup>

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<sup>13</sup> ADB. 2018. [Access to Information Policy](#).

44. **Resources.** Erik Bloom and Gloria Paniagua will jointly lead the evaluation. In addition, Maria Erina Erro, Ma. Patricia Lim, and Eoghan Molloy will serve as team members. As the focus changes, IED will adjust team membership. The evaluation team will conduct missions to discuss the views of different stakeholders and to learn from their own experiences; in many cases these visits will be “piggybacked” on other IED missions. The evaluation will use consultants to provide technical expertise as well as support with analyzing data and findings. Appendix 3 and 4 (available upon request) outline the budget and summary terms of references, respectively. The evaluation will be reviewed by at least two external peer reviewers and an internal IED evaluator.

<b>Indicative Schedule of Evaluation Activities and Milestones</b>	
<b>Activity</b>	<b>Tentative Schedule</b>
Approval of Approach Paper	October 2024
Interdepartmental circulation of part 1 report	April 2025
IED Director General Approval	May 2025
Board circulation	June 2025
DEC meeting	July 2025
Evaluation Approach Paper for part 2	August 2025
Interdepartmental circulation of part 2 report	April 2026
IED Director General Approval	May 2026
Board circulation	June 2026
DEC meeting	July 2026

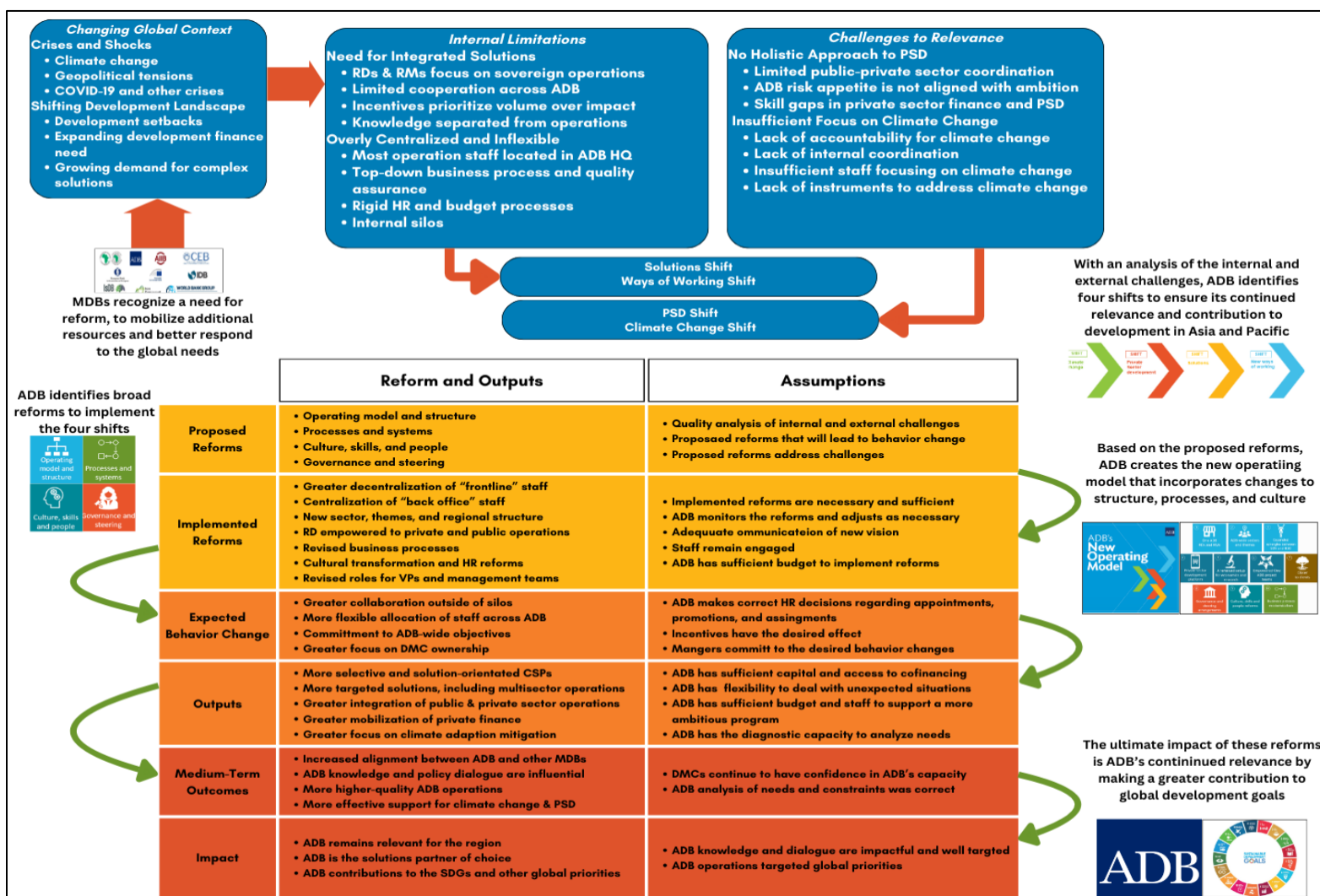
DEC = Development Effectiveness Committee, IED = Independent Evaluation Department.

Source: Asian Development Bank (Independent Evaluation Department).

#### Appendixes:

1. Theory of Change
2. Evaluation Framework
3. Cost Estimate (available upon request)
4. Consultants' Terms of Reference (available upon request)

Figure A1.1: Theory of Change of the Organizational Review and the Reform Process



ADB = Asian Development Bank, COVID-19 = coronavirus disease, CPS = country partnership strategy, DMC = developing member country, HQ = headquarters, HR = human resources, MDB = multilateral development bank, PSD = private sector development, RD = regional department, VP = vice president.

Source: IED

## Evaluation Framework

Overarching Evaluation Question: To what extent will the NOM effectively transform ADB, improve the quality of its solutions, and help it reach its development objectives?		
Evaluation Questions	Subquestions	Data Sources and Methods
<b>A. How well are the rationale, goals, and objectives of the NOM articulated?</b>  <i>Explores the overall logic behind the NOM and the consistency of its understanding across ADB</i>	i) How clear are the objectives and actions of the NOM? ii) How well does the NOM support Strategy 2030 objectives? iii) How well is the NOM aligned with the MDB Evolution? iv) What were the diagnostics that underpinned, guided, and supported the rationale for change? v) Does the NOM have a clear framework to track progress?	<ul style="list-style-type: none"> <li>Documents review (e.g., consultant reports, Board papers, etc.)</li> <li>Performance indicator review</li> <li>Stakeholder interviews</li> </ul>
<b>B. Does the NOM have the right mix of activities to meet its goals and objectives?</b>  <i>Explores the coherence and coordination of the activities supported by the NOM</i>	i) Are NOM-supported activities internally coherent? ii) How well-coordinated and sequenced are the actions supported by the NOM with other reforms and initiatives? iii) Were compromises and potential trade-offs considered when framing and implementing the NOM? iv) Are there gaps in the proposed reforms? v) What can ADB learn from its own experience and from peers?	<ul style="list-style-type: none"> <li>Document review (e.g., NOM activities monitoring reports)</li> <li>Review of corporate and portfolio data</li> <li>Stakeholder interviews</li> <li>Peer institution case studies</li> </ul>
<b>C. How likely is it that NOM-supported activities will achieve the objectives of the four shifts?</b>  <i>Considers the effectiveness of the elements of the NOM</i>	i) Do NOM-supported activities have clear definitions of success? ii) What are the NOM's early achievements and bottlenecks? iii) How effective have changes been at the regional, country, and project levels? iv) Have there been changes in ADB's delivery (relevance, quality, efficiency, etc.) due to the NOM? v) Have stakeholder perceptions of ADB changed due to the NOM? vi) How effective are course correction mechanisms?	<ul style="list-style-type: none"> <li>Document review</li> <li>Stakeholder interviews</li> <li>Stakeholder surveys</li> <li>Focus group discussions</li> <li>Review of corporate and portfolio data</li> </ul>
<b>D. To what extent did ADB sufficiently prepare the needed resources and change management to deliver the NOM?</b>  <i>Analyzes ADB's institutional set-up and support for the NOM</i>	i) To what extent does ADB leadership champion the NOM? ii) How well does ADB manage change? iii) To what extent were staff consulted, how well was the NOM communicated, and to what degree do staff own the NOM? iv) How well are resources shifting to meet its objectives across the range of DMCs and development contexts? v) How has the NOM affected the well-being and motivation of staff across ADB?	<ul style="list-style-type: none"> <li>Documents review (internal communications and messaging, etc.)</li> <li>Stakeholder interviews</li> <li>Stakeholder surveys</li> <li>Focus group discussions</li> <li>Review of corporate and portfolio data</li> </ul>



Shift	Part 1	Part 2 (Tentative)
<b>Solutions</b>	<ul style="list-style-type: none"> <li>• Identification of bottlenecks and improvements in knowledge and expertise flows within and between units</li> <li>• Analysis of initiatives to improve knowledge management</li> <li>• Analysis of initial proposals and potential feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Review of staff expertise to address client needs, and flow of knowledge</li> <li>• Delivery of integrated solutions to external clients</li> <li>• Feedback from external stakeholders</li> </ul>
<b>Private Sector Development</b>	<ul style="list-style-type: none"> <li>• Understanding of PSD and ADB'S proposed framework across the institution (upstream, midstream, and downstream) and in different types of markets and DMCs</li> <li>• Review of proposals for integration across incentives, culture, and leadership</li> <li>• Emerging lessons from sovereign and nonsovereign operations integration pilots</li> <li>• Review of how PSD has been defined and implemented by peer institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Review of effectiveness of collaboration and coordination between sovereign, nonsovereign, and transaction advisory teams.</li> <li>• Analysis of early achievements and bottlenecks in ADB's operations.</li> <li>• Review of regional approaches to PSD.</li> <li>• Feedback from external stakeholders.</li> </ul>
<b>Climate Change</b>	<ul style="list-style-type: none"> <li>• Analysis of realism of proposals, availability of budget, and integration across incentives, culture, and leadership</li> <li>• Initial review of steps taken to increase ADB's capacity to implement the shift</li> </ul>	<ul style="list-style-type: none"> <li>• Alignment of financing commitments and the Climate Change Action Plan (2023-2030) with the Climate Change Shift.</li> <li>• Analysis of the availability and sufficiency of staff expertise to support the systematic consideration of climate change in operations.</li> <li>• Analysis of early achievements and bottlenecks in ADB's operations.</li> <li>• Feedback from external stakeholders.</li> </ul>
<b>Ways of Working</b>	<ul style="list-style-type: none"> <li>• Initial review of the effects of decentralization of staff and of decisions to resident missions</li> <li>• Analysis of changes in business processes and their compatibility with incentives, culture, and leadership</li> <li>• Lessons learned from reorganizations of peer institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Review of staff training and capacity development.</li> <li>• Review of collaboration and staff mobility in the NOM.</li> <li>• Review of implementation of One ADB projects and programs across sectors, themes, and products.</li> <li>• Review of staff decentralization to field offices and its effect on DMCs interactions and operations.</li> </ul>

ADB = Asian Development Bank; DMC = developing member country; FGD = focus group discussions; HR = human resources; NOM = New Operating Model; PSD = private sector development.