



Asian Development Bank

## Memorandum

Regional & Sustainable Development  
Department

Office of the Director General

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To: Ursula Schaefer-Preuss  
Vice President, KM&SD

From: Shyam Bajpai  
Acting Director General, RSDP

Subject: Knowledge Hubs, One year after Implementation

### A. Background

1. It is now well recognized that ADB's effectiveness in helping developing member countries (DMCs) to promote economic growth and poverty reduction as a broad based development institution depends upon the quality of knowledge and experience that it brings upon the development issues confronting its DMCs. If one takes into account the market size of the Asia-Pacific region, its demographic base, its savings rate, and its scientific and technical base, its potential for long term development is unlimited. The challenge now is to sustain progress amidst the development problems and the rapid changes in knowledge and skills required to respond to these challenges.

2. In this context, both the DMCs and ADB will need to enhance their capability to keep abreast with the rapidly changing global economic environment, especially in relation to environmental issues, international finance, trade, research and development, information technology and others. There is demand from DMCs for (i) building knowledge and capacity in new and emerging areas, (ii) supporting quick adoption of new technologies being developed and tried across the region and the globe, and (iii) facilitating knowledge sharing in the region<sup>1</sup>.

3. Networking with knowledge producers (research institutes, academe, think-tanks) is one way for ADB to acquire and develop knowledge. As a mode of access, networking is open ended and can be developed selectively. The advantage of this process lies in the selection of institutions to network with, and the conditions under which we access their research output. Like an informed buyer, ADB has to know what it wants, and whether the envisaged product or service can be modified to suit our and our DMCs purposes.

4. In light of the above, VPKM&SD approved in December 2005 the RETA 6295 Technical Assistance Establishment of Regional Knowledge Hubs. The design of the RETA incorporated the lessons learned from the networking arrangements with Asian Institute of Technology (AIT) and Asian Institute of Management (AIM) 2002-2006. Based upon the networking experience, it was envisaged to expand collaboration to at least 8 other research institutes in the region.

<sup>1</sup> Enhancing cooperation and partnership between and among various networks has been identified during the World Summit on Sustainable Development (WSSD) as crucial to attaining the MDGs.

## **B. Purpose**

5. The main purpose of the RETA is to support regional development by supporting knowledge hubs in selected DMCs as centers of excellence to (i) promote germination or growth of identified knowledge and technologies, (ii) translate or adopt national and international knowledge in these areas for local use, (iii) reduce domestic knowledge and skill gaps in these areas, and (iv) promote exchange of knowledge and information.

6. The knowledge hubs can help strengthen ties and networking among leading research institutions, think-tanks, agencies, academe and private sector around the region. They will aid the long-term harmonization and dissemination of basic research and technology and help increase understanding and awareness in emerging sectoral and thematic trends in the region. Lastly, the knowledge hubs respond to the need of staff and DMCs for partnerships with external research institutions, think-tanks, academe and other development organizations for information, experience and knowledge.

7. Networking with quality research institutes will yield a number of benefits. It will expand the choices available to ADB in acquiring knowledge. It will complement the knowledge generated internally and it will allow ADB to utilize research institutions committed to specialized research areas, possessing greater analytical depth which can feed into our operations and disseminated to other research institutes in the region and to DMCs. Finally, regional research institutions also have a long term stake in DMCs and by tying up with ADB operations, they will be able to contribute to the building of regional research capacity for development.

## **C. Knowledge Hubs arrangements**

8. The Regional Knowledge Hub RETA supports networking with selected quality research institutions in the region. Each institute would receive up to \$150,000 funding to create, collect, enrich and disseminate knowledge on areas that are operationally relevant for ADB such as environment, energy, transport, public finance and regional cooperation. By selecting existing research institutes with an ongoing research program, their research program and its continuation is not dependent on funding from ADB. Through the funding of ADB, however, it is possible to propel research on new and emerging issues. Also, all hubs allocate part of their own resources to the activities of the hub. In general, the hubs use the funds to collect and review existing information resources for the purpose of lessons learned, improve networking with similar research institutes in and beyond the region, organize seminar, workshops among and between research institutes to collect the latest thinking in their field of expertise. The activities are beneficial for the hub itself but also for ADB. Dissemination of findings is shared with ADB and among other institutes in the region.

9. Each hub is identified in consultation with lead specialists from RSDD and the Communities of Practice. To be recognized as knowledge hub, the research institute must be (regionally) reputable and recognized as outstanding in their field of expertise, sufficient capacity, willing to allocate own resources to hub activities, capacity to share and disseminate findings regionally, willing to incorporate regional views in their research.

10. The limited number of research institutes currently identified as Knowledge Hub fits all of ADB requirements stated above and have signed a Letter of Intent (LOI) with ADB represented by Director General RSDD. The LOI requires that the research institutes draft a workplan with

specific knowledge outputs, deliverables and a sharing and dissemination program. The workplan includes a timeline of these deliverables and outputs.

11. The workplan is drafted in cooperation with ADB's focal point for the hub and KM Center. The focal point is RSDD sector/thematic specialist. KM Center manages the administration and acts as secretariat for the focal point in its communication with the hub. Once the workplan is approved by the focal point and divisional Director, KM Center can advance a maximum payment of 40% of the allocated money for the hub to commence the agreed activities. Once outputs or deliverables in accordance with the workplan have been delivered, KM Center can, upon instruction of the focal point, advance another 40%. The remaining 20% final payment will be released after completion of workplan. The hubs report periodically (3 months) progress reports to ADB focal point and KM Center.

12. The following hubs have signed LOI with ADB. These hubs all meet the minimum criteria of reputable, ongoing research program in these areas, staff resources, capacity for research and dissemination.

Hub	Topic	Workplan	Focal point	Outputs
The Energy and Resource Institute, TERI, New Delhi, India	Clean energy, energy efficiency and mitigation and adaptation of climate change	June 2006	Samuel Tumiwa (W. Um)	Website will be released July; e-documents created and disseminated.
Asian Institute of Technology in collaboration with UNDP and UNESCAP. Bangkok, Thailand	Reduce, reuse and recycle which promotes sustainable production and consumption of limited natural resources	August 2006	Takashi Ohmura (N. Ahmad)	Workshops, Seminars in ADB; collaboration with think-tank Japan, AIT and TERI.
The Energy Environment Economy Institute, Tsinghua University, Beijing, PRChina	New concepts and ideas on climate change	Drafted, not yet approved	Toru Kubo (W. Um)	Papers, seminar and workshop. Central portal for TERI and AIT.
R. de Ocampo Institute for Public Finance and Regional Economic Cooperation, Center for Research and Communication Manila, Philippines	Public Finance, fiscal policies, privatization, anticorruption.	October 2006 Progress reports	Andrew Head, Anouj Mehta. (K. Moktan)	Seminars, Forum, Research Papers.
Emerging Markets Forum-Centennial, Singapore	Infrastructure Public Private Partnerships.	February 2007 Workplan has not started yet	James Leather (W. Um)	Database, Research Papers. Asian Forum
India Council on Sustainable Development, New Dehli, India		Drafted, not yet approved.	Diwesh Sharan; David McCauley	Sustainable Development Summit, Policy Briefs database, website

13. Using the RETA Knowledge Hub, Water CoP will establish a Water hub in Singapore using Water Fund Financing.

#### **D. Experiences to date and issues for consideration**

14. The limited experiences we have so far indicate that the hubs start delivering outputs 6-12 months after approval of their workplan. Drafting a workplan with clear objectives outputs and outcomes requires substantial time of KM Center and the focal point. In most cases it requires 3-5 months of information exchange. In the case of Tsinghua University, it required 9 months of discussion before agreement could be reached on a workplan.

15. It therefore needs to be considered at what stage of the process a workplan should be formulated and whether there should be some sort of time limit – 9 months is clearly too long. The hubs also need to better understand the ADB requirements for reporting progress and accounting.

16. So far, RFOcampo Institute on Public Finance and AIT (3R) have delivered outputs to ADB staff either through delivery of papers, technical notes, or participation in specific ADB meetings. TERI will release its dedicated Renewable Energy website on June 28 and it is expected that content be added rapidly<sup>2</sup>. Outputs of the aforementioned hubs have been evaluated by concerned ADB staff as useful, applicable and relevant. If websites and e-content form part of the deliverable the focal point and KM center will disseminate this through ADB Today and the Communities of Practices. Tsinghua University and Emerging Markets Forum have only recently signed their commitments and we have yet to evaluate their output.

17. Another issue is how to strengthen horizontal linkages with other research institutes and Asian think tanks, that is, to build the spokes of the wheel. This aspect is crucial to the networking and dissemination dimension of the knowledge hubs. TERI, Tsinghua University, and AIT have agreed to exchange information on their workplan activities and use each other's outputs. Tsinghua University has already agreed to establish a website for the 3 hubs to act as central portal for information on energy. This approach needs to be extended among other hubs.

18. Attention also needs to be paid to the issue of how the knowledge hubs activities will be sustained after ADB grant funding runs out. The concept does not include indefinite support. On the other hand, the relatively small grant of \$150,000 is not conducive to long-term engagement with ADB or with a network. It may be worthwhile to consider a longer term, increased funding program with a limited number of institutions rather than expand the numbers.

#### **E. Way forward**

19. While the response to the knowledge hubs has been very positive, and there is considerable demand for new hubs (see para. 19), it is important to resolve the issues mentioned above before moving further. Since ADB is currently reviewing its approach to

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<sup>2</sup> As part of the TERI workplan Dr. Pachauri delivered a keynote speech on Energy in ADB as Eminent Speaker Person.

knowledge matters in connection with the review of the LTSF, the outcome of that review should be considered before any expansion is proposed.

20. The following research institutes have requested to be recognized as knowledge hubs but due to the limited funds available, their request is put on hold: ACEN, research on Environmental Issues; APCICT on ICT for Development and ICT Capacity Building (Korea); CAREC establishing a research network; Asian Institute of Management on Private Sector development and Development Management. Financing these (if applicable) and other hubs could be supported through the Knowledge Partnership Fund of the Korean Government. The proposed extension is entitled Knowledge Hub 2.

21. It may be useful to organize a Knowledge Hub workshop to facilitate the exchange of lessons learned between and among knowledge hubs, create partnerships and discuss fine tuning of the Knowledge Hub. This will be explored further.

22. For your information and discussion.

Attachment: a/s

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