



Asian Development Bank

Memorandum  
Regional and Sustainable  
Development Department  
Knowledge Management Center

20 August 2009

To: Knowledge Hub Focal Points, ADB  
S. Madhur, OREI (Trade and Investment)  
K. Moktan, RSGP (Public Finance)  
S. Tumiwa, RSOD (Clean Energy)  
T. Kubo (Climate Change)  
J. Leather, RSID (PPP in Infrastructure)  
J. Roop, RSES (Sustainable Development)  
V. Joshi, RSES (Reduce, Reuse, and Recycle)

From: Olivier Serrat  
Principal Knowledge Management Specialist, RSDD-KM

Subject: TA 6295-REG: Establishment of Regional Knowledge Hubs—Note on Progress

## I. Introduction

1. This note follows RSDD-KM's memorandum dated 1 October 2008 on *TA 6295-REG Establishment of Regional Knowledge Hubs—Progress of Work Plans*.<sup>1</sup> The TA is scheduled for completion by 31 December 2009, that is, two years after the original completion date of 31 December 2007.<sup>2</sup> Accordingly, excepting the case mentioned below,<sup>3</sup> all the activities that the TA finances and corresponding final reports should be completed and submitted, respectively, by end-2009. The note has been drafted to report in detail on progress, and to seek from focal points inputs vis-à-vis paras. 3 and 4: these are requested by 28 August 2009. The focal points are also invited to recall that the memorandum dated 1 October 2008 proposed that *TA 6295-REG: Establishment of Regional Knowledge Hubs* be self-evaluated by RSDD-KM from September 2009.

## II. Actions Taken in Response to the Recommendations of the Memorandum of 1 October 2008 Summarizing the Progress of Work Plans

2. *Recommendation 1. RSDD-KM recommends that the knowledge hub at the R. de Ocampo Center for Public Finance and Regional Economic Cooperation be discontinued.* In his letter of 5 November 2008 Mr. Peter Talbot, RSGP consultant, enforced the recommendation to close the knowledge hub. Secretary Roberto de Ocampo contested the decision in a letter dated 5 December 2008. A meeting to discuss the matter was held by Director General, RSDD

<sup>1</sup> [estar.asiandevbank.org/domdoc/EADN-7JSANU.nsf/\(webopenlink\)?OpenAgent&docID=CB23305F51BC0315482574D70012F0EF&docUNID=CB23305F51BC0315482574D70012F0EF&Open=1](http://estar.asiandevbank.org/domdoc/EADN-7JSANU.nsf/(webopenlink)?OpenAgent&docID=CB23305F51BC0315482574D70012F0EF&docUNID=CB23305F51BC0315482574D70012F0EF&Open=1)

<sup>2</sup> TA implementation was delayed because the selection of the knowledge hubs and the finalization of work plans took longer than foreseen.

<sup>3</sup> In the case of the knowledge hub on Regional Trade and Investment Cooperation and Integration in the Asian Institute of Management, the completion date will be 30 June 2010.

and Secretary de Ocampo in February 2009. At the meeting, the parties agreed that the knowledge hub should have no further deliverables. However, no decision was reached on the release of the last tranche. The action taken subsequently on the matter of fund support is explained in para. 14.b.

3. *Recommendation 2. RSDD-KM recommends that the focal points, with inputs from RSDD-KM staff, discuss with the Energy Environment Economy Institute the slow progress of the work plan, and propose a way forward to ADB.* An agreement was reached by the review mission, comprising Director General, RSDD, that visited the knowledge hub in October 2008. The knowledge hub will focus on developing a website that captures significant climate change initiatives in the People's Republic of China.

4. *Recommendation 3. The focal points should recognize the need for sound monitoring and evaluation of knowledge hubs using appropriate knowledge performance metrics, work together to define the elements of a monitoring and evaluation system, and begin to apply them.* RSDD-KM has received no updates on this.<sup>4</sup>

5. *Recommendation 4. The focal points should pay attention to the forms and functions of the seven knowledge hubs to map the functional focus of each and optimize further the contribution of TA inputs, using the steps to applying the knowledge hub functions, and bearing in mind the 10 principles of engagement specified.* RSDD-KM has received no updates on this.

6. *Recommendation 5. RSDD-KM should explore with the Information Resources and Services Unit opportunities for the latter to add value to TA outputs; promote their greater visibility in ADB, especially in the communities of practice; inform the development of a better planning, monitoring and evaluation system for knowledge hubs in the eventuality of continuing ADB support for these.* In July 2009, RSDD-KM engaged a consultant to develop on ADB's web site, specifically at [www.adb.org/knowledge-management/default.asp](http://www.adb.org/knowledge-management/default.asp), a single entry point to resources generated by the knowledge hubs under the TA. The focal points and the Information Resources and Services Unit may be requested to facilitate identification of relevant materials, including—of course and as a matter of priority—reports and other materials generated under the TA.

7. *Recommendation 6. RSDD-KM should conduct a self-evaluation of the TA about 3-6 months before TA completion to explore ADB's knowledge hub advantage further.* Terms of reference for an international consultant were drafted in July 2009. The self-evaluation is planned to commence from September 2009, hopefully leading among others to the preparation of guidelines on *Designing Knowledge Partnerships for Collaborative Advantage*.

8. *Recommendation 7. RSDD-KM recommends that DG, RSDD convene a meeting of the steering committee within the next two weeks to elicit further reactions to this memorandum and garner practical support for the actions that it advocates.* A meeting of the steering committee took place on 13 October 2008. The meeting was attended by the focal points, with apologies from the focal point for the knowledge hub on PPP in Infrastructure. The participants supported the recommendations tabled by RSDD-KM's memorandum dated 1 October 2008.

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<sup>4</sup> See ADB. 2008. *Building Networks of Practice*. Manila for useful tools, methods, and approaches.

### III. Status of Knowledge Hubs

9. *Clean Energy: The Energy and Research Institute (New Delhi, India)*
  - a. The knowledge hub has reportedly completed its deliverables in accordance with the approved work plan. The final progress report was submitted in March 2008.
  - b. Of the total fund support of \$151,950, \$146,620 were released to the knowledge hub. This amount was fully liquidated.
  - c. The most recent transaction involved processing of a long overdue reimbursement for travel.<sup>5</sup> The reimbursement papers were submitted as early as February 2008. Reimbursement was made in July 2009.
  - d. A pending task is to confirm that the knowledge hub has no outstanding claims.<sup>6</sup>
  
10. *Reduce, Reuse, and Recycle (3R): The Asian Institute of Technology, UNEP, and UN-ESCAP (Bangkok, Thailand)*
  - a. In December 2008, all deliverables were reported to have been completed.
  - b. In response to a request for additional funding assistance to support more knowledge hub activities, and in recognition of its reportedly impressive performance, a further \$50,000 were committed to the 3R knowledge hub, increasing total fund support to \$250,000, of which \$150,000 have already been disbursed.
  - c. As agreed between Professor Chettiyappan Visvanathan (Professor Visu) of AIT and Takashi Ohmura of ADB,<sup>7</sup> the additional monies will be used to support the assessment and development of design standards for Lao PDR's health care waste management system. The completion date remains 31 December 2009. An amendment to the Agreement was sent on 29 June 2009 to reflect the availability of additional monies.
  - d. An electronic mail was sent to Professor Visu on 11 August 2009 regarding the need to submit liquidation reports before the remaining available fund support of \$100,000 can be released. According to CTL, AIT needs to liquidate more of the first cash advance and the entire amount of the second cash advance. In particular:
    - i. Of the first cash advance of \$80,000, \$11,769 remain unliquidated. Of \$68,231 that have been liquidated, clarification from AIT has been requested regarding Overhead Costs (\$19,545.45) and Payroll Overhead Costs (\$11,320). (CTL has requested an explanation of the breakdown of these costs.)
    - ii. The amount of \$68,231 paid as second cash advance in March 2008 remains unliquidated.
  
11. *Sustainable Development: The India Council for Sustainable Development (New Delhi, India)*
  - a. An electronic mail was sent to the knowledge hub in March 2009 requesting submission of liquidation reports for the first cash advance paid in September 2008. Appropriate reports were received in April 2009. In May 2009, CTL questioned the application of social and overhead costs to the person-month rates of TERI staff involved in the operations of the knowledge hub as these were not included in the Advance Payment Facility Agreement. In response to this, the knowledge hub

<sup>5</sup> This is in relation to the travel of Messrs. Amit Kumar and Gaurav Gandhi to Bali, Indonesia on 7–11 December 2007 to attend the "Asian Knowledge Mart on Clean Energy and Climate Change."

<sup>6</sup> Reference: PAI No. 5.11.

<sup>7</sup> Takashi Ohmura was the focal point for the 3R knowledge hub until recently. He was temporarily replaced by Masami Tsuji upon his return to the Ministry of Environment of Japan in June 2009. The focal point is now Vijay Joshi.

explained that the same scheme was applied to the Clean Energy Knowledge Hub also in TERI. (However, that knowledge hub had not mentioned additional charges when declaring the person-month rates of staff involved.)

- b. For the purposes of the TA, a certification was submitted to CTL that the additional charges are acceptable to ADB. In June 2009, the second cash advance of \$60,000 was released. The amount of \$30,000 remains available to support hub activities and can be released on liquidation of the second cash advance.
- c. The last progress report submitted by the knowledge hub is dated February 2009. The next progress report is due in June 2009.

12. *PPP in Infrastructure: The Emerging Markets Forum (Washington DC, USA and Singapore)*

- a. The last progress report submitted by the knowledge hub is dated June 2008. Progress reports were due in September 2008, December 2008, March 2009, and June 2009. They have not been submitted. In August 2009, an electronic mail was sent to the focal point recommending that only one progress report be submitted, taking off from the report submitted in June 2008.
- b. Of the total fund support of \$150,000, \$120,000 have been released. Only \$60,000 have been liquidated so far. A letter dated 29 June 2009 was sent to Mr. Harinder Kohli to progress this matter. An electronic mail was sent on 29 July 2009 to follow-up. In response, the contact person, Mr. Yanbei Yao, sent a list of knowledge hub expenses. In a further electronic mail dated 6 August 2009, Mr. Yao was reminded that the liquidation process requires the submission of supporting documents (i.e., original copies of invoices and other proofs of payment). He was asked to send these by courier.
- c. In his electronic rejoinder of 14 August 2009, Mr. Yao informed ADB that all original copies of the supporting documents had been sent on 10 August 2009.

13. *Climate Change: The Energy Environment Economy Institute, Tsinghua University (Beijing, People's Republic of China)*

- a. Of the total original fund support of \$129,531, \$52,000 were released in September 2007. In a letter dated 2 March 2009, Dr. Wu Zongxin, Director of the Energy Environment Economy Institute, was requested to submit liquidation reports for the cash advance. In his electronic mail of 16 March 2009, Professor Zhao Xiusheng, advised that the knowledge hub could not submit supporting documents. This was confirmed by Woochong Um and Toru Kubo in a meeting with RSDD-KM on 16 March 2009 following their visit to the knowledge hub on 13 March 2009.
- b. After consulting with Assistant Controller Hiroshi Fukukawa, ADB sent a follow-up letter on 28 April 2009 requesting Dr. Zongxin to submit a written explanation providing (i) the reason why Tsinghua University could not submit photocopies of supporting documents, (ii) a clarification of the way the fund had been managed, (iii) a certified list of expenses (without supporting documents), and (iv) a detailed list of expenses with supporting documents.
- c. As discussed and agreed in a subsequent meeting between RSDD-KM, Woochong Um, and Toru Kubo, the letter of 28 April 2009 also (i) enforced the action taken in response to *Recommendation 2* of RSDD-KM's memorandum dated 1 October 2008 regarding remaining expected outputs, (ii) cancelled the second advance, and (iii) advised the knowledge hub of the release of one final payment of \$38,000 on a reimbursement basis. An amendment to the Advance Payment Facility Agreement was also sent to the knowledge hub for countersignature.

- d. Following several follow-up electronic mails, all liquidation reports and other requirements mentioned in the letter dated 28 April 2009 as well as the signed revised agreement, were submitted to ADB in June 2009.
14. *Public Finance: The Philippines' Center for Research and Communication, Roberto F. De Ocampo Center for Public Finance and Regional Economic Cooperation (Manila, Philippines)*
- A letter dated 29 June 2009 was sent to Dr. Emilio Antonio, Jr. to liquidate the amount of \$60,000. A follow up electronic mail was sent to Ms. Johanna Cebedo on 28 July 2009. No response was received from RFO and an electronic mail was sent to Ms. Tina Pimentel<sup>8</sup> on 6 August 2009 seeking a rejoinder to ADB's letter. In response, Ms. Pimentel forwarded the electronic mail to the same RFO staff, including Ms. Beth Collante (the Finance Officer of the Center). On behalf of the knowledge hub, Ms. Pimentel also followed up on the release of the last tranche in the amount of \$30,000.
  - Olivier Serrat sent an electronic mail to Ms. Collante on 7 August 2009 informing the knowledge hub through her that in the event that cash advances cannot be liquidated, the same amount should be returned to ADB. He also mentioned that in light of the agreement of February 2009, ADB will not release the amount of \$30,000. In a telephone conversation with Ms. Cebedo, it was confirmed that they have received all previous communications, and Ms. Collante is in charge of the preparation of liquidation reports.
15. *Regional Trade and Investment Cooperation and Integration: The Asian Institute of Management (Manila, Philippines)*
- While the Letter of Intent between AIM and ADB was signed as early as November 2007, the first cash advance of \$100,000 (of the total \$150,000 fund support) was only released in January 2009. The release of fund support was delayed because the work plan and the subsequent Advance Payment Facility Agreement were only finalized in June and December 2008, respectively.
  - Activities funded under TA are meant to run for 18 months. Because of this, the original TA completion date of 31 December 2009 will need to be extended for another six months.
  - Two quarterly progress reports have been submitted, dated 16 April and 04 August 2009.

**Table 1. Knowledge Hub Focal Points and Contact Persons**

Knowledge Hub/Institution	Focal Point in ADB	Partner Focal Points/ Contact Persons
1. Clean Energy, The Energy and Research Institute (New Delhi, India)	Samuel Tumiwa, RSOD	Amit Kumar (akumar@teri.res.in) and K Rajagopal (krajag@teri.res.in)
2. 3R, The Asian Institute of Technology, UNEP, and UN-ESCAP (Bangkok, Thailand)	Vijay Joshi, RSES	Professor Chettiyappan Visvanathan (visu@ait.ac.th) and Mahesh Pradhan (pradhan@un.org)
3. Sustainable Development, The India Council for Sustainable	James Roop, RSES	Prima Madan (primam@teri.res.in) and K Rajagopal (krajag@teri.res.in)

<sup>8</sup> Ms. T. Pimentel was, formerly, the focal person in this knowledge hub and attended the February 2009 meeting between Director General, RSDD and Secretary Roberto de Ocampo.

Knowledge Hub/Institution	Focal Point in ADB	Partner Focal Points/ Contact Persons
Development (New Delhi, India)		
4. PPP in Infrastructure, The Emerging Markets Forum (Washington DC, USA and Singapore)	James Leather, RSID	Harinder Kohli (harinder@centennial-group.com) and Yanbei Yao (yanbei@centennial-group.com)
5. Climate Change, The Energy Environment Economy Institute, Tsinghua University (Beijing, People's Republic of China)	Toru Kubo, RSID	Zhao Xiusheng (zhaoxs@tsinghua.edu.cn)
6. Public Finance, The Philippines' Center for Research and Communication, Roberto F. De Ocampo Center for Public Finance and Regional Economic Cooperation (Manila, Philippines)	Kathleen Moktan and Lizette Francisco, RSGP	Beth Collante (crcfound@yahoo.com; 634-28-31) and Johanna Cebedo (johanna.cebedo@gmail.com; 8924011 to 25 loc. 29 or 2193)
7. Trade and Investment, The Asian Institute of Management (Manila, Philippines)	Srinivasa Madhur and Cuong Minh Nguyen, OREI	Dean Victoria Licuanan (dean@aim.edu) and Gigi Agustin (maagustin@aim.edu)

#### IV. Financial Status

16. The total TA fund of \$1,140,000 is broken down into (i) allocations to seven knowledge hubs (\$1,091,950), of which \$800,497 have been released and \$360,000 are to be liquidated; (ii) training (\$10,000); (iii) miscellaneous (\$10,000); and (iv) uncommitted funds (\$28,050). The uncommitted funds can be used to finance other eligible expenditures under the TA.

17. As explained above, additional fund support was given to the 3R knowledge hub in AIT. The additional money came from the reallocation of the TA fund. In particular, the monies were sourced from:

- a. Transfer of financial assistance to the knowledge hub on Climate Change in Tsinghua University (T07289), which was reduced to \$90,000 from \$129,531 as indicated in the Advance Payment Facility Agreement; and
- b. Reallocation of funds originally assigned to training (T06264), which were reduced to \$10,000 from \$50,000.

**Table 2. Fund Disbursement and Liquidation Status**

Institution	Allocation	Amount Disbursed	Amount Liquidated	Amount For Liquidation	Balance
1. TERI – Clean Energy	151,950	146,620	146,620	0	5,329
2. AIT – 3R	250,000	148,231	68,231	80,000	101,769
3. ICSD – Sustainable Devt	150,000	120,000	60,000	60,000	30,000
4. Emerging Markets Forum – PPP in Infra	150,000	120,039	60,000	60,000	30,000
5. Tsinghua – Climate Change	90,000	52,000	52,000	0	38,000
6. RFO – Public Finance	150,000	113,608	53,608	60,000	36,392
7. AIM – Trade and Investment	150,000	100,000	0	100,000	50,000

Institution	Allocation	Amount Disbursed	Amount Liquidated	Amount For Liquidation	Balance
Total	1,091,950	800,497	440,459	360,000	291,452

cc: DG, DDG, RSDD; N. Ahmad, RSES; W. Um, RSID; M. Tsuji, RSES; C. Nguyen, OREI; L. Francisco, RSGP; C. Mercado, N. Lu, L. Arboleda, RSDD-KM; CF-chrono

