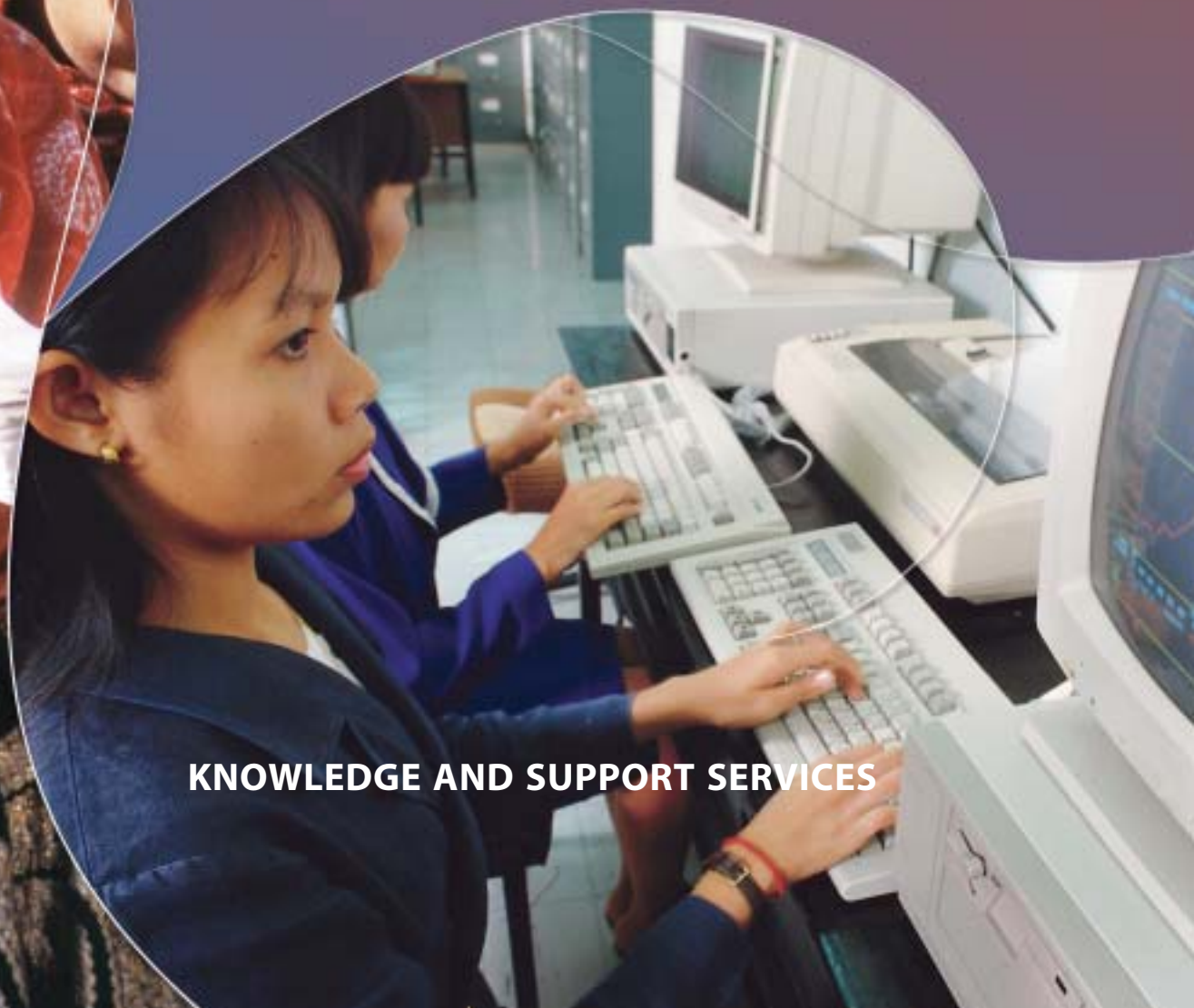


In 2002, ADB examined how its institutional knowledge is generated, captured, and disseminated. All departments and offices at ADB contribute to the quality of the knowledge products and services. The reorganization was designed to enhance these contributions. A newly created department will oversee quality and ensure technical excellence across the organization.



KNOWLEDGE AND SUPPORT SERVICES

The Asian Development Bank (ADB) strives to meet the highest standards of excellence in its fight to reduce poverty in the Asia and Pacific region. In the process of delivering assistance to its developing member countries (DMCs), ADB generates and accumulates a wealth of knowledge. Databases, web sites, publications, and training programs ensure knowledge transfers to, from, and within ADB. ADB strives for the widest dissemination possible.

During the reorganization, ADB examined how its institutional knowledge is generated, captured, and disseminated; and how the organization could be restructured to enhance the process. Steps were taken to improve ADB's capacity to acquire, share, and apply knowledge, by creating the Regional and Sustainable Development Department (RSDD) to advance ADB's knowledge agenda; encouraging better coordination among the Economics and Research Department (ERD), Regional Economic Monitoring Unit (REMU), and ADB Institute; and rationalizing knowledge products and streamlining the process of their dissemination.

Regional and Sustainable Development Department

RSDD was created to maintain quality and technical excellence across ADB. It has five divisions: an environment and social safeguard division, responsible for compliance with ADB's safeguard policies; two divisions responsible for ADB's thematic agenda—a poverty reduction and social development division, and a governance and regional cooperation division; and two divisions responsible for the technical and sector agenda—a finance and infrastructure division and an agriculture, natural resources, and social sectors division. RSDD also runs a unit, the Nongovernment Organization (NGO) Center, to strengthen cooperation with civil society and respond to their concerns.

As the center of thematic and sector expertise, RSDD supports all other departments in ADB. It is mandated to ensure ADB-wide consistency by developing and monitoring policies and guidelines for all thematic and sector areas and serving as the center for compliance oversight, particularly for the safeguard policies—environment, resettlement, and indigenous peoples.

RSDD's responsibility for ADB's regional cooperation strategy, and assistance to the five regional departments strengthens ADB's regional focus and operations, which in turn, strengthens ADB's role in linking the region to the global network and partnerships for development.

The reorganization defined RSDD's role and responsibilities, and put into place the staffing and business processes necessary for RSDD to begin work on achieving its objectives. *The work program and 2002 outputs of the thematic and sector committees and networks are covered in the Operational Priorities and Performance chapter.*

RSDD and Knowledge Management

An ADB-wide Knowledge Management Committee, chaired by the President, and including senior representatives from ADB Institute, ERD, RSDD, REMU, the Strategy and Policy Department (SPD), and the Office of External Relations (OER) was constituted to oversee ADB's program and progress in delivering knowledge products. Its mandate is to ensure ADB-wide synergy and coordination in knowledge creation and dissemination.

As secretariat to the Committee, RSDD helps coordinate the development of a knowledge management framework, reviews the interregional knowledge products and services, and monitors and compiles the annual outputs and outcomes based on the reports of the thematic and sector committees (see pages 37 and 52). As anchor to the thematic and sector committees, RSDD integrates their knowledge and best practices.

All departments and offices at ADB contribute to the quality of ADB's services, and several are responsible for maintaining the direct and indirect knowledge generated and captured in ADB's work: the Operations Evaluation Department maintains the database of lessons learned and, like RSDD, documents best practices (see the *Operations chapter* and <http://www.adb.org/evaluation/>); the Office of External Relations manages external and internal information dissemination. Others, such as the external offices and regional departments, capture and transfer operations-related knowledge. Storage, retrieval, and sharing of information are aided by the Office of Administrative Services and the Office of Information Systems and Technology. RSDD helps maintain the high standards in which these departments and offices function.

Economics and Research Department

The objective of the Economics and Research Department (ERD) is to advance the state of knowledge on economic development of the Asia and Pacific region in a global context. ERD's role is to conduct economic research on key development issues facing the region to support the policy agenda of ADB's developing member countries (DMCs) in enhancing growth and reducing poverty, and to disseminate ERD's research findings to ADB stakeholders.

Together with the Office of the Chief Economist, the newly reorganized divisions of ERD (Macroeconomics and Finance Research Division, Economic Analysis and Operations Support Division, and Development Indicators and Policy Research Division) work jointly or independently to

- undertake research to develop and apply models to assess macroeconomic management and make forecasts, and to improve the understanding of the determinants of long-term growth in the region;
- conduct applied microeconomic research and distill good practices to ensure sound stewardship in ADB's loan operations by promoting quality at entry and improving the methodology of economic analysis of projects and programs;

Training initiatives strengthen the content and management of national training programs. ADB was a partner in several such initiatives in 2002.

Asian Institute of Technology and Asian Institute of Management

To help boost its capacity to acquire, share, and apply knowledge, ADB formed network alliances with the Bangkok-based Asian Institute of Technology and the Manila-based Asian Institute of Management. The knowledge, expertise, and experience of these institutions will supplement ADB's internal knowledge of socioeconomic and development issues, and improve ADB's ability to offer training and capacity building to its developing member countries (DMCs).

Asia-Pacific Economic Cooperation

The objective of the Asia-Pacific Economic Cooperation (APEC) Financial Regulators Training Initiative, established in 1998, is to develop and provide broad-based training for junior and midlevel financial sector regulators and supervisors. Funded by, and housed in ADB, the Initiative is overseen by an APEC Advisory Group representing bank supervisory and securities regulatory agencies in ADB's DMCs.

In Phase 1 of the Initiative, completed in 2000, training needs were identified and core curricula for financial regulators in the region were developed. Phase 2, which ended in October 2002, focused on training, both at the regional and national levels, and on developing and distributing training products to member economies. At the APEC Finance Ministers Meeting in September 2002, the Initiative was extended for another year.

In 2002, the Initiative organized three regional and four national training seminars on investigation, enforcement, and prosecution, as well as on market supervision and corporate governance for securities regulators. Course materials were posted on the Initiative's web site maintained by ADB (<http://www.adb.org/projects/APEC>). A self-study training course on securities regulation was developed by the Secretariat and disseminated through the web site. For banking supervisors, three regional and three national training seminars were held on foundation bank analysis and examination, credit risk, risk management and internal controls, and market risk.

- construct relevant statistical databases and analyze the data, and help improve the DMCs' statistical capabilities in measuring and monitoring development effectiveness and progress toward the Millennium Development Goals (MDGs); and
- publish and disseminate research (see <http://www.adb.org/Economics/knowledge.asp>).

In 2002, ERD continued to focus its work programs on policy and operational issues in relation to ADB's Poverty Reduction Strategy and on data requirements for operationalizing the Strategy.

ERD conducted studies on a range of issues—macroeconomics; growth and poverty reduction; regional integration and trade; competitiveness of Asian economies; local bond markets; good practice studies related to policy-based operations, investment climate and productivity, jointly with World Bank; and information and communication technology (ICT). Research outcomes were disseminated to stakeholders through various forums such as the Fourth Asia Development Forum jointly conducted with the World Bank (see <http://www.adb.org/media/>); the Eighth International Forum on Asian Perspectives with the Organisation for Economic Co-operation and Development (OECD); the Workshop on ICT Strategies and the Seminar on International Finance, both with the ADB Institute; and the High-Level Forum on Statistical Capacity Building to ASEAN (Association of Southeast Asian Nations) Countries.

Also in 2002, ADB's existing statistical database system was enhanced significantly and a web-enabled version was developed to meet the statistical information needs of all ADB departments, offices, and resident/regional missions in a timely manner. Likewise, the content was improved and expanded to include new social, economic, and environmental indicators toward achieving the MDGs. A flagship publication, *Key Indicators 2002: Population and Human Resource Trends and Challenges*, was improved by including a theme chapter and introducing environmental indicators. A poverty database was launched and a web-based protocol was developed to facilitate international access (see <http://www.adb.org/statistics/>).

ERD produced the annual *Asian Development Outlook (ADO) 2002* and *ADO Update*, and several other books, handbooks, special studies, and a new paper series in the form of policy briefs, technical notes, and working papers. The Economics and Statistics web page was improved and regular Internet dissemination of ERD publications continued (see <http://www.adb.org/Economics/>).

ERD organized and participated in several workshops, seminars, and capacity-building exercises, including conducting the in-house Staff Learning Program on Economic Analysis of Policy-Based Operations, and the Twelfth Tax Conference with the ADB Institute.

ERD continued to manage several technical assistance projects aimed at improving the national statistical systems, national accounts, and poverty statistics in ADB's DMCs. These activities enabled the DMCs' national statistical offices to produce more timely and relevant statistics (see *Box at right*).

Regional Economic Monitoring Unit

ADB supports regional monetary and financial cooperation initiatives through its Regional Economic Monitoring Unit (REMU). REMU prepares high-frequency monitoring reports and provides capacity-building support for economic

The Indonesia Central Statistical Agency will be able to produce timely trend data related to planning social protection for the poor through an ADB technical assistance. Information about poverty used to only be available annually with a 1-year lag. ADB's technical assistance successfully produced a series of real wage data that can be compiled more frequently and accurately than other standard employment statistics. The data, which are good indicators of the poor's welfare, are used in reports to the Indonesian President's Cabinet, and by university research institutions, think tanks, funding agencies, and media. Because of the success of this technical assistance, ADB increased its support for the project to enable the Agency to produce more detailed analyses of the wage data and thus increase its analytical utility.

monitoring and for establishing regional early warning systems. REMU also maintains the Asia Recovery Information Center web site (*see <http://www.aric.adb.org>*), a regional portal of information and analysis on Asia's growth and recovery from the 1997 financial crisis.

ADB has approved 13 regional technical assistance projects totaling \$6.3 million, which support regional monetary and financial cooperation initiatives by building and strengthening the capacity of DMCs in the ASEAN¹ and ASEAN+3² groups to conduct economic monitoring. Activities under these projects include training secondees from ASEAN central banks and finance ministries at ADB; supporting activities of the ASEAN Surveillance Coordination Unit located in the ASEAN Secretariat in Jakarta; supporting the establishment of national surveillance units in the ministries of finance of ASEAN countries;³ providing monitoring inputs to high-level meetings of the ASEAN, ASEAN+3, Manila Framework Group, Asia-Europe Finance Ministers Group, and Asia-Pacific Economic Cooperation (APEC); supporting regional initiatives in monitoring short-term capital flows and establishing early warning systems; conducting special studies on topics related to regional monetary and financial cooperation; and developing and maintaining a web-based clearinghouse of information on East Asia's recovery and growth.

In 2002, ADB completed a Study on Monetary and Financial Cooperation in East Asia, which aimed at developing a road map of policy options for carrying forward the ongoing monetary and financial cooperation efforts by the ASEAN+3 countries. The results of the study were presented at the Asia-Europe Finance Ministers meeting in July 2002 in Copenhagen. The regional

¹ ASEAN comprises Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic (Lao PDR), Malaysia, Myanmar, Philippines, Singapore, Thailand, and Viet Nam.

² ASEAN+3 comprises the 10 ASEAN countries; and People's Republic of China, Japan, and Republic of Korea.

³ National surveillance units have been established in Cambodia, Indonesia, Lao PDR, Philippines, Thailand, and Viet Nam.

technical assistance for an ASEAN+3 Framework for the Development of Early Warning Systems will help prepare a regional early warning system prototype. In December 2002, central bank and finance ministry officials from the 13 member countries of the ASEAN+3 group discussed the prototype at a workshop jointly organized by ADB, the People's Bank of China, and the ASEAN Secretariat in Beijing.

ADB Institute

The ADB Institute (the Institute) in Tokyo is both a provider of knowledge for development and a high-level training center.

The flagship activity of the Institute in creating and disseminating knowledge has been the Asian Policy Forum (APF). In 2002, there were two APF cycles, both focusing on policy issues in the People's Republic of China (PRC). The highlights from both cycles and other research on the PRC were presented at the Institute's fifth anniversary conference in December 2002. To widen dissemination, the policy recommendations were translated into Chinese.

In addition to its APF activities, the Institute joined other organizations and institutes, including the Inter-American Development Bank, Organisation for Economic Co-operation and Development, and the Chinese Academy of Social Sciences to expand and disseminate collective expertise through seminars.

Twenty original research papers were produced in 2002, on topics such as banking sector reform and the impact of financial reforms on patterns of corporate financing in India; and equity market development and bank lending and corporate financing in the PRC.

In the area of poverty reduction, the Institute's research and published papers examined the causes of the East Asian miracle and its consequences for poverty reduction; the financial crisis in Indonesia and its impact on poverty; and the effectiveness of policy interventions to achieve antipoverty objectives. Other studies relate to pension reform, the degree of exchange rate co-movements and business cycle synchronization, and export competitiveness. *For more on the Institute's knowledge products, see <http://www.adbi.org/publications/>.*

The Institute completed 16 capacity-building and training activities in 2002, including social protection for the poor, public expenditure management, financial intermediaries for the poor, and ICT strategies for developing Asia. A pilot project for interactive on-line and CD-ROM E-learning modules progressed.

The Institute is represented on ADB's Knowledge Management Committee. The new Dean appointed in September 2002, and the Institute's Advisory Council will set the direction of future work (*see Appendix 6*).

Office of External Relations

The Office of External Relations (OER) disseminates information about ADB's operations to both external and internal audiences. It promotes awareness of ADB's work

through its activities in media relations, publications and web site, newsletters and magazines, briefings and speechwriting, photographic and video work, and exhibits and displays.

ADB approved the release of 60 new books in 2002 (see <http://www.adb.org/Publications/>) and continued to disseminate ADB documents covered under the Policy on Confidentiality and Disclosure of Information to 162 depository libraries and several NGO centers worldwide.

ADB's web site, <http://www.adb.org>, remained an important vehicle for disseminating information. ADB's on-line impact was greatly increased with the launch of the On-line Media Center, which has enabled the timely release of more news items and background features, and has provided journalists worldwide with easy access to information about ADB (see <http://www.adb.org/media/>).

The *Partnership Newsletter*, an e-bulletin produced by OER and ADB's NGO Center and distributed by e-mail, helped strengthen cooperation between ADB and NGOs.

ADB's capability to undertake effective external relations was enhanced by media training for senior staff. Coordination with the resident and regional missions and representative offices also strengthened external relations, and improved knowledge dissemination.

External offices

ADB maintains a network of offices worldwide, consisting of resident missions, a country office, liaison offices, extended missions, a regional mission, and representative offices.

With the formation of regional management teams under the reorganization, the resident and regional missions and country office have become more closely integrated with headquarters. The missions' primary tasks are to promote external relations with the government and stakeholders, including NGOs and civil society. The missions raise ADB's visibility among clients, beneficiaries, and stakeholders; and help enhance ADB's client service. They also assist headquarters in carrying out economic, thematic, and sector work; preparing country strategies and programs; and managing DMC portfolios.

Resident mission

A resident mission is an office located in a DMC involved in government, civil society, and private sector relations; policy dialogue and support; country reporting; aid coordination; and external relations and information dissemination, and certain specific functions as delegated by ADB headquarters.

In 2002, ADB maintained resident missions in Bangladesh, Cambodia, PRC, India, Indonesia, Kazakhstan, Kyrgyz Republic, Lao People's Democratic Republic, Mongolia, Nepal, Pakistan, Papua New Guinea, Sri Lanka, Uzbekistan, and Viet Nam.

Also in 2002, ADB celebrated the 20-year anniversary of the Bangladesh Resident Mission—the first resident mission established by ADB (see <http://www.adb.org/BRM/>)

and opened its new office building in New Delhi—the first office building owned by ADB outside its headquarters in Manila (see <http://www.adb.org/INRM/>).

In a 2002 review of the Resident Mission Policy, ADB identified a need for more clearly defining the division of labor between the resident missions and the regional departments in headquarters, and increasing the interaction among the missions themselves (see the *Board of Directors' Budget Review Committee report on pages 7 and 8*).

Country office

A country office has the same functions as a resident mission but is located in the country hosting the ADB headquarters. ADB maintains the Philippines Country Office.

Special office/special liaison office

A special office is a temporary office to provide urgent development assistance to a DMC whose work program has yet to be formalized. In 2002, ADB maintained a special office in Timor-Leste. A special liaison office is also temporary but less formal. In 2002, ADB maintained a special liaison office in Afghanistan. This has since been approved as a resident mission.

Extended mission

An office created in a DMC where a resident mission already exists, the extended mission addresses the specific needs of a country. Headquarters-based staff temporarily reside in the DMC to undertake specific assignments. In 2002, ADB had an extended mission in Gujarat, India and Papua New Guinea, and an extended mission arrangement from March to December in Tajikistan. The status of the extended missions in Papua New Guinea and Tajikistan changed to resident missions in 2002.

Regional mission

A regional mission is an office that is responsible for a group of geographically contiguous countries, with functions similar to that of a resident mission—loan and technical assistance administration, aid coordination, government liaison, information dissemination, and nongovernment organization coordination. In 2002, ADB maintained the South Pacific Regional Mission in Port Vila, Vanuatu—covering Cook Islands, Fiji Islands, Kiribati, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu (see <http://www.adb.org/SPRM/>).

Representative office

A representative office is an office of ADB in a nonborrowing member country that is involved in resource mobilization, and liaises with other multilateral and bilateral development agencies and other international organizations, both intergovernment and nongovernment.

ADB has representative offices in Europe, Japan, and North America.

A joint consultation meeting in 2002 between ADB's Strategy and Policy Department and the representative

offices sought ways to strengthen the role of the offices in external relations, resource mobilization, and interagency coordination with multilateral and bilateral development institutions and donors. Proactive information gathering and dissemination among stakeholders are being encouraged in several areas: ADB's ongoing and planned program of operations; strategies, policies, and procurement procedures; development issues and constraints faced by DMCs and ways ADB addresses these; and ADB's resource requirements.

For ADB contact addresses, see the list of offices on pages 281-282 and <http://www.adb.org/About/field.asp>.

Information management

The new business processes seek to strengthen information sharing and management through more effective use of ICT. The processes also established procedures for more efficient storage and dissemination of knowledge.

In 2002, ADB installed 1,370 new computers and 265 new printers as part of the 3-year replacement plan,

Several initiatives under the Information Systems and Technology Strategy were completed in 2002 (see <http://www.adb.org/Documents/Policies/ICT/ict610.asp>).

- The Integrated Human Resource Management/Payroll and core Financial Management and Treasury/Banking systems became operational in June 2002. An enterprise server was acquired to host these applications.
- New treasury risk management software and hardware were procured and are being implemented.
- Infrastructure upgrades—aimed at increased availability, higher reliability, and better performance—were implemented with enhanced network security tools.
- All security-related hardware and software, such as firewalls and proxy servers, were replaced or upgraded.
- An integrated backup system was procured to provide better network and server management capabilities and antivirus features.
- The upgrade of the secure password generator and telecommunications infrastructure vulnerability was completed.
- Development of a digitized archival and storage system for multimedia materials and the upgrade of the in-house television studio improved ADB's ability to produce media-related materials.
- The introduction of a web-based information portal will provide easier access to information at headquarters and from remote locations through a single user interface.

and provided all computers with new software. All departments and offices now have access to multimedia workstations equipped with business card readers, scanners, file compressors, and compact disc-writers. The activities of the service desk were reviewed and enhanced. Support was given to ADB's reorganization by providing services to nearly 1,000 staff members relocated within the building.

Videoconferencing facilities are now available at 14 ADB remote sites and over 450 meetings were conducted via videoconferencing from ADB headquarters in Manila in 2002. Satellite equipment was activated at seven resident missions. Integrated voice, data, and videoconferencing facilities were implemented over a single network, providing more capability at current cost. An interim satellite link was established in Afghanistan to strengthen ADB's activities in the country, and support was given for the relocation of the India Resident Mission. Disaster recovery procedure tests were performed at an off-site location, including backup and recovery of new payroll and financial systems.

ADB's information technology (IT) strategy was supported in 2002 with seminars and a review of design requirements for a center for learning, information, communication, and knowledge. The IT Strategy Working Group, comprising representatives from each department and office, began work on an IT strategy for 2003-2007. The group assessed the existing IT environment and examined future IT business needs. The newly established IT Committee reviewed and prioritized these requirements and provided guidance on the overall investment needed.

Successful pilot testing for the London interbank offered rate (LIBOR)-based loan software was completed.

A knowledge-based application was developed to track and coordinate responses to NGOs across all departments and offices in ADB. Support to the sector and thematic networks included producing a web-enabled application to capture information from various internal systems.

ADB's Library, with its collection of over 200,000 volumes, continued as a knowledge resource center for print and electronic information. Educational institutions and individual researchers from around the world regularly used the Library's collections and services via the Internet, telephone, facsimile, or in-person visits. On-line services and access continued to be enhanced in 2002 as the Library's database software was upgraded.

ADB's records management system was further improved through the introduction of a digital imaging system to supplement the current paper-based system. Consultants' technical assistance reports were digitized for better access and retrieval, thereby improving ADB's work processes. More paper forms were converted to on-line forms and templates to reduce printing and storage costs. The use of offsite storage for nonvital records was initiated to further rationalize and streamline the storage space available at headquarters.