



Technical Assistance Report

Project Number: 41282
June 2008

India: Knowledge Management for Enhanced Operational Effectiveness

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 10 June 2008)

Currency Unit	–	Indian rupee/s (Re/Rs)
Re1.00	=	\$0.0233
\$1.00	=	Rs42.89

ABBREVIATIONS

ADB	–	Asian Development Bank
EA	–	executing agency
INRM	–	India Resident Mission
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting Classification	–	General intervention
Sectors	–	Multisector- transport and communications, energy, agriculture and natural resources
Themes	–	Sustainable economic growth, governance, capacity development
Subthemes	–	Fostering physical infrastructure development, financial and economic governance, institutional development

NOTE

In this report, "\$" refers to US dollars.

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Director General	K. Senga, South Asia Department (SARD)
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I. INTRODUCTION

1. The Government of India (the Government) has requested the Asian Development Bank (ADB) to provide technical assistance (TA) to support integration of knowledge management into various aspects of ADB operations in India to enhance their effectiveness. This has been the outcome of consultations between the Government and ADB, and the positive demonstration effect provided by the Knowledge Management and Capacity Building TA¹, which closes on 30 June 2008. Subsequent to consultations, ADB and the Government reached an agreement on the impact, outcome, outputs, implementation arrangements, and cost and financing arrangements for this follow-on TA.² The design and monitoring framework for the TA is in Appendix 1.

II. ISSUES

2. ADB is committed to being a primary source of development knowledge in the Asia and Pacific region. To fulfill this mandate, it has adopted both external and internal approaches. The external approaches include creation of knowledge products, knowledge hubs, knowledge partnership funds, and active promotion of public communications. Its internal approaches have focused on its various communities of practice, incentive systems, and eminent speaker forums.

3. This commitment to become a learning organization aims to improve the quality of ADB operations and enhance the capacity of developing member countries. To do this, knowledge management activities need to be linked closely to ADB's core lending and nonlending processes.³ ADB operations and services should reside in finance, knowledge, and coordination.⁴ The long-term strategic framework (Strategy 2020)⁵ identifies helping developing countries gain knowledge as an important driver of change.

4. India is well positioned to take advantage of the knowledge revolution to accelerate growth and competitiveness, primarily because of the skill and labor capacity of its citizens and its information and communication technology capabilities.⁶

5. The TA is designed to support the strategic development focus of the Government and ADB of creating an enabling environment for sustainable and inclusive growth through knowledge management, aimed at enhanced operational effectiveness. The ADB portfolio in India has aimed at poverty reduction and inclusive growth through support for creation of physical and social infrastructure. It has expanded to include pro-poor sectors such as rural roads, rural finance, and water resource development. There has also been increased focus on relatively poorer states or those with weaker institutional and financial capacities. With strategic changes in the country program, there is a strong need to analyze linkages and impacts to ensure enhanced operational efficiencies⁷.

¹ ADB. 2006. *Technical Assistance to India for Knowledge Management and Capacity Building*. Manila (TA 4780-IND, for \$2,000,000, approved on 17 April).

² The TA first appeared in the business opportunities section of ADB's website on 15 May 2008.

³ ADB. 2007. *Learning Lessons in ADB*. Manila (March).

⁴ ADB. 2008. *Auditing the Lessons Architecture*. Manila (February).

⁵ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank 2008–2020*. Manila (April).

⁶ ADB. 2007. *Moving Towards Knowledge-Based Economies: Asian Experiences*. Manila (Technical Note, September).

⁷ ADB. 2003. *Country Strategy and Program India: 2003-2006*. Manila.

6. Capacity development through knowledge transfer is necessary for enhanced operational effectiveness. The TA will address the strongly felt needs of the Government and ensure client responsiveness by supporting capacity enhancement in poorer states with weaker capacities. In many of the ongoing projects, one of the causes cited for operational delays is the lack of adequate information and understanding of ADB policies and procedures in the executing agencies (EAs), including social safeguards, procurement, and consultant recruitment. The TA will address this gap.

7. The TA will be a sequel to the Knowledge Management and Capacity Building TA and the earlier Integrating Poverty Reduction in Programs and Projects TA⁸, which demonstrated the importance of a flexible approach and systematic capacity development for enhanced development outcomes. Both these TA projects were supported under the United Kingdom Cooperation Fund (Poverty Focused) for Technical Assistance (Trust Fund).

8. An in-house assessment of the Knowledge Management and Capacity Building TA and feedback from the Government reveals that TA 4780 greatly added value to the knowledge management process. Portfolio review meetings supported under TA 4780 have helped enhance portfolio performance substantially in 2006 and 2007, increasing disbursements from \$641 million in 2005 to \$701 million in 2006 and about \$1.4 billion in 2007. Many analytical studies (including key areas such as urban poverty) and publications have emerged out of TA 4780. The conferences and seminars component supported dialogue and engagement with key government, civil society, and private sector stakeholders on development themes of current and emerging relevance including public-private partnerships in infrastructure development. Small-scale, innovative projects have been supported under the poverty reduction component. ADB has entered into knowledge partnerships with other donors. ADB is partnering the United Nations solution exchange initiative in India and has supported the functioning of “communities of practice” on the themes of poverty, health, environment, disaster management, and information and communication technology for development. ADB also entered into a partnership with the World Bank in India to support its small grants program, India Development Marketplace 2007, to finance grassroots initiatives for the protection and management of natural resources. Given the positive impacts on ADB’s India program and portfolio management, as well as the high priority attached to this TA by the Government during fact-finding, this TA is being processed as a sequel to Knowledge Management and Capacity Building TA.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

9. The expected impact of the TA is to create an enabling environment for sustainable and inclusive growth through knowledge management and capacity enhancement. The outcome will be reflected in the enhanced operational effectiveness of ADB’s India operations from effective knowledge creation, dissemination, capacity enhancement, and partnerships. This creation and integration of knowledge will focus on key areas of operational relevance in the ADB India program such as transport, energy, urban infrastructure, financial sector, and water resources. Focus will be on sectors important for inclusive growth and poverty reduction as identified by the Government⁹ and those identified by ADB in Strategy 2020. It will also support knowledge management at the state level, especially in states where ADB has operations. Under capacity enhancement, the TA will support knowledge sharing activities, dissemination of best practices, and capacity development.

⁸ ADB. 2002. Technical Assistance to India for *Integrating Poverty Reduction in Programs and Projects*. Manila (TA 3880-IND approved in June, for \$640,000).

⁹ Planning Commission, Government of India. 2007. *11th Five Year Plan (2007–2012)*. New Delhi.

B. Methodology and Key Activities

10. The TA will promote enhanced operational efficiency of ADB operations in India by supporting the following components: (i) knowledge creation, (ii) knowledge dissemination, (iii) knowledge for improved operational effectiveness, and (iv) knowledge partnerships and networking.

11. The activities and outputs under these components will include the following:

1. Knowledge Creation

12. **Studies, Impact Assessments, Evaluation Studies, and Appraisals in Important Areas of Inclusive Growth and Operational Relevance.** The TA will support undertaking of need-based analytical and sector studies, and impact assessments. These will be in the key operational sectors relating to the ADB program in India. The studies will include national and state level studies, desk reviews, and field studies. The TA will cover about 3–4 such studies with costing about \$25,000–\$30,000 each. The studies will be focused on the ongoing and future program of ADB in India, and will be carried out by accredited institutions or firms. The terms of reference for the proposed work and its documentation plan will be provided by the sector division requesting the work. A memorandum of understanding will be signed with each of the institutions undertaking the studies to ensure, among others, agreement on the terms of reference and manner of presentation of the outcomes of the study. Partnerships with research and knowledge-based institutions will be supported, as required, under this activity. Efforts will be made to identify operationally relevant reports for wider dissemination in coordination with ADB's Department of External Relations.

13. **Consulting Services to Provide Value Added to Knowledge Creation.** Individual national consultants will be engaged over the period of the TA on a needs basis to provide specialized inputs in the operational sectors, states, and crosscutting themes.

2. Knowledge Dissemination

14. **Conferences, Seminars, Workshops, and Other Knowledge-Sharing Activities.** The TA will support conferences, seminars, and workshop events on a focused basis. These will be in areas of relevance for ADB operations in India. The relevance of the events will be clearly spelled out. Visibility for ADB and its partners will be aimed at, where feasible. Resource persons will be tasked to collate outcomes and highlights of various learning events for broader dissemination as deemed necessary.

15. **Publications to Support Such Dissemination.** Publication of studies undertaken both under the TA and by ADB, conference outcomes, good practices, and other material that will enhance value added and awareness through knowledge dissemination, will be considered for publication. The publications will be in keeping with ADB's goals, and will receive the necessary no objection clearances from ADB's Department of External Relations in accordance with ADB procedures.

16. **Internal Knowledge Enhancement through Cross-Learning.** To encourage creation and sharing of knowledge and experiences, events targeting knowledge enhancement among staff on key development and operational issues will be supported.

3. Knowledge for Enhanced Operational effectiveness

17. **Capacity Development of EAs on Important Operational Matters.** Capacity development under the TA will cover operational issues pertaining to both old and new EAs and

states. It will support capacity building on various aspects of project processing and implementation, but it will be need-based and identified by the EA and ADB. The EAs/mission leaders processing project preparatory TA projects or implementing projects may provide feedback to the Government and the India Resident Mission (INRM) on identified capacity building requirements, and the advisory committee will decide.

18. Support for Portfolio Reviews and Tripartite Meetings to Ensure Critical Knowledge Exchange on Operational Issues: Meetings and Retreats on Portfolio Matters.

ADB operations in India have been expanding both in terms of new states and sectors. As a result, several operational matters emerge that need to be discussed, brainstormed, and resolved. Meetings with various EAs in the sectors of ADB operations serve as an important cross-learning platform for agencies and states. About 4–5 such meetings and retreats are proposed to be held during the 2-year duration of the TA, averaging about \$30,000 each.

19. Visit to Best Practice Sites (National, Regional, or International) for Learning by Seeing Successful Initiatives.

There are sector-related and state level experiences from completed projects within the country, and experiences in the Asia region and internationally. The Government (central and state) greatly values such cross-learning. The TA will support hands-on learning through site visits by those directly concerned with project design and implementation. Sector specialists or mission leaders of the various ADB-supported ongoing and proposed projects will prepare requests for such site visits, which will add value to project design and implementation. Participating officials from EAs will be required to prepare and provide a two-page report on how they propose to operationalize the lessons from the study tours, and conduct a dissemination seminar for other members in the EAs and sector departments. All study tour proposals will be endorsed by the advisory committee set up under the TA or by the country director of INRM.

20. Knowledge Technologies and Enablers. The TA will improve the efficiency of knowledge creation, processing, and sharing, through both hardware and software components. Such enablers have been created in ADB, including C-Cube (communication, coordination, and collaboration); creation of the skills database; document repositories; and portal development. These help in real-time sharing of information, while passwords protect access to ensure security. Other examples of enablers include online meeting and conference tools, and project management tools.

4. Knowledge Partnerships and Networking

21. Select Innovative Projects for Inclusive Growth, including Civil Society Projects.

The TA proposes to support innovative projects by developmental nongovernment organizations and community-based organizations, which promote inclusive growth. These projects will have linkages to ADB's operations in India. The projects will typically be in the range of \$10,000–\$20,000. Requests received will be reviewed based on relevance to the stated purpose. Selection will be endorsed by the country director of INRM and the advisory committee.

22. Knowledge Partnerships with Development Partners. In keeping with the goal of harmonization in knowledge creation and sharing, knowledge partnerships with development partners will be supported through memorandums of understanding. Such partnerships will address various aspects of knowledge management, and seek to enhance efficiencies in knowledge creation and sharing. Instances of such partnerships under the Knowledge Management and Capacity Building TA are in paragraph 8.

23. Public-Private or Public-Community Partnership Pilots and Models. Partnerships with the private sector and communities are highly beneficial. Public-private partnerships help

supplement resources and combine strengths to achieve development goals. Partnerships with communities help in effective community needs assessments and resource mapping, which help design and implement inclusive projects. The TA hopes to support innovative pilot partnership projects for infrastructure creation or service delivery.

C. Cost and Financing

24. The total estimated cost of the TA is \$1,250,000, of which \$1,000,000 will be financed on a grant basis by ADB's TA funding program. The Government will provide counterpart contributions in kind estimated at \$250,000. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

25. The Department of Economic Affairs of the Government will be the EA for the TA. The EA will be a proactive partner in the implementation of this TA and it will consult various implementing agencies, as required and nominate staff for participation in the various capacity building events. INRM will coordinate overall implementation of the TA.

26. An advisory committee, headed by the country director of INRM and cochaired by the joint secretary of the Department of Economic Affairs, will be constituted. It will comprise ADB's project officer, sector specialists at INRM, sector directors in the South Asia Department, and representatives from the Regional and Sustainable Development Department and the Economics Research Department, as necessary. The advisory committee will meet at least once every 6 months, with representatives from ADB headquarters joining via videoconference. To ensure a timely response to operational requirements, the approval mechanism will be as follows. For activities such as analytical work, impact assessments, and small grant projects that can be identified and planned in advance, the advisory committee will endorse inclusion of such proposals. The country director of INRM will be responsible for endorsement and approval of activities such as workshops, seminars, and conferences; meetings and retreats; learning events; and capacity building. No objection concurrence of the EA will be obtained for recruitment of consultants. These approval mechanisms have been designed to ensure the timely response of the TA to various operational requirements.

27. **Recruitment of Individual Short-Term National Consultants.** Individual national short-term consultants (3–4) will be hired on a need basis, depending on operational requirements. International expertise will be co-opted in the form of resource persons, as and when required. The short-term consultants engaged under the TA will be recruited by ADB in accordance with its *Guidelines on the Use of Consultants* (2007, as amended from time to time). More information on consulting services is in Appendix 3.

28. The TA outputs will be spread over the period of implementation of the TA—from 1 July 2008 to 30 June 2010. They will be disseminated through (i) study reports, (ii) publications, (iii) reports on study tours, (iv) reports on capacity building and relevance, (v) project reports on small grant activities, (vi) seminars within ADB, and (vii) briefs on the INRM website and/or South Asia Department intranet.

IV. THE PRESIDENT'S DECISION

29. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,000,000 on a grant basis to the Government of India for Knowledge Management for Enhanced Operational Effectiveness, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>Impact Enabling environment for sustainable and inclusive growth through knowledge management and capacity enhancement</p>	<p>3–4 study reports or publications on relevant study areas of inclusive and sustainable growth undertaken</p> <p>About 15 documented reports and papers on other activity clusters</p> <p>200 functional EA staff participate in capacity enhancement programs</p>	<p>Review missions</p> <p>Case studies</p> <p>Minutes of advisory committee meetings</p>	<p>Assumption</p> <ul style="list-style-type: none"> • EAs and operational staff actively participate in the activity clusters and capacity enhancement exercises <p>Risks</p> <ul style="list-style-type: none"> • Study outcomes are not adequately utilized or disseminated • Staff are transferred frequently
<p>Outcome Increased efficiency of ADB operations</p>	<p>Large number of EAs are actively involved in activity clusters</p> <p>Over 200 functional EA staff participate in capacity enhancement programs</p> <p>Better disbursement ratios</p>	<p>Review missions</p> <p>Impact assessments and appraisals</p> <p>Minutes of advisory committee meetings</p>	<p>Assumption</p> <ul style="list-style-type: none"> • Active involvement of the Government and EAs in tripartite discussions with ADB staff <p>Risk</p> <ul style="list-style-type: none"> • Discussions do not translate to enhanced performance and disbursement levels
<p>Outputs</p> <ol style="list-style-type: none"> 1. Study reports 2. Publications 3. Consultancy support 4. Retreats, workshops, conferences 5. Best practices documentation 6. Reports on capacity building and relevance 7. Reports on study tours 8. Project reports on small grant and networking activities 	<p>3–4 study reports</p> <p>3–4 short-term national consultants engaged</p> <p>4–5 portfolio retreats</p> <p>4–5 capacity development programs</p> <p>6–7 conferences and workshops</p> <p>3-4 reports on study tours</p> <p>3–4 small grant and networking activities</p>	<p>Periodic TA review by ADB staff</p> <p>Minutes of advisory committee meetings</p>	<p>Assumption</p> <ul style="list-style-type: none"> • EAs and operational staff actively participate in the activity clusters and capacity enhancement exercises <p>Risks</p> <ul style="list-style-type: none"> • Study outcomes are not adequately utilized or disseminated • Staff are transferred frequently

<p>Activities with Milestones</p> <ol style="list-style-type: none"> 1. Knowledge creation <ol style="list-style-type: none"> 1.1 Studies, impact assessments, evaluation studies, and appraisals in important areas of inclusive growth and operational relevance 1.2 Domestic short-term consulting services to provide value added to knowledge creation 2. Knowledge dissemination <ol style="list-style-type: none"> 2.1 Conferences, seminars, workshops, and other knowledge sharing activities 2.2 Publications to support such dissemination 2.3 Internal knowledge enhancement through cross-learning 3. Knowledge for enhanced operational effectiveness <ol style="list-style-type: none"> 3.1 Capacity building of EAs on important operational matters 3.2 Support for portfolio reviews and tripartite meetings to ensure critical knowledge exchange on operational issues 3.3 Visit to best practice sites (national, regional, or international) for learning by seeing successful initiatives 3.4 Knowledge technologies and enablers 4. Knowledge partnerships and networking <ol style="list-style-type: none"> 4.1 Select innovative projects for inclusive growth, including civil society projects 4.2 Knowledge partnerships with development partners 4.3 Public-private or public- community partnership pilots and models 	<p>Inputs</p> <ul style="list-style-type: none"> • ADB • Government • Beneficiaries • Research Institutions • Private sector
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ADB = Asian Development Bank, EA = executing agency, TA = technical assistance.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
A. Asian Development Bank (ADB) Financing^a	
1. Consultants	
a. Remuneration and Per Diem National Consultants	90.0
b. International and Domestic Travel	50.0
2. International Resource Persons	50.0
3. Studies and Impact Assessments	100.0
4. Conferences, Seminars, Workshops, Publications, and Cross-Learning	100.0
5. Meetings and Retreats on Portfolio Matters	150.0
6. Study Tours for Executing Agencies for Learning from National, Regional, and International Best Practices	200.0
7. Capacity Building of Executing Agencies	150.0
8. Innovative Projects or Knowledge Partnerships	50.0
9. Knowledge Technologies and Enablers	10.0
10. Miscellaneous Administrative Costs	25.0
11. Contingencies	25.0
Subtotal (A)	1,000.0
B. Government Financing	
1. Counterpart Staff Support	125.0
2. Documentation and Supporting Requirements	50.0
3. Miscellaneous Administrative Expenses	50.0
4. Contingency	25.0
Subtotal (B)	250.0
Total	1,250.0

^a Financed by ADB's technical assistance funding program.
Source: ADB estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. National short-term individual consultants will be recruited to provide specialized inputs in the operational sectors, states, and crosscutting themes. The short-term consultants engaged under the technical assistance will be recruited by the Asian Development Bank in accordance with its *Guidelines on the Use of Consultants* (2007, as amended from time to time). They will be hired on a needs basis, depending on operational requirements. The terms of reference for the short-term consultants will be provided by the sector division requesting the services.
2. International resource persons will be hired on a needs basis. Their involvement will be endorsed by the country director of the India Resident Mission. They will support documentation and dissemination of international best practices; support dissemination of best practices; and participate in technical assistance workshops, seminars, and conferences as required.