

Evaluation Approach Paper

Knowledge Solutions for Development: An Independent Evaluation of ADB's Readiness for Strategy 2030

June 2019

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A. Introduction

1. **The Knowledge Solutions for Development (KS4D) evaluation assesses the Asian Development Bank (ADB)'s readiness to deliver knowledge solutions that meet the changing development needs of Asia and the Pacific.** The newly approved Strategy 2030 emphasizes ADB's role in providing complex knowledge solutions.¹ In particular, it envisions that ADB will strengthen its role as a knowledge provider and work closely with developing member countries (DMCs) to produce the most relevant knowledge products and services. To do this, ADB will proactively engage in research, provide high quality policy advice, and strengthen the institutional capacity of DMCs to generate knowledge. Recognizing its limitation, ADB will also be a leader in sharing external knowledge across the organization and the region. As part of this process, the Independent Evaluation Department (IED) will assess ADB's readiness to fulfill the envisioned role with a view to informing the implementation of Strategy 2030. The evaluation will focus on how ADB generates and shares knowledge solutions. This will identify ADB's strengths and identify gaps in its capacity.

2. **Since 1966, the Asia and the Pacific Region (the Region) has seen rapid economic and social development.** As a result of this growth, the Region now accounts for 42% of global gross domestic product (GDP), up from 30% in 2000.² The number of people in extreme poverty in the Region has dropped dramatically, from rates of around 70% in 1981 to less than 10%.³ Most DMCs are now classified as middle-income countries.

3. **Countries in the Region are addressing new and more complex challenges.** In 1966, when ADB was founded, most DMCs faced significant liquidity constraints and had limited access to long-term finance. Today, many DMCs have broad access to long term local- and foreign-financial markets. While additional financing is still a necessary condition, it is no longer a sufficient condition to ensure modern economic growth and continued development. For ADB to maintain its relevance, it needs to continue to strengthen its focus on relevant knowledge solutions for the region.

B. The Role of Knowledge

4. **Knowledge is both amorphous and context-specific.** There is no consensus definition of knowledge as it refers to organizations. According to the International Standards

¹ ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

² Estimates from ADB. 2011. *Asia 2050: Realizing the Asian Century*. Manila. and ADB. 2018. *Asian Development Outlook Update, 2018*. Manila.

³ Estimates based on the World Bank's poverty estimates using the [PovCal tool](#) using the most recent data, covering the World Bank's East Asia and Pacific and South Asia regions. Historical data are not available for central Asian countries.

Organization, its definition depends on the context or usage. It identifies knowledge as a capacity, indicating that it is a useful and productive asset for the individual or organization that owns it. It is acquired from human learning and experience.⁴ Drawing from this, the evaluation will use the following definition for knowledge:

Knowledge is an intangible individual or organizational asset comprising facts, information, and skills acquired through experience or education. Knowledge can be developed, consolidated, retained, shared, adapted, and applied to support effective decision making and problem solving. It can also offer new theoretical or practical insights to address challenges.

5. **There is an important distinction between documented knowledge and tacit knowledge.** Much knowledge is available in written form, ranging from a research report, a patent, or consultant brief. This type of knowledge is known as captured knowledge or documented knowledge. Although this type of knowledge may be proprietary, it is easily stored, accessed, and transferred. This is in contrast with tacit knowledge, which is embodied in a person or a team. Tacit knowledge primarily grows out of experience (“learning by doing”) and is more difficult to manage, store, and share. It can also represent a large percentage of the total knowledge stock of an organization and can be difficult to value.

6. **Although it is intangible, knowledge has much in common with other assets.** As with other assets, the stock of knowledge is important to determine good outcomes. An organization that can manage and utilize its stock of knowledge efficiently will be in a better position to achieve its objectives. However, the flow of knowledge is also important and is often overlooked.⁵ The knowledge flow is varied and takes the form of new documents, new ideas, and learning on the part of the staff. Knowledge can also depreciate, as it becomes outdated. Likewise, employees take their tacit knowledge when they leave. Like any other asset, this cannot be easily replaced.

1. Knowledge in Development

7. **Development requires a constant flow of new knowledge.** Many factors complement each other while contributing to development objectives. For example, investing heavily in physical capital without corresponding investment in knowledge may lead to poor results—such as environmental damage, or greater inequality. The terms “knowledge economy” or “fourth industrial revolution” refer to the central role that new knowledge and technology play in driving productivity and development. While countries can “leapfrog,” taking advantage of existing technologies and techniques, this has limitations. Even with the technology and the capital, workers and organizations need to develop sufficient skills to operate them efficiently and to maximize their benefits. Countries can also benefit from the experiences of other countries.⁶

8. **Knowledge is playing a greater role in driving development in the Region.** Although it can be challenging to measure the size of productivity gains and their causes, there is evidence that the accumulation of knowledge is playing an increasingly important role. Prior to 2000, economic growth in Asia seemed to be mostly driven by the accumulation of capital and

⁴ This description is contained in International Standards Organization. 2018. [ISO 30401:2018-Knowledge management systems—Requirements](#). Geneva; in particular paragraph 3.25 and accompanying notes.

⁵ L. Fahay and L. Prusak. 1998. [“The Eleven Deadliest Sins of Knowledge Management”](#) California Management Review 40(3):265–276.

⁶ K. Basu. 1997. [Analytical Development Economics](#). Cambridge, MA; R. Barro and X. Sala-i-Martin. 2004. [Economic Growth](#). Cambridge, MA; and O. La Grandvielle. 2017. [Economic Growth: A Unified Approach](#). Cambridge, UK. All discuss related models of economic growth.

improvement in education. In recent years, it appears that innovation and technology have played a more significant role in increasing productivity, leading to higher growth.⁷

9. **However, many gaps remain and DMCs can learn from each other and the rest of the world.** The Knowledge Economy Index from 2018 shows that only three high income countries that have graduated from ADB assistance (Hong Kong SAR, the Republic of Korea, and Singapore) are among the top 25 ranked countries.⁸ The next two DMCs in the ranking are Malaysia (30th) and the People's Republic of China (39th). The World Bank's Knowledge Economy Index measures the relative performance of DMCs from 1995 to 2012.⁹ During this period, there appears to be an important bifurcation. While many DMCs have kept up with global trends, this is by no means universal. DMCs that started out as relatively strong knowledge-based economies kept or improved their relative positions. However, other DMCs that started out lower have lost ground in a relative sense. For example, Bangladesh's ranking dropped from 134th place to 136th. Other DMCs followed this pattern, including Cambodia, Fiji, India, and the Philippines.

2. Knowledge Utilization and Sharing

10. **Ensuring property rights for knowledge is essential to promote its creation.** As with any other good, the sharing of information and the production of knowledge responds to incentives. In many cases, producers can keep knowledge in a proprietary form, for example through courses with restricted enrollment or direct consultations with experts. However, in many cases, knowledge requires legal protection. For example, without patents, innovation will be suboptimal. This provides a justification to treat knowledge as property and to support efforts to lower the transaction costs for knowledge transfer. This is often referred to as proprietary knowledge.

11. **There is a strong case for public subsidies for knowledge sharing and production.** Existing knowledge is a necessary input to produce further knowledge. There are some types of knowledge that form the basis of further research. Other types of knowledge cannot be protected. This is referred to as open source knowledge. Private knowledge providers will underproduce this basic knowledge if they are not able to control access and capture its benefit. For this reason, governments provide direct subsidies to universities, research centers, libraries, and related organizations. These institutions play an important role in curating existing knowledge, as well as producing new knowledge. This provides a justification for public financing of research and knowledge as public goods.¹⁰

12. **Sharing tacit knowledge is a major challenge for organizations.** There are no low cost means to share tacit knowledge. It tends to be time consuming, often requires one-on-one coaching, learning by doing, or other time intensive activities. Organizations can facilitate this sharing by establishing incentives and formal structures. An organization's ability to mobilize,

⁷ S. Collins and B. Bosworth. 1997. *Economic Growth in East Asia: Accumulation versus Assimilation*. Brookings Institution. Washington, DC; J. Kim and J. Park. 2017. *Role of Total Factor Growth in Middle Income Countries*. ADB Economics Working Paper Series. No.527. Manila: ADB.

⁸ Al Maktoum Knowledge Foundation and the United Nations Development Program. 2018. *The Knowledge Index 2018*. Dubai. The index comprises 18 components. Asia and Pacific countries tend to perform better in the area of research and development; they generally underperform in the areas of human capital and information and communication technologies.

⁹ World Bank. 2013. *Measuring Knowledge in the World's Economies*. Washington, DC. The Knowledge Economy Index ranges from 0 to 10. The index is based on four pillars: (1) economic & infrastructure regime; (2) education & skills; (3) information and communication infrastructure; and (4) innovation system.

¹⁰ J. Stiglitz. 1999. *Knowledge as a Global Public Good*. *Global Public Good*. New York.

manage, and utilize knowledge is a major determinant of its innovative capacity.¹¹ Complex organizations that offer a range of goods and services need to develop a robust network or they will lose much of their tacit knowledge.

C. Knowledge at ADB

1. Knowledge Solutions

13. **ADB often refers to knowledge packages as knowledge solutions.** Strategy 2020 (2008) introduced the term “knowledge solution.”¹² The strategy identified knowledge solutions as a driver of change, using the tools, methods, and approaches, primarily through ADB’s lending and non-lending operations. Based on this concept, IED provides a definition for the evaluation. Using the definition here, an ADB knowledge solution would combine a variety of knowledge products and services to support its development objectives:

*A **knowledge solution** refers to a discrete, knowledge-based intervention that addresses complex problems. It is a tailored package that integrates knowledge from a variety of sources including publications, expert advice, education, training, and practical experience. It provides ADB and its stakeholders with tools, methods, and processes that add value. It can be provided on a stand-alone basis or it can add value by complementing other interventions, such as investment projects, technical assistance projects, and partnerships.*

14. **Not all ADB knowledge products and services are knowledge solutions.** Using staff time, technical assistance (TA) projects, and other resources, ADB produces a number of formal knowledge products, including flagship reports, books, policy briefs, sector studies, working papers, and articles. However, these products do not necessarily represent knowledge solutions. They are inputs into potential knowledge solutions or tools that can lead to knowledge solutions. A TA project is a means to an end as a source of financing.

15. **Tacit knowledge and international networks are major resources.** In addition to this documented knowledge, ADB staff and consultants provide substantial support and know-how in project design and preparation as well as in ongoing discussions with DMC governments and the private sector. As a regional entity, ADB organizes a wide range of capacity building and training events to disseminate knowledge and best practices, bringing together consultants, experts, and staff with DMC stakeholders. It uses its convening power to broker knowledge and promote south-south knowledge exchanges.¹³

2. Growing Emphasis on Knowledge in Corporate Strategies

16. **Since its establishment, ADB has offered knowledge services to complement its financial support.** Starting in 1967, ADB has provided TA grants to support project preparation, develop local capacity, provide policy advice, and help address global or regional development issues. In the same year, ADB established the Technical Assistance Special Fund (TASF) as a

¹¹ K.Z. Zhou and C. B. Li. 2012. “[How knowledge affects radical innovation: knowledge base, market knowledge acquisition, and internal knowledge sharing](#)”. *Strategic Management Journal*, Vol. 33 Issue 9.

¹² ADB. 2008. [Strategy 2020–The Long-Term Strategic Framework of the Asian Development Bank 2008–2020](#). Manila.

¹³ To support the evaluation, ADB Management prepared a theory of change that models ADB’s production of knowledge, from its basic inputs to the final impact (Appendix 1, Figure A1). Based on this model, Appendix 1, Table A1 presents an initial taxonomy of ADB’s products and services.

funding pool for TA projects. This was based on a firm belief that there were major gaps in knowledge and information in and about DMCs.¹⁴

17. **Much of ADB's support is at the regional level.** Starting in the 1970s, ADB supported subregional and regional knowledge products and services. These included specific studies, research initiatives, training initiatives, and the development of statistical databases. ADB has also produced a number of flagship research products—ranging from books to journals to flagship reports—focusing on development in Asia and the Pacific region. While this work is valuable, it is not necessarily knowledge solutions as defined here.

18. **ADB has incorporated knowledge in its country program.** While the formal mechanisms have changed over the years, ADB has viewed knowledge as a value addition to its financing program. The TA resources play a crucial role in contracting consultants who play a crucial role in producing formal knowledge products as well as hand-on support to ADB staff and DMC counterparts. In addition, ADB also provides hand-on implementation and policy advice. As with the ADB's support at the subregional and regional levels, this support ranges from studies, research initiatives, and capacity building activities. Much of this support is provided through the project cycle as elements in the project design and activities during implementation. Likewise, the tacit knowledge and know-how of ADB staff and consultants play a major role in determining the success of a country program.

19. **In 1997, ADB established the Asian Development Bank Institute to support its role as a knowledge organization.** Its mandate is to provide knowledge to promote development strategies and to improve management capacity in DMCs by engaging a wide range of stakeholders, including policy makers, academics, and researchers. The ADBI Fund, which ADB administers, supports the organization's operating costs. Its focus is research on long-term development issues and capacity building, with the objective of generating knowledge.

20. **The Poverty Reduction Strategy (1999) had a strong focus on knowledge solutions.** The strategy highlighted the importance of knowledge solutions in development to attain ADB's dual mission as a provider of knowledge in addition to financial assistance. Under the strategy and Long-Term Strategic Framework 2001–2015 (2001), ADB aimed to become a "learning institution and a primary source of development knowledge in Asia and the Pacific." Of particular importance was the role of knowledge in promoting regional cooperation as a "regional public good." This was built around knowledge sharing among DMCs, with DMCs learning from each other's experiences.¹⁵

21. **The next corporate strategy, Strategy 2020 (2008), further strengthened the role of knowledge solutions.** Recognizing that DMCs will need knowledge to drive future growth, the strategy calls for "ADB [to] play a bigger part in putting the potential of knowledge solutions to work in the Asia and Pacific region." Strategy 2020 emphasized integrated knowledge solutions, going beyond single knowledge-related activities.¹⁶ Communities of Practice, greater attention to partnerships, along with training and professional development of staff, were central to the strategy. Subsequently, ADB developed the Knowledge Management Action Plan in 2009, which had four main objectives: (i) sharpening the knowledge focus of ADB's operations; (ii) empowering communities of practice; (iii) strengthening external knowledge partnerships;

¹⁴ P. McCawley. 2017. [Banking on the Future of Asia and the Pacific: 50 Years of the Asian Development Bank](#). Manila: ADB.

¹⁵ ADB. 1999. [Fighting Poverty in Asia and the Pacific: the Poverty Reduction Strategy](#). Manila; ADB. 2001. [Moving the Poverty Reduction Agenda Forward in the Asia and the Pacific](#). Manila.

¹⁶ ADB. 2008. [Strategy 2020—The Long-Term Strategic Framework of the Asian Development Bank 2008–2020](#). Manila.

and (iv) enhancing staff learning and skills development.¹⁷ The Knowledge Management Action Plan for 2013–2015 reinforced this and continued ADB’s knowledge focus.¹⁸

22. **Strategy 2020 placed greater emphasis on knowledge partnerships.** The Regional Knowledge Sharing Initiative brought the resources of think tanks and universities to a range of DMCs. ADB and the People’s Republic of China have worked to make knowledge solutions available to other DMCs. ADB has also been active in development fora with other partners—for example, the Asia Clean Energy Forum, the Asia-Pacific Climate Change Adaption Forum, among others.

23. **The Midterm Review of Strategy 2020 strengthened ADB’s focus on knowledge solutions.** The 2014 Mid-Review strengthened the role of knowledge solutions in ADB’s support. The review placed greater emphasis on the role of knowledge-producing units and communities of practices. It also called for incentives for increased knowledge work and a growing role for other non-operational units in providing knowledge solutions.¹⁹

24. **The goal of Strategy 2030 is to ensure that ADB remains relevant in the region.** The new strategy (approved in July 2018) was explicitly predicated on the growing importance of knowledge solutions, both as stand-alone interventions and to provide value to financial solutions.²⁰ The strategy posits that as economies mature, the need for assistance evolves. These trends require integrated solutions, which go beyond traditional sector by sector assistance and build on a multidisciplinary approach. This argument is true for small states, poorer DMCs, and private sector clients.

25. **Strategy 2030 identifies knowledge as a cornerstone of ADB’s value addition, along with its financings and partnerships.** Strategy 2030 points to in-depth country and regional knowledge as one of ADB’s major assets. It also highlights the importance of tacit knowledge that is embedded in ADB’s operational work. The strategy calls for ADB to strengthen its role as a knowledge provider, building on its institutional knowledge and evidence-based research. To accomplish this, it calls for greater knowledge-sharing across the institution, increased partnerships and strengthening stakeholders’ capacity.

26. **This approach requires changes in how ADB operates.** As proposed in in Strategy 2030, delivering knowledge solutions implies a shift in emphasis from delivering products and services towards one that addresses a specific need and problem. This requires a change from an output-oriented focus to an outcome-oriented focus. TA projects are best seen as financing and organizing mechanisms rather than the knowledge solution in itself. As a knowledge solution involves the delivery of a suite or package of products and services, a single TA may support a wide range of knowledge solutions. Consistent with the “One ADB” approach, a knowledge solution would incorporate expertise from across sectors and operating units.

3. Institutional Reforms at ADB

27. **To support changes in strategy, ADB introduced certain institutional reforms.** ADB created a new central knowledge department in 2002, the Regional and Sustainable Development Department, to deepen institutional, sectoral, and thematic knowledge. This

¹⁷ ADB. 2009. [Enhancing Knowledge Management Under Strategy 2020 – Plan of Action 2009–2011](#). Manila.

¹⁸ ADB. 2013. [Knowledge Management Directions and Action Plan \(2013–2015\): Supporting “Finance ++” at the Asian Development Bank](#). Manila.

¹⁹ ADB. 2014. [Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and the Pacific](#). Manila.

²⁰ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

department housed sector and thematic focal points. While there have been subsequent changes, this remains ADB's current organizational model. In 2004, ADB introduced its first Knowledge Management Framework designed to strengthen the role of knowledge. This framework introduced a skills inventory, communities of practice, expanded knowledge sharing with external networks, and a new public communications policy.

28. **Strategy 2020 heralded additional reforms.** The Knowledge Management Action Plan (2013–2015) promoted a number of structural changes. In 2014, ADB created the Economic Research and Regional Cooperation Department, merging two units and combining economic research with some aspects of regional cooperation.²¹ In 2015, ADB created the Sustainable Development and Climate Change Department out of the Regional and Sustainable Development Department, with the goal to strengthen the link between knowledge and operations.²² Under the new organization, there are seven sector groups in the Sector Advisory Service Cluster and the Thematic Advisory Service Cluster, with six thematic groups and two other units. Unlike the previous model, each group had several staff members instead of a single focal point. The realignment also created the Knowledge Sharing and Services Center to serve as the focal point for knowledge management.²³ The primary function of the center is to coordinate the generation, curation, and sharing of knowledge.

29. **In 2017, the Department of Communications established the Knowledge Support Division.** This aimed to strengthen ADB's curation of knowledge and to enhance its external knowledge sharing. While ADB has long maintained a number of external portals, the division has a mandate to coordinate these resources and link them to potential users.

30. **The 2014 Midterm Review of Strategy 2020 led to greater integration of knowledge into the country programs.** ADB introduced country knowledge plans as a section in country partnership strategies. These plans, along with the list of indicative knowledge publications and events, are included as a mandatory appendix. The country knowledge plan reflects ADB's assessment of analytical needs to prepare a new country partnership strategy. Based on this assessment, ADB and the DMC identify areas of collaboration and necessary ADB inputs.

4. IED evaluations of ADB and knowledge solutions

31. **IED has completed several high-level evaluations focusing on the generation, capture, utilization, and sharing of knowledge.** These include the 2017 Annual Evaluation Review with a special chapter on project learning, as well as evaluations of ADB's partnerships, of technical assistance, and of knowledge products and services.²⁴ These evaluations underlined the need for ADB to continue learning and adapting, in light of the complex development challenges and the increasingly sophisticated approaches required to address these challenges.

32. **IED's country and project evaluations also focus on ADB's experience providing knowledge services.** IED's evaluations of ADB's support for operations recognized the

²¹ These were the Economic Research Department and the Office of Regional Economic Integration. Most of the latter office's staff moved to the new department.

²² This was created from the Regional and Sustainable Development Department.

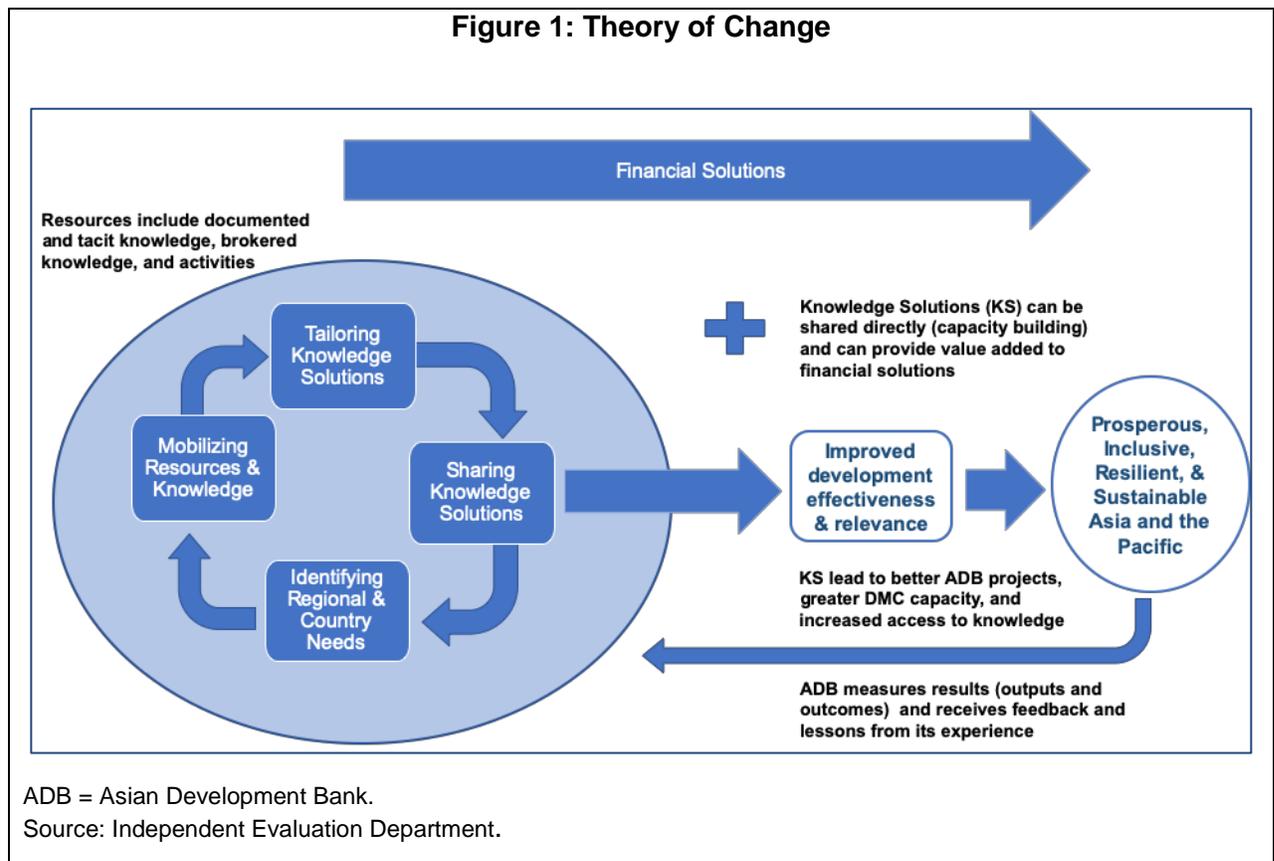
²³ This unit was subsequently renamed the Knowledge Advisory Service Center.

²⁴ IED. 2012. [Special Evaluation Study on Knowledge Products and Services](#). Manila: ADB; IED. 2014. [Corporate Evaluation: Role of Technical Assistance in ADB Operations](#). Manila: ADB; IED. 2016. [Thematic Evaluation Study: Effectiveness of Asian Development Bank Partnerships](#). Manila: ADB; IED. 2017. [Annual Evaluation Review: Learning Lessons from Project Evaluations](#). Manila: ADB.

importance to anchor its financial operations with knowledge solutions.²⁵ IED's recent synthesis paper of country evaluations underlined the need to improve the identification of country level knowledge needs, concluding that increasingly, "*countries value ADB support not so much for its financial resources but for the knowledge and best practices it provides directly through technical assistance and advice, or embedded in its operations.*"²⁶ These observations are particularly important for middle-income countries.²⁷ The evaluations recommend that, given the current context, needs, and expectations, ADB needs to improve its business model to include new knowledge solutions.

E. Theory of Change

33. **The Theory of Change (TOC) for this evaluation focuses on the process through which ADB identifies, develops, and delivers knowledge solutions.** The TOC is based on IED's understanding of this process and builds on a framework that ADB Management prepared to model knowledge solutions, contained in Appendix 1, Figure A1. The evaluation focuses on ADB's contribution to developing and delivering knowledge solutions to DMCs and other stakeholders. Figure 1 presents the evaluation's TOC in graphic form.



34. **The TOC is built around assumptions of development patterns and increasing economic complexity, and ADB's role as a trusted development partner.** These assumptions are beyond ADB's short-term control. They describe the context in which ADB operates and the region's perceptions of the organization. There are five main assumptions:

²⁵ IED. 2014. [Inclusion, Resilience, Change: ADB's Strategy 2020 at Mid-Term](#). Manila: ADB.

²⁶ IED. 2017. [Lessons from Country Partnership Evaluations: A Retrospective](#). Manila: ADB.

²⁷ IED. 2016. [The Asian Development Bank's Engagement with Middle-Income Countries](#). Manila: ADB.

- (i) DMC economies are increasingly complex and knowledge-based, requiring innovative solutions along financing;
- (ii) ADB is seen as a credible provider of knowledge solutions;
- (iii) Useful knowledge is available, but it must be tailored to address the DMCs' specific needs in order to be fully effective;
- (iv) Even when a DMC has access to knowledge, it may not be available at the right time or in the form needed; and
- (v) Access to knowledge varies greatly across DMCs as well as within individual DMCs.

35. **The TOC does not purport to explain all factors leading to the desired outcome.** The TOC does not address how knowledge is created or how it adds value to other interventions. It implicitly assumes that knowledge is a valued asset, following the definition.²⁸ There are many other institutions, such as national institutions, private initiatives, and development organizations, that contribute to the development of knowledge solutions in the region. These exist in the background and are independent of ADB's actions. The TOC focuses on ADB's value addition, given the actions of others. The evaluation does not explicitly focus on how ADB learns as an institution or how it incorporates operational experience.

36. **Understanding the needs and priorities of the region and DMCs is an essential first step in developing knowledge solutions.** Through policy dialogue and analytical work, ADB seeks to identify development challenges and opportunities in the region. Other fora, such as workshops or knowledge events, also contribute to better understanding DMCs' needs and demand for knowledge services and support. The tacit knowledge of staff also plays an important role in developing a set of priorities. ADB's institutional priorities and strategies provide the context in which ADB operates.

37. **ADB mobilizes the resources it needs to develop knowledge solutions.** With more than 50 years of operational experience across a wide range of sectors and countries, ADB's institutional knowledge is a major resource. Some of this knowledge is captured formally in corporate documents or publications. Another part of this knowledge is held by staff, DMC counterparts, consultants, and partners. This tacit knowledge is more difficult to capture and is often transferred informally. ADB's corporate culture plays an important role in facilitating or impeding the generation and spread of knowledge. This may occur through the promotion of collaborative practices, improving knowledge sharing within and between individual units, formal education, document review, organizational learning, and capturing new tacit knowledge.²⁹

38. **Capturing external knowledge is necessary to infuse new ideas and practices.** ADB has developed formal and informal knowledge partnerships with academia, international organizations, and other institutions. Secondments and professional development for staff are additional mechanisms through which ADB captures external knowledge. ADB can also serve as a knowledge broker, using its resources and convening power to bring regional and global

²⁸ The Data Information Knowledge Wisdom (DIKW) framework provides a starting point for understanding the transformation of data into knowledge and ultimately innovation, J. Rowley. 2007. [The Wisdom Hierarchy: Representations of the DIKW Hierarchy](#). *Journal of Information and Science*. Volume: 33 issue: 2, page(s): 163-180. Issue published: April 1, 2007; and D. Wallace. 2007. [Knowledge Management: Historical and Cross-Disciplinary Themes](#). Santa Barbara, CA. Adult learning can be seen as a hierarchy of increasing sophisticated critical thinking skills, D.R. Krathwohl. 2002. ["A revision of Bloom's taxonomy: An overview"](#). *Theory into Practice*, 41 (4): 212–218.

²⁹ An evaluation on learning conducted by the Independent Evaluation Group of the World Bank provides some background on how organizations learn from their experience. Independent Evaluation Group. 2014. [Learning and Results in World Bank Operations: How the Bank Learns](#). Washington, DC. IED's knowledge for development evaluation will not directly address the effectiveness of ADB's learning.

knowledge to the DMCs and other stakeholders. This external knowledge is an important resource in the creation of knowledge solutions.

39. **ADB generates and shares knowledge solutions, tailored to DMCs' needs.** In this model, a knowledge solution is a discrete and useful piece of knowledge that can lead to a positive impact. It can only be valued and thus utilized if it is provided in the right form and at the right time to the right users. A knowledge solution can be packaged as part of an investment project, a policy-based loan or a results-based loan, policy dialogue, a feasibility study or other preparatory project work, an advisory service, a training event, conference, seminar or workshop, or a formal knowledge product. ADB has large number of instruments to develop tailored solutions, including its administrative budget and its TA budget. Access to tacit knowledge and ADB's network are among the most valuable and valued assets that the institution has.

F. Evaluation Objectives and Scope

40. **Objective and Purpose.** The evaluation's objective is to provide ADB with a prospective assessment of its delivery of knowledge solutions. It will assess ADB's readiness to implement the knowledge-related elements of Strategy 2030. In particular, it will support the design of the new Knowledge Management Action Plan and the early implementation of Strategy 2030.

41. **Approach.** IED will carry out a process evaluation of ADB's delivery of knowledge solutions. A process evaluation focuses on the efficiency and relevance of structures and processes. Using a set of good practices, the evaluation will develop standards for ADB, taking into ADB's context. The evaluation will review the interactions and coordination between different ADB units, their staff, information systems, and business processes. It will take a client-centered approach to understand how the needs of the client are gathered, understood, stored, and shared across ADB. It will identify strengths and specific bottlenecks ("pain points") to the use of knowledge solution to provide additional value. This approach is similar to a gap analysis, although it emphasizes positive as well as negative characteristics. It is often called a maturity model in the field of knowledge management.

42. **The evaluation focuses on how ADB responds to client needs and how ADB staff and its consultants operate.** While the ultimate object of ADB is to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, this is beyond the scope of the evaluation. Although ADB is one of the largest development organization in the Region, it is still relatively small. There are no widely accepted indicators or methodology that can measure the impact of an organization's knowledge on economy-wide outcomes. Likewise, it is difficult to measure the economy-wide impact of reforms that ADB supports. The evaluation will not assess the outcome or impact of ADB's support.

43. **Scope.** The evaluation will focus on ADB's organization, inputs, and output from 2013 (the date of IED's most recent evaluation of ADB as a knowledge provider), with a particular focus on actions after the approval of the last Knowledge Management Action Plan in 2015. The evaluation will not assess the effectiveness or impact of individual knowledge solutions or knowledge products and services.

44. **Audience.** The evaluation intends to be useful to the Board of Directors and ADB's Management, particularly in the design of the Knowledge Management Action Plan and the early implementation of Strategy 2030. Most ADB units produce and consume knowledge; they will benefit from the evaluation's lessons. It will help DMCs and other stakeholders understand ADB's potential role as they seek knowledge solutions. The evaluation will also provide useful lessons for other development partners.

G. Evaluation Questions

45. **The evaluation's overarching question is: "To what extent does ADB's institutional structure and culture support its understanding of its stakeholders' knowledge needs and its efficient delivery of relevant knowledge solutions in the context of Strategy 2030 and the evolving needs of Asia and the Pacific?"** The evaluation has four specific evaluation questions:³⁰

46. **The first two questions focus on the extent to which ADB knowledge solutions are relevant to DMCs, private sector clients, and other partners.**

- (i) **How well does ADB identify regional and country needs for knowledge solutions?** This explores how ADB identifies knowledge, responding to stakeholder demands while balancing this demand with its own objectives and capacity. It refers both to ADB's support for public and private sector clients in DMCs as well as identifying the need for regional public goods.
- (ii) **To what extent does ADB tailor knowledge solutions to meet these needs?** This question addresses how well ADB solutions combines its instruments and resources to create a coherent package, including the role of human resources (staff and consultants), its TA resources (for training and publication), and its networks and convening power.

47. **The second set of questions analyze if ADB's current structure facilitate the efficient delivery of knowledge solutions.**

- (i) **Does ADB have the necessary processes and culture to harness its resources efficiently to deliver knowledge solutions?** This question focuses on the internal structure of ADB, including its organization, culture, processes and incentives. It asks how these facilitate or limit the delivery of knowledge solutions. This question will address how ADB deploys its human resources, the role of consultants in the delivery of knowledge solution, and the robustness of information management systems.
- (ii) **To what extent does ADB efficiently share knowledge solutions and measure their results?** This question identifies the process of sharing and disseminating knowledge solution with the intended beneficiaries, both directly and through project investment.

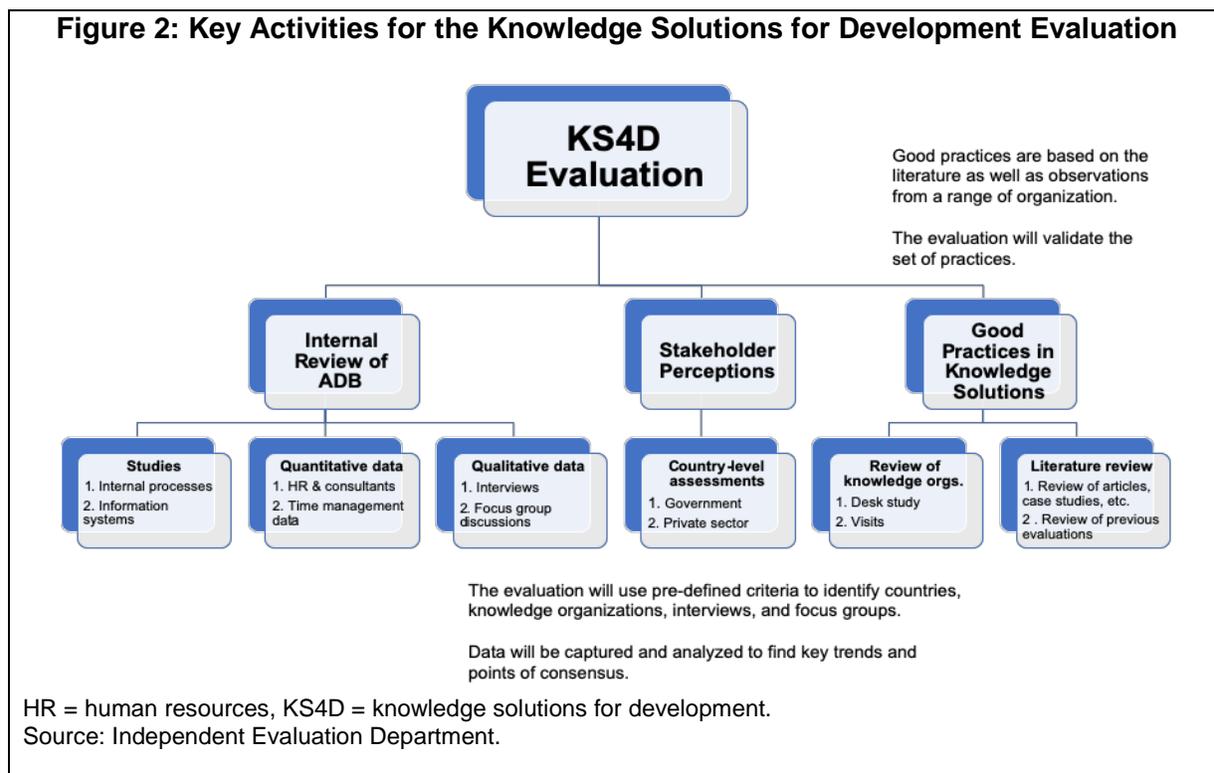
48. **These questions will address a number of cross-cutting issues.** To address ADB's readiness for Strategy 2030, the evaluation will assess a different options through its review of other international organizations. This includes the potential role of DMC-financed technical assistance and increased advisory services for private sector clients. As well as the role of internal and external research in the delivery of knowledge solution.

H. Evaluation Design and Methodology

49. **The evaluation will combine rigorous qualitative methods with quantitative data.** The evaluation will rely on mixed methods to collect data. The evaluation team will analyze these data to identify ADB's strengths and weaknesses as it delivers knowledge solution. This

³⁰ Relevance and efficiency are used in the same sense as in IED's guideline for evaluation. Relevance indicates the appropriateness of ADB's knowledge solutions and its positioning in particular sectors or priorities given ADB's capacity and the DMC needs. Efficiency measures the magnitude of bottlenecks in delivering knowledge solutions.

will follow the trajectory in the theory of change. The evaluation will rely on a set of good practices as a benchmark. The evaluation will ensure that these good practices are realistic given ADB's position as an international financial institution. The good practices will be based on literature as well as case studies of a range of knowledge organizations. The evaluation team will base its recommendations by comparing ADB's current situation and practices with alternative approaches. Figure 2 outlines and groups the evaluation's key activities. The figure in Appendix 2 ties together the elements of the TOC with the evaluation questions and the evaluation's activities.



1. Activities

a. Developing a set of good practices and benchmarking

50. **The evaluation will review the latest thinking on successful knowledge organizations.** Working with global experts, IED will identify and consolidate lessons on good practices in knowledge production and management. To this end, the evaluation will conduct a careful review of the literature, including academic articles, books, and case studies. This will be complemented by a review of the International Standard Organization's new guidelines for knowledge management.³¹ Based on this review, the evaluation will propose a set of good practices that will reflect ADB's context as an international development organization and a not-for-profit financier. They will be used to develop context-specific standards that can serve as a benchmark for ADB.

51. **The evaluation will develop instruments and identify knowledge organizations for case studies.** Using a set of good practices, IED will develop case study instruments. These instruments will provide a guide to capture data from these organizations. IED will develop a

³¹ International Standards Organization. 2018. *ISO 30401:2018-Knowledge management systems—Requirements*. Geneva.

methodology to identify organizations. It will include a mix of global and regional institutions. It will include a range of international organizations including the World Bank, one or more regional development banks, and other actors in the development community. It will also include large management consulting firms (for example, McKinsey Global and Boston Consulting), specialized private providers (for example, Gartner and Straits Knowledge), and public and semi-public organizations (for example, the British Council and the Korean Development Institute). The evaluation will also review organizations operating in the countries that it will visit for country-level assessments. In some cases, IED will conduct desk reviews complemented by phone or video interviews. This review will help validate the standards that evaluation develops. It will also identify specific good practices that other organizations use (for example, in the management of tacit knowledge) as well as identify challenges that they have faced as a knowledge organization.

b. Understanding the case of ADB as a knowledge organization

52. **The evaluation will conduct in-depth interviews and focus groups within ADB.** Using a human and client-centered methodology, IED will develop interview and focus groups guides relevant to the audience. These interviews will identify key issues related to knowledge in ADB operations to map the existing strengths and weaknesses to the actors and processes in relation to the project cycle and according to themes as they emerge.

53. **The evaluation will use transparent criteria to identify participants to support the evaluation objectives.** Based on a client-centered approach, it will look at the individuals that directly work with the clients (project officers, team leaders, analysts, consultants) across different levels (international staff, national staff, and administrative staff). The evaluation will also evaluate ADB teams that provide support or have an indirect role in the knowledge cycle including relevant digital systems and policies. These will include:

- (i) Operations staff in the regional departments, Private Sector Operations Department, and Office of Public-Private Partnerships. The evaluation team will interview staff from ADB resident missions during its country-level assessments. The team may also interview staff from other resident missions if available in ADB headquarters.
- (ii) Staff in knowledge departments (Department of Communication; Economic Research and Regional Cooperation Department; and the Sustainable Development and Climate Change Department).
- (iii) Other units (such as the Office of the General Counsel or the Procurement, Portfolio and Financial Management Department) that provide internal knowledge solutions and direct support to DMCs and other ADB clients.
- (iv) Senior level and ADB Management to understand their strategic view of knowledge and options for the institution.

54. In addition, the team will interview staff at the Asian Development Bank Institute in Tokyo, while carrying out visits to knowledge institutions.

55. **The evaluation will use good practice in qualitative analysis.** The evaluation will identify key themes in the interviews and focus group discussions. This will include “tagging” key ideas to analyze the frequency and intensity. The evaluation will identify themes where there is a consensus and areas that require further investigation. To ensure confidentiality, no records will be kept on individual responses. The discussions will include procedures that support or delay the delivery of knowledge solutions and the bottlenecks that staff face.

56. **The evaluation will identify the factors behind successful knowledge solutions.** Working with ADB, the evaluation will identify a number of successful knowledge solutions.³² The evaluation team will conduct short interviews of staff involved in the design and implementation. The evaluation will identify common factors that contribute to success.

57. **The evaluation will use quantitative data on human resources and consultants.** To the extent possible, the evaluation will analyze existing administrative data on ADB staff and consultants to develop a better sense of the skill mix and experience of ADB staff. The focus will primarily be on experience, education, skills, and staff movements. For consultants, the focus is likely to be more limited due to the nature of available data. The evaluation will protect the confidentiality of all human resource and consulting data, presenting data at a high level of aggregation. Only designated members of the evaluation team will work directly with HR data, in close cooperation with the concerned departments.

58. **Background studies of ADB processes will inform the evaluation.** ADB processes play an important role in determining the efficiency of the delivery of knowledge solutions. The evaluation will carry out a review of processes in ADB associated with knowledge solutions and knowledge management, such as systems to capture lessons, the organization of databases, access to data on staff expertise, among others. The evaluation will select processes based on the feedback from discussions with staff.

c. Country-level assessments

59. **To gather country level data, the evaluation will focus on five DMCs.** The selection of these DMCs follows predetermined criteria. The first is an objective measure of DMC's integration in the global knowledge economy, external to and independent of ADB support and captures the country's existing capacity to produce knowledge. The second is a measure of the importance of policy-based lending in ADB's overall lending portfolio.³³ ADB requires that country knowledge work support the design and implementation of this sort of lending. Tables 1a and 1b show the initial selection of DMCs. The evaluation will use an alternative approach from three to five small Pacific island DMCs to bring together a selection of DMC officials and private sector clients to discuss their experience with ADB and its knowledge solutions.

Table 1a: Primary Criteria for Country-level Assessments

		Share ADB Budget Support in Portfolio	
		Above Median	Below Median
Global Knowledge Index	Above median	Kazakhstan (CWRD)	People's Republic of China (EARD)
	Below median	India (SARD) Pacific DMCs (PARD)	Cambodia (SERD) Pacific DMCs (PARD)

CWRD= Central and West Asia Regional Department, DMC = developing member country, East Asia Regional Department, SARD=South Asia Regional Department, SERD=South East Asia Regional Department. PARD=Pacific Regional Department

Note: The evaluation will select at least three Pacific developing member countries.

Source: IED. 2018. *Policy Based Lending 2008–2017: Performance, Results, and Issues and Design*. Manila: ADB. Data from Global Knowledge Index available at <http://knowledge4all.com/en/WorldMap>.

³² Because there is neither a well-defined portfolio of knowledge solutions nor a functioning assessment system of these solutions, IED will ask for suggestions from different ADB units. The interviews will be short and will focus exclusively on the factors that the staff consider essential for success.

³³ ADB has provided budget support for more than four decades. For more details, see IED. 2018. *Policy-Based Lending 2008-2017: Performance, Results, and Issues and Design*. Manila: ADB.

Table 1b: Secondary Criteria for Country-level Assessments

		Size of the Economy		
		Large	Medium	Small
Country Classification	A			At least three Pacific region DMCs
	B	India (SARD)	Cambodia (SERD)	
	C	People's Republic of China (EARD)	Kazakhstan (CWRD)	

CWRD= Central and West Asia Regional Department, DMC = developing member country, East Asia Regional Department, SARD=South Asia Regional Department, SERD=South East Asia Regional Department.

Note: There are Pacific developing member countries in categories A, B, and C. A developing member country economy is classified as large if it has a gross domestic product above \$200 billion. It is classified as small with a gross domestic product below \$10 billion.

Source: Independent Evaluation Department.

60. **IED will consult with a range of external stakeholders.** In order to gauge how ADB responds to external needs, IED will contact external stakeholders, including DMC governments, private sector borrowers, knowledge partners, and others. The evaluation will hold consultation meetings, bringing together this range of respondents. As appropriate, ADB will interview in person a small set of stakeholders on an individual basis. Experts in qualitative techniques will conduct the consultation meetings.

2. Limitations

61. **The key limitation is the broad nature of knowledge.** While there is a consensus that knowledge is an important corporate asset and an essential element for sustainable development, it is difficult to define and measure. While many organizations depend on knowledge for their livelihood, it is difficult to value it as an asset. Likewise, it is difficult to measure knowledge's contribution to an organization's objective. The evaluation will focus on how ADB incorporates knowledge in its operations and how it delivers knowledge to DMC partners.

62. **The evaluation will not have a major focus on learning.** While institutional learning is a major part of generating knowledge solutions, the evaluation will focus primarily on the delivery of knowledge solution to DMCs and the private sector clients. The evaluation will explore learning in ADB but in the context of delivery.

63. **Understanding tacit knowledge is not straightforward.** It is difficult to identify and measure the stock of tacit knowledge in an organization. While it is difficult to measure the contribution of documented knowledge at the outcome level, it is relatively straightforward to measure its stock. Since ADB relies on consultants, it is even more challenging to understand the nature of tacit knowledge and ADB has a high degree of staff turnover. The evaluation will largely confine itself to existing staff and consultants, which will underestimate the total stock of ADB tacit knowledge.

64. **A qualitative evaluation cannot cover all options and groups.** Due to restrictions in time and budget, it is not possible to cover all major groups of DMCs. For example, the evaluation will only visit small Pacific DMCs in country category A (grants only). In part, this reflects the growing number of ADB DMCs in this category. The use of a clear methodology to select countries will also provide transparency and ensure that findings are appropriate for the range of ADB DMCs and activities.

65. **ADB has multiple information storage systems.** At present, ADB relies on a multitude of unintegrated systems to catalogue and store information and data. Not all TA-financed products are available in readily accessible form. Many records (such as aide memoires and records from capacity building exercises) are only available in paper files, which can be difficult to access. This may complicate the evaluation’s review of past ADB activities. These limitations will be documented as part of the evaluation.

3. Dissemination

66. Internally, IED will hold briefings with management and the Board, as well as internal presentations and discussions. After consideration by the Board of Directors, IED will disclose the approved evaluation. IED will organize active external dissemination, with learning events, publications, and participation in conferences. IED will target specific stakeholders—DMC governments, donors, other development partners, among others—to maximize the evaluation’s message.

4. Resource Requirements and Indicative Timeline

67. The evaluation will be funded from TA resources.³⁴ Table 2 presents the indicative evaluation timeline and milestones. Given the limited timeframe and the importance of the evaluation for Strategy 2030, IED will work with ADB Management to ensure a smooth implementation of the evaluation. To the extent possible, IED will carry out regular briefings and share knowledge from the evaluation in an ongoing basis.

Table 2: Indicative Schedule of Evaluation Activities and Milestones

Activities	Schedule
Circulation of EAP for interdepartmental comments	Apr 2019
EAP approval	Jun 2019
Background paper on best practices	Jun-Aug 2019
Internal interviews and focus groups	Jun–Aug 2019
External knowledge provider case studies	Jul–Oct 2019
Country-level assessments	Aug-Sep 2019
Report writing	Oct–Nov 2019
Circulation for interdepartmental comments	Jan 2020
Editing	Jan 2020
HOD meeting	Feb 2020
Technical recommendations discussion	Feb 2020
Report approval	Feb 2020
Board circulation	Feb 2020
Development Effectiveness Committee meeting	Mar 2020

5. Evaluation Team and Resources

68. Erik Bloom (senior evaluation specialist) is the team leader. Other team members include Tania Rajadel (senior evaluation specialist) until end-May 2019, Ma. Patricia Lim (senior evaluation officer) and Myrna Fortu (evaluation analyst) as well as one or two other staff from among IED evaluation specialists. A team of experienced consultants will support the evaluation team. A senior development specialist and a senior evaluation specialist will support the team in developing methodology and analyzing data. Two survey and case study specialists will take the lead in developing methodology and instruments for the cases studies. A senior knowledge management specialist will provide support in analyzing data and reviewing literature. Along with IED staff, the consultants will participate in carrying out internal and external interviews,

³⁴ ADB. 2016. *Technical Assistance Cluster: Selected Evaluation Studies and Outreach for 2017–2019*. Manila.

surveys, and similar activities. They will also prepare selected sections and appendices to the evaluation, as needed. The evaluation will contract other experts for short-term support on specific tasks as required. The evaluation will recruit local consultants in ADB headquarters for research and data analysis, and in DMCs to support and facilitate evaluation missions.

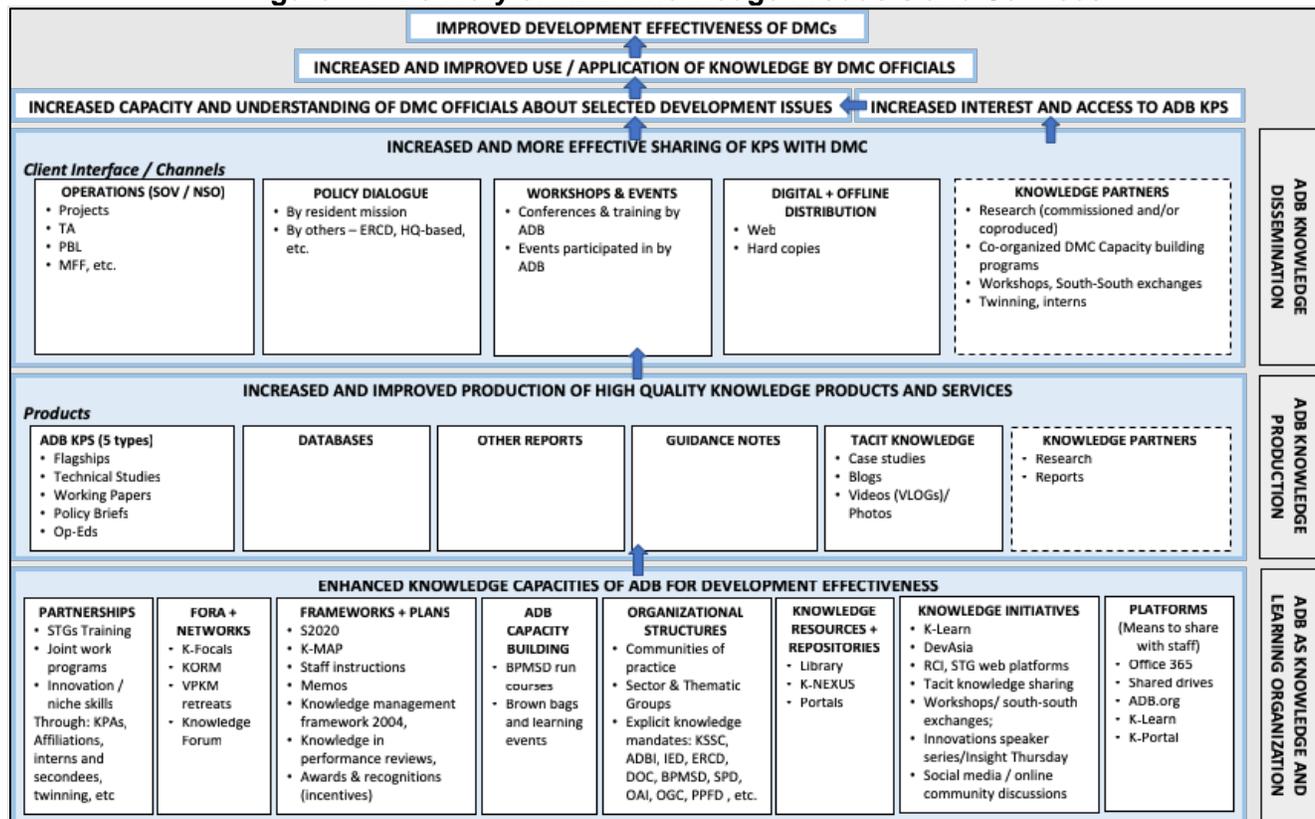
69. The evaluation report will be peer reviewed by: (i) Nicholas Milton, independent resource person; and (ii) Soniya Carvalho, an experienced evaluator from the Independent Evaluation Group of the World Bank. Melinda Sutherland, Senior Evaluation Specialist, will comment on the evaluation from within IED.

Appendixes:

1. Taxonomy of ADB Knowledge Products
2. Theory of Change, Evaluation Questions, and Activities.

APPENDIX 1: TAXONOMY OF ADB KNOWLEDGE PRODUCTS

Figure A1: Delivery of ADB Knowledge Products and Services



Source: Asian Development Bank. Prepared as a theory of change for the use by this evaluation.

Table A1: Initial Taxonomy of ADB Products and Services

What: Knowledge Products and Services	
Flagship report	Guidance notes
Technical studies, working papers, and journal articles	Case studies
Policy briefs	Blogs
Databases	Videos
Training	
How: Financing, Organization, and Delivery	
Policy dialogue	Partnerships
Country strategies	Workshops
Country knowledge plans	Events
Transaction Related Technical Assistance	Internships and secondments
Knowledge and Support	South-south exchanges
Technical Assistance	Internet
Funds and financing facilities	

Source: Independent Evaluation Department. Based on Asian Development Bank. 2017. [Technical Assistance Reform](#). Manila; and ADB's [description of funds and financing facilities](#).

APPENDIX 2: THEORY OF CHANGE, EVALUATION QUESTIONS, AND ACTIVITIES

