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

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NOTE

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## Abbreviations

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<th>Description</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>ADBI</td>
<td>Asian Development Bank Institute</td>
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<td>APQC</td>
<td>American Productivity &amp; Quality Center</td>
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<td>COVID-19</td>
<td>coronavirus disease</td>
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<td>CPS</td>
<td>country partnership strategy</td>
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<td>DMC</td>
<td>developing member country</td>
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<td>DOC</td>
<td>Department of Communications</td>
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<td>EBRD</td>
<td>European Bank of Reconstruction and Development</td>
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<td>ERCD</td>
<td>Economic Research and Regional Cooperation Department</td>
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<td>IED</td>
<td>Independent Evaluation Department</td>
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<td>IT</td>
<td>information technology</td>
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<td>KMAP</td>
<td>Knowledge Management Action Plan</td>
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<td>KPS</td>
<td>knowledge products and services</td>
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<td>KSTA</td>
<td>knowledge and support technical assistance</td>
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<td>PRC</td>
<td>People’s Republic of China</td>
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<td>RRP</td>
<td>Report and Recommendation of the President</td>
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<td>SDCC</td>
<td>Sustainable Development and Climate Change Department</td>
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<td>STG</td>
<td>sector and thematic groups</td>
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<tr>
<td>TA</td>
<td>technical assistance</td>
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<td>TRTA</td>
<td>transaction technical assistance</td>
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<td><strong>Glossary</strong></td>
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<tr>
<td><strong>Asia and the Pacific</strong></td>
<td>The area that the Asian Development Bank covers and supports</td>
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<td><strong>documented knowledge</strong></td>
<td>Knowledge available in written form, including academic articles, books, patents, and consultant briefs</td>
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<tr>
<td><strong>good practice</strong></td>
<td>A successful experience that has been tested and replicated in different contexts and can be recommended as a model</td>
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<td><strong>ISO 30401: 2018</strong></td>
<td>The International Standards Organization (ISO) standard on knowledge management systems, which includes the requirements and guidelines for establishing, maintaining, and strengthening a knowledge management system in different types of organizations</td>
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<td><strong>knowledge</strong></td>
<td>An intangible individual or organizational asset comprising facts, information, and skills acquired through experience or education (Box 2 in the main text)</td>
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<td><strong>knowledge economy</strong></td>
<td>An economy where production and services are based on knowledge-intensive activities that contribute to an accelerated pace of technical and scientific advance, as well as rapid obsolescence</td>
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<td><strong>knowledge management</strong></td>
<td>The process or practice of acquiring, capturing, sharing, and using productive knowledge to enhance performance in organizations</td>
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<td><strong>knowledge solution</strong></td>
<td>Knowledge solutions are knowledge-based ideas, designs, approaches, products, and processes that resolve problems (Box 4 in the main text).</td>
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<tr>
<td><strong>lesson</strong></td>
<td>Generalizations based on evaluation experiences with projects, programs, or policies—frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact</td>
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<td><strong>region</strong></td>
<td>The five regions covered by ADB regional departments are: East Asia, Central and West Asia, the Pacific, South Asia, and Southeast Asia. Depending on the context, the word “region” may also refer to all of Asia and the Pacific.</td>
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<td><strong>tacit knowledge</strong></td>
<td>Knowledge that resides in the minds of individuals and is surfaced in response to a situation or action</td>
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<td><strong>unit</strong></td>
<td>Generic term referring to a department, division, or office within ADB</td>
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Foreword

In 1966, the Asian Development Bank (ADB) was created to foster economic growth and cooperation in Asia and the Pacific. The past five decades have seen remarkable progress in this endeavor, with economic growth leading to a precipitous drop in poverty in Asia and the Pacific. Most developing member countries have now left low-income status.

As a result of this extraordinary transformation, ADB’s public- and private-sector partners are becoming more sophisticated and demanding. For ADB to maintain its relevance, it must address these demands by accelerating its evolution. ADB’s new strategy, Strategy 2030, is quite explicit in recognizing the challenge. It places a heavy emphasis on ADB providing value addition through greater integration of knowledge in its financial support.

Against this backdrop, the evaluation’s underlying question is simple: How ready is ADB to meet the new demands of its partners? The evaluation asks this question in the context of the transition taking place in the region and the world economy, with knowledge itself becoming the force driving change even if access to knowledge has not been equal—many of ADB’s partners are falling behind. The question is also asked in the context of Strategy 2030, which has set new aspirations and targets for the institutional contribution to regional development.

Most evaluations put a strong emphasis on understanding performance and results to support the institutional accountability and learning functions; this evaluation is different. It looks at ADB’s past performance along with current and emerging practices with the primary purpose of identifying opportunities for improvement in a rapidly evolving area. It is geared towards providing frameworks, understanding institutional practices and identifying issues, lessons and recommendations to help the Board and ADB Management make the strategic and tactical decisions needed to reposition the institution so it can deliver knowledge for development.

The evaluation team compared ADB with benchmarks, drawing from the experience of peer organizations and leading knowledge organizations. It took a holistic approach to knowledge, with the understanding that formal knowledge products and services represent only a fraction of ADB’s knowledge support.

While recognizing the many attributes and resources that ADB has to achieve the vision stated in Strategy 2030, the evaluation also makes it clear that success is by no means assured and that there is ample room for improvement. The challenges that ADB faces are not unique and have been faced by many organizations—being stifled by too many “silos” in the organization being just one. To remain relevant, ADB needs to leave its comfort zone and promote change. Building on its substantial resources, its regional knowledge, and strong regional goodwill, ADB will need to change its incentives and develop a more horizontal knowledge-oriented and teamwork-based culture.

Repositioning the institution so it can provide knowledge for development will require a significant strategic decision on the part of the Board of Directors and ADB Management. IED offers a set of recommendations on the way forward. The evaluation argues that ADB can continue its gradual reform within the context of its Finance++ model (a focus on low-cost finance supported by partnerships and knowledge) or it can adopt a more significant reform, moving to what the evaluation calls the Knowledge++ model (a focus on a high-quality valued-added blend of knowledge and finance and partnerships with implications for resources and costs). This decision requires clarity on ADB’s strategic intentions and long-term commitment. We trust that this evaluation fulfills its objective by providing the critical knowledge needed to move this agenda forward in a significant way.

Marvin Taylor-Dormond
Director General
Independent Evaluation
Acknowledgments

This evaluation was prepared by a team comprising Independent Evaluation Department (IED) staff Erik Bloom (team leader), Myrna Fortu, Ma. Patricia Lim, and Tania Rajadel (until June 2019).

The team worked under the guidance of Director General Marvin Taylor-Dormond, Deputy Director General Véronique Salze-Lozac’h, and Director Walter Kolkma. IED staff Melinda Sutherland provided comments on the draft final report. Soniya Cavalho (Lead Evaluation Specialist, Independent Evaluation Group of the World Bank), and Nicholas Milton (Knoco, Ltd) made valuable contributions as external peer reviewers.

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The team would like to thank the management and staff of the Asian Development Bank (ADB) for their insights and information. In particular, IED would like to thank Vice President of Knowledge Management and Sustainable Development, Mr. Bambang Susantono, and his staff (including those at the Knowledge Advisory Services Center), who provided extensive interactions and feedback.

The team also acknowledges the support from government officials, and other stakeholders who made themselves available during evaluation missions to Cambodia, the People’s Republic of China, Fiji, and Georgia. ADB staff in headquarters and resident missions provided extensive support in organizing these missions.

IED remains fully responsible for this report.
Knowledge Solutions for Development: An Evaluation of ADB’s Readiness for Strategy 2030

RECOMMENDATIONS

1. ADB needs to make a clear, high-level decision about the desired depth and scope of the institutional transformation needed to implement Strategy 2030’s knowledge ambitions. There are two boundary choices: The first boundary path, a Knowledge++ Bank model (knowledge plus finance and partnerships), would seek a wider transformation towards a knowledge bank, a choice that would be neither budget- nor effort-neutral. The second boundary path, to remain a Finance++ Bank model (finance plus knowledge and partnerships), would be consistent with ADB’s efforts to continue with reforms.

2. If a Knowledge++ Bank model is favored, ADB will need to adopt a comprehensive approach to the full implementation of Strategy 2030’s knowledge ambitions. This will require a decision to invest in staff and significantly deepen the reform of ADB’s culture, structure, and human resource management.

3. If a Finance++ Bank model is favored, the current pace of incremental reform can be maintained, but a number of actions should still be undertaken to strengthen knowledge solutions.

4. In either scenario, ADB should take ownership and adopt a long-term commitment to its choice on how to implement Strategy 2030 and needs to develop new tools to benchmark its knowledge solutions and to update knowledge management procedures.

THE EVALUATION IN BRIEF

EVALUATION APPROACH

Knowledge solutions are knowledge-based ideas, designs, approaches, products, and processes that resolve problems. Reflecting its vision as the region’s premier development partner, the Asian Development Bank’s (ADB’s) Strategy 2030 (2018) emphasized ADB’s changing role and the importance of offering knowledge solutions to countries to address complex development challenges.

The evaluation’s objective was to help ADB find ways to generate better knowledge solutions for its developing member countries (DMCs). Its overarching question was: 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 independent Evaluation Department (IED) carried out interviews with ADB staff and management, country counterparts and other stakeholders; drew from a wide range of ADB data and IED evaluations; and identified good practices from other knowledge organizations in producing knowledge solutions.

GOOD PRACTICES WITH KNOWLEDGE SOLUTIONS

Research and experience show that an organization that values knowledge needs to have committed leadership, a culture and incentive structure that encourages discourse, and sufficient flexibility to take advantage of its resources. The following elements reflect the latest thinking and experience:

- Top management championing the importance of knowledge and setting an example.
- A culture that encourages discussion and debate, allowing people in the organization to express views and bring together ideas.
- Adequate resources to ensure sufficient knowledge gathering, documentation of the tacit knowledge of staff and consultants, and a constant process to enable lessons to be learned.
- The capacity to form flexible teams that reach across the organization and allow knowledge to be shared.
- A quality review system that brings in the views of experts and front-line specialists.
- An action plan and a unit with high level support to help drive change.
- A results framework that sets targets for knowledge management and allows measurement of the contribution of knowledge to the organization’s objectives.
KEY FINDINGS

ADB is at a significant crossroads. Asia and the Pacific has seen considerable development that has transformed economies and lifted millions out of poverty. Countries have become more demanding and are seeking sophisticated solutions to address complex challenges—including climate change, aging populations, and coronavirus disease (COVID-19). ADB faces a significant challenge in keeping up with the changing landscape of Asia and the Pacific. ADB is first and foremost a development bank and needs to make sound investments; it will have to carefully balance the need to operate as a bank with providing knowledge solutions.

How well does ADB identify regional and country needs for knowledge solutions? Overall, ADB is responsive to the requests of governments. However, ADB has a mixed performance on preparing country diagnostics and sector studies; country partnership strategies can look very much alike. Some partners and DMC officials expressed concern that ADB was not always very participatory in consultations on country needs and lacked deep policy dialogue.

To what extent does ADB tailor knowledge solutions to meet country needs? ADB maintains a strong relationship with DMCs, which allows it to work closely with governments to develop relevant projects. However, it relies heavily on consultants who sometimes lack an understanding of the country context, which detracts from providing tailored knowledge solutions. Government officials and ADB staff indicated that often ADB values speed over the search for more innovative and comprehensive solutions. ADB quality review tends come late in the project design process and is seen as a compliance issue.

Does ADB have the necessary processes and culture to harness its resources efficiently to deliver the knowledge solutions envisaged? While ADB has a strong commitment to implement Strategy 2030’s knowledge agenda, it faces structural and cultural constraints. In particular, ADB has strong operations department silos that hamper the flow of knowledge horizontally and limit the collaboration of technical specialists across the institution. ADB operations department teams are small and rarely include staff from other operations departments. While there are good examples of collaboration between ADB’s knowledge and operations departments, such collaboration is not routine and its extent varies. Current sector and thematic groups can only partly address the problem. Many staff identified a reluctance to take risk or embrace innovation in a culture that is characterized by vertical communication and highly codified rules, and a difficulty in collaborating and sharing knowledge, especially across divisions and departments that can compete for resources.

To what extent does ADB measure and efficiently share knowledge solutions? ADB is in the process of improving its measurement and communication of knowledge. It is changing the focus of its measurements to capture solutions by outcomes rather than just outputs. It has room to improve its measurement of knowledge management processes, as well as track the knowledge economy at the regional level. Likewise, ADB has been increasingly emphasizing the importance of sharing its knowledge products widely—something in which there have been issues. The recent reforms in the Department of Communications serve to highlight this commitment.

KEY INSTITUTIONAL STRENGTHS

- ADB has long experience with a large and varied program in most countries, has a large multidisciplinary staff with wide ranging expertise and a growing local footprint through its resident missions. It is widely respected and a leader in the development community in Asia and the Pacific.
- ADB has good access to technical assistance resources to support the development of sophisticated knowledge solutions.
- ADB leadership is committed to Strategy 2030 and is supporting several reform initiatives related to the transition to a knowledge bank.
- ADB is strengthening information technology in order to improve its knowledge management and has made good advances since 2016.

KEY INSTITUTIONAL ISSUES

- Silos hinder the flow of knowledge, limiting cross-departmental collaboration and learning. ADB has five regional departments and two private sector units. There is difficulty in sharing knowledge and some competition for resources, in large part because of the inward organization and orientation of each regional department.
- ADB does not take sufficient advantage of tacit knowledge and experience. ADB’s heavy reliance on short-term consultants implies that tacit knowledge is often not left in the bank and is not converted into more easily accessible codified knowledge. Many (consultant) reports are difficult to locate internally and are unavailable externally.
- ADB’s processes are built around speed and disbursement rather than developing thoughtful knowledge solutions, partnerships, or innovation.
- ADB’s culture, which is consensus-based and risk-averse, does not always promote innovative knowledge solutions.
- ADB does not measure knowledge solutions systematically or provide quality review.
Asia and the Pacific is evolving rapidly and faces new development challenges. In 1966, when the Asian Development Bank (ADB) was founded, most developing member countries (DMCs) faced significant liquidity constraints, had limited access to long-term finance, and often lacked basic engineering capacity. Today, the region is the most dynamic in the world and faces a host of new challenges that require a different approach to development.

There is a clear consensus that knowledge is an essential ingredient to development. Studies have shown that knowledge is a valuable asset responsible for a large percentage of economic growth. While financing continues to be important, DMC partners increasingly seek sophisticated knowledge solutions from ADB and their other development partners. To respond to these new challenges, ADB approved a new long-term strategy, Strategy 2030, in July 2018 to change how it addresses the region’s development challenges and the role knowledge solutions will play in this.

The Evaluation Approach

The evaluation’s objective was to help ADB find ways to generate better knowledge solutions for DMCs. It did not assess the outcomes and impacts of individual knowledge solutions. It was a process evaluation that focused on how ADB intends to achieve its knowledge objectives.

This evaluation analyzed ADB’s readiness to address the quality and impact of its knowledge solutions. Knowledge solutions are knowledge-based ideas, designs, approaches, products and processes that resolve problems. They are incorporated in technical assistance (TA) and projects, as well as in business activities and are valued by clients. Reflecting ADB’s vision to maintain its position as the region’s premier development partner and to increase its impact, Strategy 2030 emphasized integrated knowledge solutions to address complex challenges.

The evaluation relied on a range of data. The Independent Evaluation Department (IED) interviewed 230 ADB staff and most ADB senior management as well as visited the ADB Institute in Japan. To manage the qualitative data, IED used MAXQDA to analyze the interview notes and transcripts. IED carried out country missions to Cambodia, the People’s Republic of China (PRC), and Georgia and organized a workshop in Fiji attended by project staff from eight Pacific islands. IED also visited and interviewed knowledge institutions and companies about their modern knowledge management practices to identify good practices in the production of knowledge solutions. The evaluation correlated and cross-referenced responses to identify tendencies. This included comparing interview results with those of other evaluations. Finally, the evaluation reviewed corporate documents and data.

The evaluation’s overarching question was: 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 had four specific evaluation questions. The first two focus on the relevance and the second two on the efficiency of ADB’s structure and processes:

(i) How well does ADB identify regional and country needs for knowledge solutions?
(ii) To what extent does ADB tailor knowledge solutions to meet these needs?
(iii) Does ADB have the necessary processes and culture to harness its resources efficiently to deliver knowledge solutions?
(iv) To what extent does ADB measure and efficiently share knowledge solutions?

Leadership, Culture, and Resources

An organization’s culture and leadership mold how it uses knowledge. As form follows function, organizational structure and processes will reflect an organization’s commitment to focus on
knowledge. Leadership sets the tone for an organization’s culture.

A knowledge organization requires a culture that promotes the marshalling of its knowledge. Creating knowledge solutions requires collaboration so that knowledge flows throughout the organization. A knowledge culture is reinforced by structure, incentives, and procedures. To improve collaboration, knowledge organizations need to work across silos (units that operate in isolation from others). Throughout the world, there is a clear trend for organizations to move toward a flexible, team-based approach.

People play a central role in a knowledge organization. As organizations become more reliant on knowledge, the quality of human capital is increasingly important to success. If staff do not have state-of-the-art knowledge, an organization loses its relevance. Consultants can form an essential part of the workforce, to meet the need for specialized skills, fill a temporary lack of staff, and provide independent advice. However, the heavy use of consultants brings risks. Consultants may not transfer knowledge to the organization. The long-term cost of relying on consultants for core functions may be high.

Modern technology can support the activities of knowledge organizations. First, it facilitates the flow and retrieval of knowledge. Second, it facilitates the location of information within the organization. Third, it supports collaboration among teams. However, investing in technology does not necessarily lead to improvements in knowledge; technology must be complemented by leadership, business process reform, and culture change to be successful. Many knowledge management reforms have failed because they relied on technology that was not matched by organizational and cultural changes.

**Good Practices in Producing Knowledge Solutions**

Tailoring knowledge solutions requires an understanding of the needs of beneficiaries and a system that leads to creative solutions. Many organizations have a formal process that allows the organization to ask questions that challenge preconceived notions and to explore new solutions. In addition, they have specific initiatives to encourage innovation from staff since staff are often in a better position than management to see new solutions to problems. Organizations often form ad hoc teams of heterogeneous technical specialists to solve challenges that do not fit easily in one unit.

A quality review process plays an important role in delivering knowledge solutions. This will ensure that the knowledge solutions contribute to an organization’s objectives efficiently and effectively. A robust quality review provides feedback on what is working on the service or product, to ensure corrective measures can be taken and lessons learned.

The measurement of knowledge is essential to identify the appropriate amount of investment. As with any results framework, a simple causal chain can help to describe the theory of change underlying the program by linking activities to outcomes, describing the inputs, activities, outputs, outcomes, and impacts. Knowledge-related targets require qualitative as well as quantitative indicators. While knowledge brings many tangible benefits, some cannot easily be quantified. External validation can play a role in providing context.

**ADB Approach to Knowledge**

Since its creation, ADB has offered knowledge products and services (KPS) to complement its financial support. From the start, ADB offered a combination of TA for project preparation as well as knowledge support at the sector, country, and regional levels. This support could include a wide range of activities, spanning contributions to agricultural research centers to studies and capacity building at various levels. Strategy 2030 affirmed the increased relevance of knowledge and advocated a move away from sector-specific approaches toward a focus on integrated knowledge solutions.

ADB has several units that are entirely dedicated to providing knowledge services, which traditionally ADB has treated as separate from its financial operations. This is reflected in its organization which has both dedicated knowledge departments and separate TA projects, generally managed by operations.
departments. The vice president for knowledge management supervises ADB’s knowledge departments: (i) the Economic Research and Regional Cooperation Department, which undertakes capacity building, analytical work and research, economic monitoring, and forecasting; (ii) the Sustainable Development and Climate Change Department, which is the hub for organizing sector and thematic knowledge; and (iii) the Department of Communications, which organizes and disseminates knowledge. The Asian Development Bank Institute, a subsidiary organization in Tokyo, provides research and capacity building. Regional departments do knowledge work as part of their project preparation and through TA projects that finance studies, study tours, and training. Other departments, including IED, also provide KPS.

**How Well does ADB Identify Regional and Country Needs for Knowledge Solutions?**

ADB has strong relationships with governments in the region, which allows for productive discussions on sensitive issues. Government officials however reported that ADB often does not update its pipeline to address emerging needs. Many officials noted that new challenges increasingly require cross-sectoral solutions, lessons from other innovative projects, and a more rapid knowledge response. Partners reported that ADB often does not consult extensively with stakeholders outside government and could be more engaged in the development community.

Most ADB staff and consultants who were surveyed believed that ADB did a good job in identifying regional and country needs. Several staff members expressed concern that ADB’s organizational culture and incentives discouraged innovation in the pipeline of projects and programs. Officials in all four countries indicated that ADB staff had incentives to move quickly from one project to the next.

The role of country diagnostic studies was variable. IED’s analysis of 20 country diagnostic studies from 2013 to 2019 found that their timing did not often align well with the country partnership strategy (CPS) process. ADB prepares sector assessments as part of its project preparation. Most of the 116 sector assessments reviewed did not cite the underlying sector study, which implies that these studies are not of significant depth. ADB CPSs are often seen as somewhat generic. Despite ADB’s attempts to ensure that knowledge work is included in these strategies through country knowledge plans, some staff described these plans as more of a list of activities and products than a true plan.

**To What Extent does ADB Tailor Knowledge Solutions to Meet DMC Needs?**

In the countries visited by the evaluation, government officials understood that development support needs to focus on the specific context. The interviews revealed a mixed assessment of ADB’s readiness to respond to changing needs and to tailor its products and services accordingly. In the PRC, most officials had positive experiences of working with ADB on knowledge solutions, while in the other three countries the views were more critical. ADB was credited with a high degree of engineering prowess and many officials saw ADB as a good source of engineering solutions or as a source of budget support in time of hardship. They were largely satisfied with ADB capacity building support, which focused on ADB policies and implementing projects.

ADB staff and consultants had mixed views about the degree to which ADB tailors its products and services to meet countries’ knowledge needs. There were many examples of innovative projects that incorporated both technical and country knowledge. Many staff and consultants who rated ADB positively tended to attribute ADB’s success in meeting partner needs to its history and presence in the region. Other staff argued that ADB had the commitment and resources, but that it needed to “allow people to focus on what should be” and to change its mindset. Some staff saw ADB as reluctant to innovate.

There is serious concern among DMC officials and ADB staff about ADB’s dependence on consultants. Many staff and most officials indicated that the quality of ADB’s work depends largely on that of its consultants. Within ADB, some staff mentioned that excessive use of consultants posed a reputational risk. Others...
commented that some consultants lacked context-specific knowledge.

Some staff were concerned that the mostly paper-based interdepartmental review process was burdensome. They had doubts about its value-addition from a knowledge perspective. ADB’s quality review system is based on the approval process and internal commenting.

Does ADB have the Necessary Processes and Culture to Harness its Resources Efficiently to Deliver Knowledge Solutions?

There is a high level of professed commitment to knowledge at the highest levels of ADB leadership which needs to be carried through into specific decisions. Strategy 2030 showed a clear desire for ADB to improve the use of its existing knowledge, to generate higher quality knowledge, and to provide knowledge solutions. This commitment was confirmed by interviews and the ADB 2018 staff engagement survey.

Some staff expressed concern that ADB was often reluctant to innovate. This did not reflect hostility toward new ideas as much as a focus on efficiency and risk aversion. The staff engagement survey found that only 42% of staff felt that ADB had a climate where it was possible to challenge the traditional way of working.

ADB staff and managers frequently commented on ADB’s siloed nature and the discouraging effect this has on opportunities for cross-fertilization. ADB has five regional departments and two private sector units that operate largely autonomously, organized in sector divisions, which interact with similar divisions in other departments. The operations departments receive some support from knowledge departments although this varies depending on the department and the project. Even the current One ADB teams responding to coronavirus disease (COVID-19) rarely consist of members from more than one regional department. Knowledge departments provide support but only occasionally join teams. Government officials and ADB staff indicated that the speed with which ADB processes projects often prevents a search for more innovative and comprehensive solutions.

Overall, the incentives for work units and staff to develop and share knowledge solutions are insufficient. Most management and staff agreed that the current system did not place a high value on knowledge generation or dissemination. Staff in operations broadly agreed that project processing is the primary or only means to promotion. The incentive structure favors processing targets at the expense of creating multidisciplinary knowledge solutions.

The evaluation viewed ADB’s ongoing investment in redesigning ADB’s information technology system as crucial. ADB relies heavily on e-mail and makes limited use of digital platforms for internal communication, planning, or coordination. There is no functioning directory of staff skills, and, unlike most modern organizations, ADB relies heavily on physical documents and physical signatures for memos and approvals. Most internal documents are de facto confidential. The ongoing IT investments have proven critical to facilitate the Bank’s operations during the COVID-19 crisis and hence to support future internal dynamics.

To What Extent does ADB Measure and Efficiently Share Knowledge Solutions?

Since 2008, ADB has applied a relatively consistent series of results frameworks to aggregate and assess key outputs and outcomes, and to evaluate its operational and organizational effectiveness. ADB’s corporate results framework traditionally had a narrow
focus on investment operations and outputs. The new corporate results framework, 2019–2024 has a greater focus on knowledge solutions. It puts more emphasis on outcomes and solutions. While many indicators are quantitative, they are typically presented in terms of number of beneficiaries (e.g., people benefiting from improved social services) and no longer in terms of specific types of outputs, such as classrooms.

ADB does not participate in any externally validated measure or accreditation of its knowledge management readiness. Because it can be difficult to measure knowledge using quantitative means, many organizations use external validations of their knowledge systems.

ADB implements an ambitious plan for internal information technology improvements. This includes recording and tagging of knowledge products. But it is hampered by the number of internal databases and incompatible tools. ADB also has a decentralized system for publications and it does not have any metric to measure the impact of its publications. Nevertheless, it has seen an increase in its outreach overall.

**Key Institutional Strengths**

ADB has long experience with a large and varied program in most countries, has wide expertise and a growing local footprint through its resident missions. It therefore has a strong presence in Asia and the Pacific. ADB is widely respected and considered to be a leader in the development community. ADB management and staff see the organization’s position in the region as one of its greatest assets; interviews with DMC officials and other stakeholders tell a similar story.

ADB has good access to resources for knowledge solutions. ADB has a strong balance sheet and substantial grant resources for TA set it apart from its development partners. Staff, DMCs, and development partners all mentioned the importance of ADB TA resources to the ADB program, which plays a clear role in the production of ADB knowledge solutions. The evaluation found that, while the allocation of TA resources may not be growing in real terms, it continues to be a crucial resource.

**ADB leadership is committed to Strategy 2030 and is supporting several reform initiatives.** ADB has embarked on a large number of initiatives to strengthen the role of knowledge solutions. These include the creation of sector and thematic groups (STGs), the introduction of a knowledge expert pool, the addition of country knowledge plans, new arrangements for knowledge partnerships, and the creation of lessons databases. The approval of Strategy 2030 has increased the pace of these initiatives and ADB is supporting innovation, attempting to transform its culture, and reviewing many aspects of its structure. ADB senior management has shown a commitment to the strategy and this was recognized in interviews and surveys.

ADB is strengthening its information technology. Recent reforms and investments have accelerated the bank’s readiness for the digital age and have helped the adoption of new knowledge management tools. ADB in 2016 embarked on a significant investment program as well as IT reforms to strengthen its corporate IT resilience, cybersecurity across many locations, choice of devices, and data governance. It is also upgrading many internal systems to improve the processing of operations.

**Key Institutional Issues**

Silos hinder the flow of knowledge, limiting collaboration. Each operations department has its own technical specialists and operates independently. Sector and thematic groups are relatively small and lack time to support the preparation and implementation of projects. Underlying this structure is a culture that does not always encourage collaboration. ADB’s structure is built on producing outputs and each department is responsible for achieving its own outputs, and to some extent for competing for resources. Operations departments focus on their own targets and business; by definition, it is not advantageous to share resources.

Underlying these silos appears to be a culture that leads to interdepartmental competition for resources rather than interdepartmental collaboration. ADB’s structure is built on each department producing outputs. In such a structure, operational resources are in a zero-sum game; with each department focusing on its own
targets and business, it may not always be advantageous to share resources. The logic is the same within departments; divisions have their own targets, sometimes competing for resources and business, and a concomitant reluctance to collaborate. Even teams replicate this, with each team leader managing a group of consultants.

**ADB does not take advantage of its tacit knowledge and experience.** While it has accumulated a great deal of tacit knowledge, ADB does not codify this efficiently or share it throughout the organization. ADB’s heavy reliance on short-term consultants means that a lot of tacit knowledge is not left in the organization and cannot be converted into easily accessible codified knowledge. ADB lacks both the system and culture to capture this knowledge in a consistent fashion.

**ADB’s processes can hinder knowledge solutions.** ADB’s processes are built around speed and disbursement, rather than on thoughtful knowledge solution development, partnerships, or innovation. While ADB has always valued knowledge as part of its services to its DMCs, it has primarily focused on physical outputs such as documents or workshops. The evaluation’s interviews in countries delivered the same message: partners are looking not just for financing but also for policy dialogue to address complex challenges. The evaluation found that at present ADB often does not provide this.

**ADB’s culture is not ideal for innovative knowledge solutions.** ADB has a consensus-based and risk-averse culture that appears to resist change. In individual and group interviews, many staff discussed their reluctance to speak up and challenge the status quo. They felt that the hierarchical nature of interactions limited the flow and exchange of knowledge. Global trends are moving away from strict hierarchies and toward more flexible teams. While ADB has introduced many reforms, these often become bureaucratic and have lost their effectiveness.

**ADB can improve the measurement of and quality reviews for knowledge solutions.** Despite improvements in the corporate results framework, still there remains a need for greater focus on measuring knowledge management and knowledge solutions. ADB’s measurement system has historically focused on recording hard quantifiable outputs such as classrooms built—and, in general, what gets measured gets done. The quality review process tends to come late in the process, when a project is already advanced. At this stage, it is difficult for project teams to incorporate the advice provided by experts, as much of the project has already been negotiated with partners.

**Recommendations**

Since knowledge touches on all aspects of ADB operations and structures, the evaluation calls first for an institutional high-level strategic decision that should guide the adoption of subsequent recommendations. Given the changes in the region, ADB should make a strategic decision about the scope and magnitude of the knowledge component it adds to development finance and the depth of its continuous transformation. This includes making choices regarding the growth of its budget in this area and its organizational structure.

**ADB is first and foremost a development bank and needs to make sound investments.** While its operations must be consistent with its role and responsibilities within the international capital market, in today’s context, finance is not enough for the Bank to fulfill its mission. ADB will have to carefully balance the need to operate as a bank with being innovative and providing meaningful knowledge solutions.

IED offers a set of recommendations that follow from the possible strategic paths that ADB can take in the future. These paths do not represent a discrete binary choice. Instead, they serve as parameters reflecting the varying degrees of effort that ADB will have to make about additional resources and changes to its structure, processes, and incentives. ADB should:

1. **Make a clear, high-level decision about the desired depth and scope of the institutional transformation needed to implement Strategy 2030’s knowledge ambitions.** Strategy 2030 has major implications for ADB’s future operations. While being a financial institution, ADB can choose to base its competitive advantage on the provision of a blend of complex knowledge solutions to enhance its financial support or,
alternatively, it can focus on the provision of low-cost development finance services complemented with a best effort approach on knowledge. The first boundary path would seek a wider transformation of the institution towards a knowledge bank, a choice that would be neither budget- nor effort-neutral. The second boundary path would be more consistent with ADB’s current efforts to review its operations and introduce gradual reforms. This approach would imply less new investment and effort and carried out within the current ADB structure. The Board and senior management must choose between or within the span of two strategic paths:

(i) **Pursue a radical transformation, adopting a Knowledge++ Bank model (knowledge plus finance and partnerships).** In order to fully implement Strategy 2030’s knowledge ambitions, ADB can make major changes to strengthen its knowledge base and ability to deliver tailored and complex knowledge solutions, in addition to providing finance. This fundamental change would not be budget-neutral; it needs a significant additional investment in human resources along with changes in the organizational structure.

(ii) **Continue with the incremental approach to transformation and reform, under the existing Finance++ Bank model (finance plus knowledge and partnership).** ADB is currently carrying out several important initiatives to support Strategy 2030 and improve its development effectiveness; these are strongly supported and include ongoing initiatives—the Digital Agenda, the Review of the Resident Mission Policy, the Cultural Transformation project, the CPS Review, a TA review, and upcoming reviews of human resource policies. ADB would continue as a bank focused on low-cost development finance solutions.

### 2. If the Board and senior management favor a path closer to the Knowledge++ Bank model, ADB will need to adopt a comprehensive approach to fully implementing Strategy 2030’s knowledge ambitions. This requires a decision to invest in staff and deepen reforms of culture, structure, and human resource management. This includes the following actions:

(i) **Strengthen efforts to change and modernize ADB’s culture.** Any initiative will require a rethinking of policies, procedures, and protocols, along with expanded training and coaching at all levels, with the visible support of senior management and the Board.

(ii) **Review the structure of ADB to align it with the ambition to become a Knowledge++ Bank.** Any new structure will have to ensure staff can work together in multidisciplinary teams within departments that are aligned with the priorities of Strategy 2030 and that can be quickly mobilized to collaborate with other departments across ADB.

(iii) **Review human resource needs, updating the roles of staff, members of the expert pool, and consultants.** Recent experience with the COVID-19 pandemic has shown that it is possible for staff to work flexibly. ADB should also explore more framework contracts and long-term consultant involvement, reducing the need for short-term consultants.

### 3. If the Board and senior management favor the pursuit of a path closer to the Finance++ Bank model, ADB can maintain the current pace of incremental reform, but should undertake a number of actions to strengthen the knowledge solutions it provides:

(i) **Continue modernizing ADB’s culture.** Building on the Cultural Transformation initiative, ADB should consider the changes in processes, incentives, and structures that will be necessary to promote a value-based culture.

(ii) **Increase cooperation across operational silos.** ADB should consider how it can improve the sharing of resources across operational units. Options include the creation of hard incentives for staff and managers to collaborate with other divisions and departments.
(iii) Adjust the role of knowledge units in order to strengthen relationships with operations departments. Knowledge units should continue to support operations both directly and through their research. In particular, the STGs should play an active role in the development of projects, through support in early phases of preparation.

(iv) Review the role of consultants in the technical design of ADB operations and in TA. ADB should take a more flexible approach to contracting consultants.

(v) Continue to develop tools to strengthen knowledge sharing and collaboration as part of Digital Agenda 2030. Building on the success of the Digital Agenda to adapt to the needs created by the COVID-19 pandemic, ADB should continue to expand the range of digital tools it offers for collaboration and communication.

4. Whichever model ADB selects, it should take ownership and adopt a long-term commitment to its choice at all levels, develop benchmarks, targets, and metrics and periodically report the implementation progress to the Board. ADB should:

(i) Add a detailed results framework to the new knowledge management action plan to measure the production and contribution of knowledge, and report progress to the Board regularly. ADB should adopt industry-standard approaches in order to benchmark its knowledge management practices.

(ii) Review the role of TA with respect to its contribution to knowledge solutions. The new review of its TA policy that ADB is undertaking should include a review of the quality and relevance of the TA program.

(iii) Separate the quality review function from that of compliance and ensure that quality feedback has sufficient time to have an impact on the project. Sector and thematic groups or their equivalent should organize internal quality review meetings well before the concept review meeting.

These recommendations are further elaborated in the recommendations section of the last chapter of the main text.
### Linkage Between Findings and Recommendations

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#### Strategy 2030 seeks to ensure that ADB continues to respond effectively to the region’s changing needs. It reaffirms the continued relevance of ADB’s Finance++ approach by placing a greater focus on integrated knowledge solutions (para. 106). By stressing that ADB’s continued relevance will depend on its role as a knowledge institution (para. 107), the strategy goes beyond Finance++ to a Knowledge++ model, whereby knowledge solutions are the central deliverable, underpinned by finance and by partnerships (paras. 105, 252). |

#### Despite ADB’s inherent strengths, it is struggling to respond to the knowledge-related aspirations of Strategy 2030 (para. 258). Traditionally, ADB has focused on delivering engineering solutions, not knowledge solutions (para. 149, 254). |

#### Notwithstanding progress and ongoing knowledge management initiatives, ADB needs to make significant further effort to transform itself as a knowledge institution (para. 107), the strategy goes beyond Strategy 2030’s knowledge ambitions (para. 258). Traditionally, ADB has focused on delivering engineering solutions, not knowledge solutions (para. 149, 254). |

#### Strategy 2030 emphasizes ADB’s role as a knowledge institution (para. 107) and this has important implications for ADB operations (para. 108). ADB is not currently in a position to provide the integrated knowledge solutions envisioned in Strategy 2030 (para. 254). While ADB is strongly committed to Strategy 2030 (para. 265), it faces structural, infrastructural and cultural constraints (paras. 188, 255). |

#### ADB culture is changing, but not fast enough (para. 206). ADB’s organizational culture acts as a barrier to the knowledge aspirations of Strategy 2030 (paras. 142, 196, 273). ADB staff viewed ADB as a conservative organization, often reluctant to adopt innovation (paras. 164, 198), with a consensus-based culture resisting changes (para. 273). The hierarchical nature of interactions limits the flow of knowledge (paras. 205, 273). |

#### ADB formally separates consultants from other staff as human resources, and this limits their ability to function in teams. Consultants are seen as inputs to ADB products such as knowledge products and investment projects (para. 220). By contrast, the World Bank Group and other development banks treat consultants as human resources and offer long-term consultant contracts in some circumstances, with the consultant serving as a team member in operations (para.233). The new expert pool appears to be adding value to ADB operations, although it is relatively new and views vary (para. 224, Box 22). There is mixed evidence on whether ADB has the right staff and teams to become more of a knowledge bank. (para. 215) |

#### ADB has strong organizational silos that prevent the formation of teams and reduce the flow of knowledge (paras.200, 255, 268-269). There is virtually no sharing of human resources across operations departments (para. 268). The current incentive system for work units and staff does not place any significant emphasis on developing and sharing knowledge solutions (paras. 208–209). ADB’s actions during the COVID-19 pandemic show that it can transcend silos if necessary (Box 25, para. 232). Interviews revealed a very variable response on the role of sector and thematic groups in quality reviews. Beyond their required participation in the review process, the groups offer different levels of support. (para. 180). However, the groups are insufficiently staffed and resourced to provide a high-level of systematic support to all operations groups, i.e., to go significantly beyond commenting (para. 268) |

#### The collaboration between regional departments and knowledge departments varies but has improved in recent years (para. 201) and there is evidence of good practice and cross-fertilization (para. 207). The primary interaction between the Economic Research and Regional Cooperation
Department and operations departments is in economic analysis, which was largely seen by interviewees as being procedural compliance, while there appeared to be much less formal interaction between the ADB Institute and operations departments. (para. 181)

- ADB does not take advantage of its tacit knowledge and experience (para. 268). DMC government officials and staff expressed concern about ADB’s dependence on consultants (paras. 170–173, 270). Short-term consultants often do not leave tacit knowledge that can be converted into codified knowledge (para. 270). Heavy use of consultants can work if it is tied to a robust knowledge system; but the current system does not work well for ADB or DMCs (para. 270). reliance on consultants tends to reinforce silos and reduce teamwork. (para. 268)

- ADB has accelerated the adoption of new knowledge management tools through recent investments in information technology (para. 266). However, it does not efficiently codify and share tacit knowledge (paras., 271) or lessons and experiences from past projects (paras. 149, 229, 270), and does not have a functioning directory of staff skills or expertise (paras. 228, 271), which is important for strengthening knowledge management (para. 61). ADB does not have a strong system of sharing documents (para. 268). Most internal ADB documents are de facto confidential (paras. 196, 202, 268) in contrast to the World Bank and private companies which provide staff full access to internal documents (paras. 69, 202). ADB does not seem to have consistent practices on what, where, and how to upload information: practices vary across departments (para. 230). ADB still relies heavily on documents and requires physical signatures for memos and approvals of rules (para. 231). Given the challenges in finding documents (para. 268), ADB requires an effective search tool to facilitate knowledge access; but this requires a taxonomy to ensure documents are properly classified (paras. 68, 128, Appendix 3).

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- While ADB has taken steps to enhance its measurement and sharing of knowledge (paras. 238-239, 256) there is scope for improvement (paras. 235, 274). The new corporate results framework places more emphasis on knowledge solutions at the output and process levels (para. 238) and reporting on outcomes and solutions (para. 23) but lacks robust indicators on knowledge products and services and knowledge management processes (paras. 240-241). The framework does not measure the contribution of knowledge at the regional level or the extent of the knowledge economy (para. 242). The only knowledge management indicator in the corporate results framework, the Most Admired Knowledge Enterprise (MAKE) Survey, is a methodology that is no longer active or supported (paras. 241, 274, Box 27).

- Technical assistance is one of ADB’s most important instruments in financing knowledge solutions (paras. 124, 264) and a comparative advantage of ADB (para. 168). The TA program has generally provided the bulk of ADB’s support through knowledge and support TA (KSTA) activities (para. 125) but in recent years, there has been a decrease in spending in real terms on KSTA (paras. 126–127).

- ADB relies largely on a formal quality review mechanism that emphasizes compliance over adding value (para. 174). While compliance is important, the current mechanism does not support sharing knowledge (para. 176). Many staff expressed concern that the interdepartmental review process remains burdensome and expressed doubts about its value addition from a knowledge perspective, particularly after the concept paper stage, when the project has been designed and largely agreed with the government (paras. 178, 254). ADB does not have defined guidelines for reviewing and vetting knowledge products (para. 183). There is no ADB-wide requirement for peer reviews and vetting of knowledge products, and each department is free to introduce its own requirements (paras. 179, 183, 276).

Recommendation 4: Whichever model ADB selects, it should take ownership and adopt a long-term commitment to its choice at all levels, develop benchmarks, targets, and metrics and periodically report the implementation progress to the Board. It should:

(i) Add a detailed results framework to the new knowledge management action plan to measure the production and contribution of knowledge, and report progress to the Board regularly.

(ii) Review the role of TA with respect to its contribution to knowledge solutions.

(iii) Separate the quality review function from that of compliance and ensure that quality feedback has sufficient time to have an impact on the project.
Management Response

On 28 July 2020, the Director General, Independent Evaluation Department, received the following response from the Special Senior Advisor of the President on behalf of Management:

1. Management welcomes the IED Corporate Evaluation of Knowledge Solutions for Development. It provides considered analysis of how knowledge work is carried out at present at ADB, and how it can be improved to help achieve the objectives of Strategy 2030 (S2030). The evaluation provides Management with timely and useful inputs for the preparation of the Knowledge Management Action Plan (KMAP) and other complementary corporate initiatives, which seek to give effect to the provisions on knowledge in S2030.

2. The evaluation seeks to answer this underlying question: “How ready is ADB to meet the new demands of its partners?” The guiding principle of S2030 is a country-focused differentiated approach to ensure relevance and value addition to our engagement with our developing member countries (DMCs). In addition to responsiveness to DMC knowledge needs, S2030 also speaks to how ADB can enhance generation and management of knowledge.

3. We would like to thank and commend IED for the constructive dialogue with staff and Management during the evaluation exercise, and for the comprehensive evaluation report.

A. Comments on Key Findings

4. In general, the evaluation findings are in line with Management’s understanding of the key role of knowledge in ADB’s engagement with its DMCs, particularly the Upper Middle-Income Countries (UMICs). Several specific points related to the key findings in the evaluation and ADB’s ongoing work merit mention here.

5. **Need to promote change internally.** The IED evaluation concludes that there is a need to further deepen ADB’s efforts on internal incentives and organizational change. Since the approval of S2030, Management has initiated several corporate initiatives, and is grateful to the evaluation team for reflecting some of the ongoing ones such as on the Learning Culture, Review of Resident Mission Operations, KMAP, and organizational changes to facilitate partnerships. In addition, information technology (IT) initiatives such as the Data Management Sub-Committee (DMSC) and the Digital Agenda 2030 have enabled more systematic adoption and change management that has promoted change internally. For example, the Digital Innovation Sandbox program, launched in April 2019, has already explored more than 200 new ideas and solutions resulting in 13 digital innovation pilots launched that use advanced technologies. This and other programs of the Digital Agenda are supporting cultural transformation by changing the way we work through technologies and business process transformation. Overall, Management is of the view that a strategic perspective needs to be taken to understand how these initiatives are collectively furthering the knowledge agenda of ADB.

6. **Organizational silos adversely impacting knowledge work.** The report makes it clear that existing organizational silos impede effective knowledge work. It is natural for silos to exist in large organizations with diverse portfolios. In recent years, however, ADB has accomplished a lot in breaking them down. A One ADB approach is being mainstreamed throughout the ADB’s operations, from country programming, sovereign financing, nonsovereign financing, knowledge and technical assistance, to jointly processed financings. Since mid-2019, ADB has instituted specific provisions for staff on the parameters for, and level of, interdepartmental collaboration on projects/transactions
that meet the One ADB collaboration target outlined in the Corporate Results Framework (CRF) and Operational Performance Metrics. Validated collaboration targets are reported to Management twice a year at the Operations Review Meetings. Cross-departmental work is now more evident (for example, in the preparation of the Innovation Framework by a group of 150 staff members from different departments). Investing in IT has also encouraged knowledge sharing across ADB. At the core of our COVID-19 response has been several years of effort that have led to the design and implementation of new platforms and mechanisms to promote seamless collaboration and communication and break the silos. This has demonstrated that ADB is a nimble and agile organization working effectively with a One ADB approach. The Content and Collaboration project, under the IT Reforms, clearly demonstrates its value and impact with an ADB-wide rollout of SharePoint, Skype, Microsoft Teams, and Yammer as collaboration platforms in the cloud to access content anytime, anywhere. In order to assess how organizational silos can be further minimized, it would have been beneficial if the report could have (i) provided evidence and feedback from staff and DMCs to identify priorities and gaps that can be addressed, and (ii) synthesized international best practice in this regard and identified gaps where we could do more to overcome the silos.

7. **Management's commitment to a holistic approach to knowledge.** S2030 clearly posits that ADB’s underlying strength is in the knowledge created by entities across the institution. In Management's view, there is no dichotomy of knowledge versus operations. However, this concept was not clear in the evaluation report. ADB’s strengths and competitive advantage lie in two complementary fronts: (i) the knowledge it has amassed over the years of the country context and sector-based experience, which is then used effectively to develop its portfolio of operations; and (ii) focusing on innovation and new ways of working. Management believes that it is not advisable to separate knowledge from operations, tacit knowledge from explicit knowledge, or financial from nonfinancial knowledge interventions. This is why the formulation and design of the KMAP is premised on integrating and mainstreaming knowledge across ADB. This implies that Management is looking beyond the limiting view that knowledge is undertaken largely by ERCD, SDCC, and operations departments. All departments and offices in ADB are engaged in enhancing and sharing knowledge in their own areas of operation, and their work as well as contributions will be reflected in the KMAP.

8. **Need for knowledge measurement and indicators.** While Management concurs that greater focus on strengthening efforts to address key institutional issues—like harnessing of tacit knowledge—is critical, we would like to point out that contrary to the statements in the report, ADB measures knowledge solutions systematically. ADB has the most comprehensive coverage of knowledge related indicators compared with other multilateral development banks (MDBs) at the corporate level. Knowledge measurement covers knowledge being produced, used by, and benefiting the DMCs; and the indicators are built across the three levels (outcome, outputs, and systems and processes) of ADB’s CRF. Furthermore, ADB is the only MDB that canvasses the views of the clients and staff on knowledge products and services, and how they can benefit from institutional development and cultural change at corporate level.

B. **Management Response to the Recommendations**

9. **Recommendation 1: Make a clear, high-level decision about the desired depth and scope of the institutional transformation needed to implement Strategy 2030’s knowledge ambitions.**

*Management agrees.* Under S2030, Management committed a country-focused approach leveraging ‘One ADB’ and optimizing a blend of knowledge and finance. Since the approval of S2030 in 2018, it has been demonstrated how the approach has benefitted our DMCs. In that respect, Management sees the appropriate implementation approach to be moving along a continuum between the Knowledge+++ and Finance+++ boundary paths, conditioned as it is by variation in country context and other specific conditions. In keeping with this, Management will continue with its important efforts to
review and strengthen processes, structures, and other arrangements related to knowledge management to further facilitate knowledge in its operations, and give effect to the knowledge ambitions of S2030. This focus on tailored solutions to the DMCs is consistent with ADB’s mandate as a development bank.

10. **Recommendation 2:** If the Board and senior management favor a path closer to the Knowledge++ Bank model, ADB will need to adopt a comprehensive approach to fully implementing Strategy 2030’s knowledge ambitions.

*Management agrees.* As mentioned in para. 9, our commitment under S2030 is to prioritize responsiveness to DMC needs. Although conceptually, the dichotomy between knowledge and finance may be useful under S2030, we are committed to provide the most optimal combination of knowledge and finance. Several departments in ADB are working collectively on numerous initiatives in this regard, including (i) analyzing how capabilities in innovation and skills development in the seven operational priority areas can be further strengthened; and (ii) expanding the provision of existing training and coaching programs on leadership and organization culture. Particular mention should be made of the Culture Transformation Initiative which is designed to look at the current and desired culture of ADB and engage various stakeholders to refresh the corporate values that are authentic and inspiring to staff members. Through this initiative, improvements are sought in the way work is done and to foster an environment where staff are empowered to achieve ADB’s mission, while creating synergy and alignment among existing initiatives of the organization. ADB’s engagement with the various MDBs and other external platforms will also help bring in knowledge from initiatives undertaken by other development partners.

11. **Recommendation 3:** If the Board and senior management favor the pursuit of a path closer to the Finance++ Bank model, ADB can maintain the current pace of incremental reform, but should undertake a number of actions to strengthen the knowledge solutions it provides.

*Management agrees.* Sector and Thematic Groups (STGs) play a critical role, not only in providing strategic operational support to the operations departments, but also in generating, disseminating, and institutionalizing knowledge in their particular sectors and thematic areas. The terms of reference of the STGs will be reviewed to strengthen their roles in project and program design, as well as increase cross-departmental cooperation. Guidance on different aspects of knowledge management work (such as country knowledge programming for UMICs) will be prepared and disseminated. This will also include collecting and reporting on effective knowledge solutions that operations, as well as non-operations, and knowledge departments are involved in. Care will be taken to ensure that the transaction costs of carrying out these actions are minimal. With respect to the Digital Agenda, an enterprise document and record management system, and board information system will use improved metadata management combined with cognitive search capability to incrementally improve the accuracy, discovery, and retrieval of documents. Finally, in order to enhance the capture and use of tacit knowledge in ADB operations, initiatives will be taken to: (i) build skills in preparing rigorous case studies based on ADB’s operations (as well as that of global partners such as the Jamal-Latif Poverty Action Lab), develop staff capacity to take advantage of emerging data sources and techniques (such as big data analysis and satellite imagery), and use these results as learning tools; (ii) reinforce provisions of knowledge transfer in the terms of reference of consultants and resource persons as part of their duties; and (iii) strengthen platforms (such as community sites) for departments and offices where staff members can interact and share their tacit knowledge in their fields of expertise.

12. **Recommendation 4:** Whichever model ADB selects, it should take ownership and adopt a long-term commitment to its choice at all levels, develop benchmarks, targets, and metrics and periodically report the implementation progress to the Board.
Management agrees. Management has demonstrated its commitment to monitoring improvements through benchmarks, targets, and metrics as described in para. 8 above. ADB’s current focus is looking at how to facilitate and improve the generation and management of knowledge as well as the responsiveness to DMC needs as part of the KMAP. In addition, KMAP will build on the work done on ADB’s CRF and include a results framework with more granular indicators to enable us to measure the production and contribution of knowledge. After the approval of S2030, Management has also built in provisions to report on implementation progress through the Workforce Planning and Budget Framework on a regular basis. As part of the KMAP exercise, Management will review and consider the application of specific recommendations, such as revising the Most Admired Knowledge Enterprise (MAKE) methodology and compliance with ISO 30401: 2018 - Knowledge Management Systems Requirement. ADB will also look at relevant industry-standard approaches on knowledge management to ascertain suitable external benchmarks as part of KMAP implementation. ADB is already a participant in a semi-formal group of knowledge management practitioners of international financial institutions and others. It will assess the costs and advantages of formalizing the group.

13. Management considers that the measures and initiatives already taken and planned demonstrate its strong ownership and long-term commitment to enhancing knowledge in ADB’s work. It concurs that good practices with knowledge solutions show clearly that an organization that values knowledge needs to have committed leadership, a culture and incentive structure that encourages discourse, and sufficient flexibility to take advantage of its resources. The onset of the COVID-19 pandemic, which necessitated ADB to substantially reorient its work processes in a short amount of time, demonstrates the organization’s agility in responding to out-of-the-ordinary situations.
Addendum to Management Response

On 12 August 2020, the Director General, Independent Evaluation Department, received the following response from the Special Senior Advisor of the President on behalf of Management:

1. This Addendum to the Management Response (MR) reinforces relevant messages in the MR and captures staff's contributions at the informal Development Effectiveness Committee (DEC) meeting on the IED report, August 4, 2020.

A. Overarching Message

2. Regarding the central recommendation of the report, Strategy 2030 sets out the vision for ADB regarding finance, knowledge, and partnerships as follows:

   "ADB will add value to its developing member countries (DMCs) by combining finance, knowledge, and partnerships. ADB will continue to be a reliable financier and catalyst of finance. As a knowledge provider, it will focus on practical value that fits local conditions, identify lessons, and replicate good practices across the region and beyond."

3. By building on more than 50 years of knowledge from operations, policy dialogue, capacity development, and transaction advisory services, ADB is providing this added value; and as the Asia and Pacific region progresses and evolves, it is recognized that the knowledge element of ADB’s products and services will increase in importance.

4. ADB will apply a differentiated country approach to combining knowledge and finance to achieve the vision of Strategy 2030. For our upper middle-income countries (UMICs), the focus is already predominantly on knowledge. For others, even as financing supplemented with knowledge will be more important, our policy advice and capacity development initiatives, among others, in areas such as public private partnerships, public sector management reforms, sector-based reforms, etc. show that knowledge itself is continually highlighted in ADB’s work on the ground.

5. While ADB is already a knowledge bank, it remains committed to becoming stronger in this regard. Improving its ability to add value through knowledge in the future will require changes to the bank’s culture, processes, and relationships with our partners, among other areas. A considerable amount of work has already been carried out in these areas and Management is committed to progressing further in these directions. Management recognizes that transforming itself into an organization where knowledge will gain full prominence across the board in its engagement with its DMCs is a long-term and multi-faceted process.

6. The IED report will contribute meaningfully to strengthening knowledge services in ADB: it informs and supplements Management’s understanding of the areas requiring strengthening, including knowledge management processes and systems. In this regard, it will be appropriate to submit the Management Action Reporting System (MARS) Action Plan following the completion of the Knowledge Management Action Plan (KMAP) in early 2021.
B. The Knowledge Management Action Plan

7. The completion of the KMAP following the IED evaluation will demonstrate ADB’s strong commitment to strengthening knowledge services, as specifically required by Strategy 2030. Work on preparing the KMAP has been ongoing for over two years, with a pause during the time the IED evaluation report was being prepared. The KMAP is being prepared by a Bank-wide working group and is centered around a robust theory of change.

8. Taking into account the recommendations and other suggestions made in the evaluation report, the KMAP will focus specifically on:

   a. The importance of culture change;
   b. Particular actions that draw from the report’s findings, including on, among others: (i) quality review processes; (ii) sharing of, and ease of access to, knowledge; (iii) use of consultants to provide services and impact on knowledge sharing; (iv) sharing tacit knowledge; (v) use of digital technology in knowledge enhancement; (vi) external benchmarking of ADB’s Knowledge Management system; (vii) incentivizing knowledge work; and (viii) applying a differentiated approach with respect to UMICs; and
   c. a knowledge results framework that: (i) draws from a robust theory of change; (ii) includes a set of verifiable results indicators to track progress; and, (iii) links to the Corporate Results Framework.

C. Consultation and Preparation Process

9. In the preparation of the KMAP, extensive consultations are planned with the Board to take the form of three sessions: (a) an Informal Board Seminar (IBS) in early September; (b) a Deep Dive exercise on the draft KMAP in end-October; and (c) a further IBS planned in early 2021. In parallel, consultations across the bank and with our DMCs will continue, as they have been since early 2019. The KMAP is expected to be finalized in the first quarter of 2021.

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1 Chapter Nine of Strategy 2030 is titled “Strengthening Knowledge Services.”
The Knowledge Imperative
1.  Asia and the Pacific is going through massive changes that put much of its recent and arduously gained development progress at risk. Some challenges, such as climate change and aging populations, are medium term. Others, such as the coronavirus disease (COVID-19) pandemic and the possibility of a deep and protracted global recession, are unexpected and immediate (Box 1). In this rapidly changing environment, some of the solutions that worked in the past may no longer apply.

Box 1: Coronavirus Disease (COVID-19) Pandemic, 2020

This evaluation was finalized during the COVID-19 pandemic. The pandemic has forced ADB and its staff to radically alter how they work. In particular, it has brought together virtual teams from several sectors, working through digital technology. The pandemic has also made clear, in stark terms, the importance of knowledge solutions in meeting the region’s challenges. While there remains a significant need for money, in a time of need the region turned to ADB to provide knowledge solutions, of a kind that are only available from a respected and well-established international development partner.

It is too early to assess the impact of ADB’s contribution in the fight against COVID-19. However, this evaluation acknowledges that ADB has shown that it is capable of rapidly evolving and transforming. Future IED evaluations, including the forthcoming One ADB Evaluation, will be able to contribute more to the assessment of these changes.


Source: Independent Evaluation Department.

2. The region is rapidly developing, and the need for development assistance is changing. In 1966, when the Asian Development Bank (ADB) was founded, most developing member countries (DMCs) faced significant liquidity constraints and had limited access to long-term finance. Today, the region is the most dynamic in the world. ADB’s new Strategy 2030 clearly recognizes that times have changed and that ADB’s continued relevance relies on its role as a knowledge institution. While financing remains important, ADB’s DMCs are more demanding and seek sophisticated solutions for complex challenges. Without the right processes and resources, ADB will not be able to remain a leader in the region. It will need to ensure it has high-caliber staff with the right skill mix, a pipeline of bankable projects, and the ability to act with agility. This evaluation’s objective is to help ADB to improve how it uses knowledge in its operations to provide value addition to its DMCs.

A. Transformation of the Global Economy: The Case for Knowledge

3. Knowledge is central to development and economic growth. Since Adam Smith, economists have recognized that knowledge is an essential economic asset. Knowledge explains a large percentage of economic growth and increased productivity, and there is a clear consensus that it is an essential ingredient in development.

4. Knowledge is a key force driving global growth and development. Since the 1950s, knowledge has played a central role in virtually all economic models of growth and development. The Solow-Swan growth model emphasized that sustainable economic growth requires constant technological progress. More recent models of growth have included an explicit focus on the knowledge and skills driving economic growth and development. Box 2 presents a definition of knowledge.

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Box 2: What is Knowledge?

To support ADB’s Strategy 2020, the Knowledge Management Center defined knowledge as:

“Knowledge is what you learn from experience—before, during, and after the event. It can be tacit and explicit, individual, and collective…. The more you know how to do something, the better you are at doing it. The more an organization knows and learns from its successes and shortcomings, the more effective it is in achieving goals.”

The International Standards Organization indicates that “there are diverse views on the scope covered within knowledge, based on context and purpose” and that “knowledge is a human or organizational asset enabling effective decisions and action in context.” It clarifies that “knowledge can be individual, collective, or organizational” and “…is acquired through learning or experience.”

Much knowledge is available in written form, known as documented or codified knowledge, including academic articles, books, patents, and consultant briefs. Such knowledge may be easily stored and transferred. By contrast, tacit knowledge is embodied in a person or a team. It primarily grows out of experience and is difficult to store and share. When an individual puts knowledge into action, it can become an innovation or improve the quality and relevance of existing work.

Knowledge has much in common with other assets. As with other types of capital, an organization has a stock of knowledge. An organization that efficiently manages its knowledge stock is more effective than one that does not. An organization has a flow of knowledge, which takes the form of documents, ideas, and staff learning.

Knowledge can also depreciate as it becomes outdated, and employees move on. Without proper curation and management, knowledge will be lost.

ADB = Asian Development Bank.
Source: Independent Evaluation Department.

5. **Knowledge plays an important role in all levels of development.** Figure 1 presents a stylized model of knowledge and long-term development. The model focuses on the elements associated with different types of economies, defined by how the economy produces output. The model shows the role of knowledge in the production of goods and services. Box 3 explains how knowledge can be measured within an economy.

6. **Basic endowments such as land, unskilled labor, and natural resources, are the primary elements in basic economies.** For traditional economies, growth in land and natural resources drives most economic growth. This is a slow process that leads to minimal economic growth that is often poorly distributed. Before the 19th century, most economies were at this stage. Knowledge plays a role in promoting modern technology and innovation, eventually leading to an increase in capital and the beginning of a labor-intensive economy. In economies that are at this stage, technical skills may be in high demand to support basic services such as a cellular network or the banking sector. Governments also require knowledge to carry out reforms and support economic transition. A declining number of economies in the world fit in this category.
7. **A labor-intensive economy focuses on low-cost industry and production.** Moving to this level of development requires institutional changes, innovation, and entrepreneurship. Knowledge plays an important role in production but may be largely confined to entrepreneurs and managers. Workers generally do not need a high level of education and many forms of innovation can be purchased or adopted. Increases in the efficiency of capital drive much growth and, when combined with capital accumulation, this can lead to rapid economic growth. The first and second industrial revolutions were part of this stage.⁴

8. **In a skills-driven economy, specialization and higher quality labor fuel growth.** Knowledge plays a larger role across the economy. The education level of workers increases, and they become increasingly productive based on their own contribution to innovation. Whereas the previous phase emphasized the importance of improving the productivity of capital, this phase focuses more on efforts to improve the productivity of labor, through better forms of organization. The third industrial revolution is largely driven by this type of economic growth.

9. **Moving to a knowledge economy is the next step in development.** At later stages of development, knowledge plays a substantial role in driving growth and improvement in living standards. The economy is increasingly driven by sophisticated business processes and innovation. Knowledge is integrated in all factors of production and becomes integral to economic success (Box 3). The third and fourth industrial revolutions are important manifestations of the knowledge economy.

10. **Knowledge is important in all phases of development.** In addition to its role in production, knowledge is central in moving an economy along its evolutionary path. Changes in the availability of knowledge drive the transition of a country from one type of economy to another. In addition, governments require knowledge to support reforms. Knowledge is not only important to middle-income countries; it is important to all countries, in different ways.

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⁴ The first industrial revolution refers to the intensive use of capital with steam and waterpower to replace human and animal labor. Some refer to the introduction of organizational principles (for example, assembly lines) and electrical power as key to the second industrial revolution. The third industrial refers to the application of digital technology to production. The fourth industrial revolution refers to deep integration of technology in all aspects of production. K. Schwab. 2015. *The Fourth Industrial Revolution: What it Means and How to Respond*. *Foreign Affairs.*
11. The underlying factors that drive a knowledge-intensive economy are complex. The European Bank for Reconstruction and Development (EBRD) has been measuring the extent of the knowledge economy in its member countries since 2011 by looking at progress in education, innovation policy and systems, and in information and communication technology. EBRD’s analysis shows that it is easier for countries to improve their human capital and the depth of their information and communication technology than to strengthen policy and systems. While top performing developing countries have largely caught up with high-income countries in technology and higher education, they still have significant gaps in certain types of specialized education and in institutional structures for the private sector.

Box 3: Measuring Knowledge at the Economy-Wide Level

While there is a broad consensus that knowledge is an essential ingredient of development, there is no universally accepted way of measuring the importance of the knowledge economy. Several organizations have developed indexes to try to do this and all combine measures of human capital, the strength of innovation, and information and communication technology. At the global level, the World Bank Institute’s Knowledge Economy Index covers 2010–2012. The United Nations Development Programme’s Knowledge Economy Index covers 2017–2019 and includes most of ADB’s DMCs, except for those in the Pacific Region. The European Bank for Reconstruction and Development prepared a Knowledge Economy Index for 2011–2018, covering DMCs in the Caucasus and Central Asia as well as Mongolia.

ADB = Asian Development Bank, DMC = developing member country.

12. Empirical studies confirm the importance of knowledge in economic development. Knowledge-related factors—measured by increases in total factor productivity and gains in human capital—make a major contribution to economic growth. In a 2017 study on economic growth over a 10-year period, a substantial part of the growth driving economic transitions (for example, from a low-income to a lower middle-income country) was attributed to knowledge. For countries that have successfully transitioned to a higher level of income, increases in knowledge accounted for 30%–50% of economic growth. Knowledge is particularly important for the transition from the low-income to lower middle-income category, where gains in education account for 25% of the growth and total factor productivity for 18%, as well as for the transition from the upper middle-income to the high-income category, where total factor productivity accounts for 34% of economic growth and human capital growth for 13%.

13. Asia and the Pacific has been a major beneficiary of this economic transformation. A good proportion of the development in Asia and the Pacific in the past 2 decades was due to growth in knowledge. On average, ADB DMCs have seen positive total factor productivity growth in 1985–2014. This is the only region in the world where productivity was positive throughout the period; other regions and high-income countries all had mixed periods, with at least one period of productivity decline.

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5 European Bank for Reconstruction and Development. 2019. Introducing the EBRD Knowledge Economy Index. London. This includes Mongolia and the ADB’s DMCs in the Caucasus Region and Central Asia.

6 Total factor productivity is the ratio of aggregate output, such as gross domestic product, to aggregate inputs, typically capital, labor, and human capital. It measures the contribution from intangible factors such as technological change and research. Studies have associated total factor productivity growth with increases in knowledge and improvements in policy.


9 From 1985 to 2014, the countries in the World Bank’s South Asia and East Asia and the Pacific regions saw productivity growth of 50%. During the same period, sub-Saharan Africa saw an increase of 5% while the Middle East and North Africa and the Latin America and Caribbean regions saw declines in productivity of around 10% each.
B. Evaluation Approach

1. Purpose and Objectives

14. The evaluation supports the implementation of Strategy 2030. To this end, it has a simple overarching objective: to develop recommendations that will support ADB to improve the quality of its knowledge solutions for development in Asia and the Pacific. This will support ADB’s goal to remain the region’s preferred partner of choice. The evaluation highlights what ADB can learn from its own experiences and from those of others in delivering knowledge solutions. The evaluation supports other initiatives that are supporting the implementation of Strategy 2030, such as the review of the resident mission policy and ADB’s cultural transformation.

15. The evaluation assesses the relevance and efficiency of ADB’s production of knowledge solutions. It reflects on DMCs’ appreciation and utilization of knowledge solutions and assesses ADB’s capacity to meet their demands, as outlined in Strategy 2030. An earlier evaluation by the Independent Evaluation Department’s (IED), in 2012, focused on ADB’s knowledge management processes and evaluated a selection of knowledge products. Unlike its predecessor, it does not assess the effectiveness or impact of individual knowledge solutions.

16. A knowledge solution is the application of knowledge to address a specific problem. Developing a knowledge solution requires the application of general and technical knowledge to address a problem in a given context. The concept of a knowledge solution has been common in many ADB documents for at least a decade. Although this is a frequently used term in ADB, it is not used widely outside ADB. This evaluation will apply the term to other organizations when appropriate. Box 4 provides a working definition for this evaluation.

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**Box 4: What is a Knowledge Solution?**

Like its predecessor, Strategy 2020, ADB’s Strategy 2030 highlights the role of knowledge in ADB’s operations:

- **ADB’s tacit knowledge is embedded in its projects and programs. Its explicit knowledge is provided through various products and services such as publications, forums, and TA.**

This evaluation uses the latest ADB definition of knowledge solutions, from a memo issued by the vice president of knowledge management in October 2019:

- Knowledge solutions are knowledge-based ideas, designs, approaches, products and processes that resolve problems. They are incorporated in TA and projects, as well as in ADB’s business activities and are valued by clients.

This definition is consistent with that provided in the approach paper for the current evaluation in June 2019:

- … 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.

**ADB** = Asian Development Bank, **TA** = technical assistance.

Source: Independent Evaluation Department.

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12 IED. 2012. Special Evaluation: Knowledge Products and Services: Building a Stronger Knowledge Institution, Manila: ADB.
2. Theory of Change

17. **IED developed a theory of change to provide direction to the evaluation and to motivate the evaluation questions.** Figure 2 presents the theory in graphic form.

- **Identifying regional and country needs.** This involves using existing ADB knowledge—tacit and documented—to develop a set of priorities for ADB operations. Some of these priorities should be identified in the country partnership strategy (CPS) and its programming cycle. However, ADB’s understanding of regional needs and its own priorities also play a role as ADB establishes its own agenda and prioritizes its resources.

- **Mobilizing resources and knowledge.** Some knowledge is captured formally in corporate documents or publications. Other knowledge is held by staff, DMC counterparts, consultants, and partners. ADB has a substantial grant-based budget available for technical assistance (TA), coming partly from partner contributions and partly from net income, and this is an important vehicle for knowledge creation and exchange. ADB also has formal and informal knowledge partnerships with academia, international organizations, and other institutions.

- **Tailoring knowledge solutions.** Using its resources, ADB generates and shares knowledge solutions. To be effective, ADB has to tailor knowledge solutions to adjust to the context and meet the specific needs of its partner.

- **Sharing knowledge solutions.** Externally, this may take the form of knowledge products and services (KPS) through publications, websites, and conferences. It may include embedding knowledge in operations, brokering knowledge from others, and dialogue at the country, sector, and project levels.

**Figure 2: Theory of Change**

ADB = Asian Development Bank, DMC = developing member country.
Source: Independent Evaluation Department.

18. **The theory of change does not assume that ADB support is demand-led or supply-driven.** As with all support provided by ADB, this form reflects the intersection of supply and demand. ADB does not offer services for free (even grants have transaction costs) nor does it have the power to force any product or
service on its partners and clients. There is not a dichotomy between supply and demand; ADB has its own positions and priorities that interact with the demands of different DMC stakeholders. However, in practice, many units focus on ADB priorities and products, taking advantage of their distance from day-to-day operations.

3. Evaluation Questions

19. 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 also has four specific evaluation questions.

20. 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 question explores how ADB identifies the knowledge needs of the region and how it responds to stakeholder demands while balancing these demands with its own objectives and capacity.

(ii) To what extent does ADB tailor knowledge solutions to meet these needs? This question addresses how well ADB combines its instruments and resources to create a coherent package.

21. The remaining two questions refer to the extent to which ADB’s current characteristics facilitate the efficient delivery of knowledge solutions.

(iii) 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.

(iv) To what extent does ADB measure and share knowledge solutions efficiently? This question identifies how well ADB shares its tailored solutions with the intended beneficiaries. This is the result of the theory of change under the evaluation.

22. The theory of change and the evaluation questions focus on a broad definition of knowledge. As formulated here, the evaluation looks at two aspects of knowledge that are relevant for ADB: (i) the internal use of knowledge, which is ADB’s use of tacit and codified knowledge and KPS to carry out its operations; and (ii) the external application and dissemination of knowledge, which reflects ADB’s production and sharing of knowledge solutions.

C. Methodology

23. Knowledge is inherently difficult to measure and quantify. ADB has traditionally relied on quantifiable indicators to measure its organizational effectiveness.\(^\text{13}\) While such quantitative measures may work well with traditional investment projects, they have important limitations when looking at knowledge or policy support. At the same time, ADB is not unique in facing this challenge. Many public and private organizations survive entirely on their capacity to generate and share knowledge. Other organizations have dealt with similar issues and have developed appropriate techniques to understand how knowledge contributes to their work.

24. The evaluation is focused on how ADB generates, collects, and uses knowledge to support its DMCs. It focuses on how ADB operates and how it is perceived by its partners and clients. The evaluation

team collected data from many different sources on ADB’s generation and utilization of knowledge solutions. The evaluation compared ADB’s current and emerging practices to good practices and its model of a strong knowledge organization. As explained below, the evaluation used internal data to understand how ADB works and external data to understand how it is perceived by its ultimate beneficiaries, the region’s DMCs. Appendix 1 outlines the methodology in greater detail.

1. Defining Good Practices

25. The evaluation's first step was to understand good practices for the generation of knowledge solutions. To develop a systematic understanding of what works in a knowledge organization, the evaluation team developed a model that captures how an organization uses knowledge to create value. The model helped the team to use good practices to answer the evaluation questions. Over the last 40 years, a host of conceptual models, toolkits, and case studies focusing on knowledge management and knowledge solutions have been developed. Given the nature of knowledge and the full range of knowledge organizations, there is no single best-practice model. Developing a set of good practices is context-specific and requires subjective judgment. To this end, the evaluation relied on the extensive knowledge management literature, complementing it with data the evaluation gathered from other organizations.

26. Good practices are useful only if they are seen in ADB’s broader context. There is a natural tendency for an organization to identify a series of good practices and selectively adopt them to improve its operations. However, simple replication rarely works, particularly with something as complex as knowledge management. At the same time, there is a tendency to reject experience from organizations that differ significantly—for example, a development bank taking lessons from a consulting firm. With a proper understanding of the context, different sorts of organizations can learn from each other.

2. Gathering Data Within ADB

27. The evaluation sought the views of a wide range of ADB staff and consultants. ADB has a heterogeneous workforce, comprising international staff, national staff, and nationally recruited administrative staff. Within ADB, IED interviewed more than 230 staff, through semi-structured interviews and 12 group interviews (with a total of 46 staff). This included staff from all five regional departments, the Information Technology Department, the Private Sector Operations Department, the Office of Public-Private Partnerships, and knowledge departments. Table 1 shows the number of persons interviewed, including headquarters-based management, staff and consultants, management, and staff at resident missions, DMC officials, Asian Development Bank Institute (ADBI) staff and consultants, and experts and key personnel in other development organizations. In total, more than 400 people informed the responses to the evaluation questions.

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14 All interviews and group work with ADB staff, management and consultants were based on the set of interview questions presented in the interview schedule in Appendix 1.
28. **A process of triangulation was designed to identify and eliminate biases and to confirm suggested findings.** The transcripts and notes from these group interviews were processed and treated as primary data. Complete transcripts from 146 individual interviews with staff and 21 with consultants in headquarters were cleaned for accuracy. The transcripts and notes were then encoded in MAXQDA software to find common themes which aligned to the evaluation’s four questions. In addition, the evaluation interviewed all six ADB vice-presidents and the majority of director generals and deputy director generals. The evaluation used the software to analyze the core of the interview material with headquarters-based staff in a process that involved indexing, coding and re-coding, leading to identification of key concepts and themes (Appendix 1). The evaluation team analyzed other material generated from group work, mission-based interviews in DMCs, and interviews with experts from other development organizations and knowledge organizations, identifying key concepts and themes. The team interpreted the sum of the evidence in an iterative way to organize, connect, and understand the data with reference to emerging themes, sub-themes and possible contradictions. The framework for this exercise was guided by the evaluation questions.

29. **As part of country assessments, the evaluation team interviewed a large number of national and international staff in resident missions.** The team visited ADB’s resident missions in Cambodia, the People’s Republic of China (PRC), and Georgia, and the Pacific Subregional Office in Fiji, conducting individual and group interviews with 68 staff, a large proportion of the national and international staff in these offices. The team also met staff from other resident missions in video and audio interviews as well as in ADB headquarters. IED originally planned a mission to India, which was not realized for logistical reasons. IED was able to conduct some teleconference interviews with senior government staff in India the results of which was incorporated in the evaluation.

30. **The evaluation team used a wide range of corporate-level human resource data as well as IT and communication data.** ADB provided IED with data on the education level, experience, and training of ADB staff. In addition, the evaluation received data on staff time allocations and the results of staff surveys. In order to maintain the confidentiality of information, all data were aggregated at the vice president level. ADB also provided a significant amount of data on the use of ADB’s internal and external information systems.
31. The evaluation reviewed relevant assessments, strategies, and evaluations to develop a historical perspective and to understand past challenges. Since 2002, knowledge has been central to ADB’s strategies, frameworks, and internal assessments. It has also been a common theme in IED evaluations of ADB and its operations. In addition to the references in the evaluation, Appendix 2 provides an overview of some of IED’s key findings regarding knowledge.

3. Gathering Data from Outside ADB

32. In order to understand stakeholder views on the quality of the knowledge solutions provided by ADB, the evaluation team met with government officials from executing and implementing agencies of ADB projects, counterparts in other development partners, and nongovernment organizations during missions to Cambodia, the PRC, Fiji, and Georgia. The evaluation team met with government staff from eight DMCs in Fiji. In total, the evaluation held 75 interviews with DMC partner representatives and nonsovereign clients.

33. The team interviewed staff at other development partner organizations and knowledge-producing organizations. All other organizations have faced the same challenge of incorporating knowledge into their operations. The interviews highlighted how ADB’s peers have faced similar challenges as well as their impressions of ADB as a knowledge leader. In addition, the team interviewed leading firms that use knowledge in their day-to-day operations, including consulting firms, private sector knowledge management leaders, and research organizations.

4. Limitations

34. The evaluation used data from a variety of sources to address complex questions. While there is a strong consensus that knowledge is important, there is no simple way to measure it either as an input or as an output, nor is it straightforward to measure the outcomes and impacts associated with knowledge. This defeats any attempt to rely on quantitative methods. However, depending on interviews and selecting a small sample of countries may create biases. To avoid this, the evaluation relied on both comprehensive sets of interviewees (e.g., all sector and thematic chiefs or all active ADB projects in a DMC) and nominations by departments for interviews. The evaluation was careful to correlate and cross-reference responses to identify tendencies. This included comparing interview results with those of other evaluations. If respondents in several countries reported an issue, that is not particularly relevant if these countries were randomly selected, but if the issue surfaces in a large number of countries it needs to be addressed.

35. It is difficult to measure the outcome and contribution of knowledge embedded in dialogue and projects. The evaluation focused on the culture, practices, and processes that are associated with the production and sharing of knowledge solutions. While adopting these good practices does not guarantee organizational success, it makes it more likely. The evaluation did not judge ADB’s success or failure; it focused on assuring that ADB is well-prepared to meet the challenges posed by Strategy 2030.

36. The evaluation maintained strict control to ensure confidentiality. All respondents were informed that their interviews were confidential and IED has maintained strict controls to ensure this. In most cases, IED staff were not aware of the names of ADB staff that were interviewed by consultants nor how they were grouped. IED staff did not directly review any transcripts from these discussions. The evaluation team went to some lengths to ensure that no particular unit, project, or individual was shown in a negative light.
Good Practices for Knowledge Solutions
Highlights

Leadership plays a central role in promoting the use of knowledge through the messages it sends and by the way it serves as a role model.

The culture of a knowledge organization promotes internal debate and encourages knowledge sharing.

An organization’s structure and rules play a major role in reinforcing culture, and organizational silos can prevent the flow of knowledge across the institution.

Consultants can play an important role in filling knowledge gaps, but their knowledge has to be effectively integrated and preserved.

Technology facilitates communication, teamwork, and storing information but it cannot, on its own, address cultural issues.

Measurement is important to understanding the effectiveness of knowledge solutions. It is not easy to measure the value of a stock of knowledge, but a knowledge organization can track its contribution in various ways.

37. Groups and organizations play a central role in creating and utilizing knowledge. This chapter analyzes the role that an organization plays in providing value addition through knowledge and the processes that turn individual knowledge into an organization’s knowledge solutions. The chapter presents a model of a successful knowledge organization and ties it into the evaluation’s theory of change presented in Chapter 1.

A. What Makes a Successful Knowledge Organization?

38. An organization is a complex institution that brings together people to accomplish a shared goal. All organizations use systems and formalized processes to provide value addition and to address challenges. All but the smallest organizations divide their people and operations into functional groups. A successful knowledge organization ensures that knowledge does not remain in one group but flows freely throughout the organization, ensuring that people are able to communicate and solve problems.

39. There has been a growing recognition of the importance of knowledge as an asset. As economies become more complex, organizations have to invest in intangible assets such as reputation, intellectual property, and knowledge. The growth of information and communication technology in the 1970s and 1980s led to a significant decline in the cost of information and the cost of connectivity. With greater access to documents and data in digital form, a premium has been placed on the value of tacit knowledge. These trends led to the creation of the discipline of knowledge management in the 1990s, as organizations sought to capture and codify increasingly valuable tacit knowledge.15

40. While there is no single path to a knowledge organization, the literature has identified many good practices. Organizations throughout the world are confronted by the same challenge as ADB: how to take advantage of knowledge to deliver higher value addition to their partners, clients, and stakeholders. Many organizations have gone through significant changes in their structure and operations to improve their production and distribution of knowledge solutions. The different elements of the model used in this evaluation were aligned with the evaluation questions and the theory of change. The evaluation questions provided a framework for the discussion of good practices in knowledge organizations.

41. The evaluation developed a model of how a world-class knowledge organization can bring together good practices. The model highlights the role of the organization—its process, culture, structure, 

leadership, and incentives—as it supports and enables knowledge solutions.\textsuperscript{16} This emphasizes the importance of context and the role of the institution in the production of knowledge. The model provides a framework to discuss good practices. The evaluation then compares the model to ADB’s current methods as it moves to implement Strategy 2030 (Figure 3).

\textbf{Figure 3: Model of Knowledge Organization}

\begin{figure}[h]
\centering
\includegraphics[width=0.8\textwidth]{knowledge_organization_model.png}
\caption{Model of Knowledge Organization}
\end{figure}

\textsuperscript{17} It outlines a seven-step cycle that traces how an organization creates, identifies, captures, reviews, shares, accesses, and uses knowledge. The framework offers a series of tools that organizations can use. Many organizations use the model to benchmark their performance, comparing their level of maturity to top organizations.

44. \textbf{A world-class organization needs to have all parts of the model working well.} Reform and change can be a complicated process and there is an understandable inclination to address only some weak elements. However, an organization is only as strong as its weakest link. While it may not be possible to reform all elements at once, it is not sufficient to focus only on a few areas. For example, a strong and committed leader can only expect results if the organization is well-resourced. Likewise, a strong monitoring and evaluation framework is of limited use if there is little to measure.

\section*{B. Enabling Environment: Leadership, Culture, Structure, and Incentives}

45. \textbf{An organization’s context plays a determining role in how knowledge is used to bring value.} The business and organization literature is replete with articles explaining the importance of leadership, culture, structure, and incentives in explaining productivity. The enabling environment provides the fuel


for the production of knowledge solutions. On the surface, leadership and culture are soft concepts which are difficult to describe. Organization and incentives are more tangible concepts. In practice, they are all interrelated and contribute to each other directly.

46. **Organizational culture determines how an organization goes about its tasks.** Staff will follow the examples that leaders set for the organization. If the organizational incentives and reward system are geared toward standardized output, the organization will produce standardized rather than tailored responses to the need of partners. As form follows function, the organizational structure, processes, communication will also reflect culture and incentives. In the absence of strategically aligned leadership, culture, and incentives, technological and other support will be unlikely to lead to significant change.

1. **Leadership**

47. **Without strong commitment from the top, organizations cannot develop the necessary structure to take advantage of knowledge.** A survey of knowledge management professionals identified leadership as the single most important enabler in improving the use of knowledge in operations. Its absence is also the single most important barrier to improving the use of knowledge. "The most important starting point of a transformation, and the best predictor of success, is a CEO who recognizes that only a new approach will dramatically improve the company’s performance. No matter how powerful the aspirations, conviction, and sheer determination of the CEO, though, our experience suggests that companies must also get five other important dimensions right... this includes efforts to identify the company’s full potential; set a new pace through a transformation office that is empowered to make decisions; reinforce the executive team with a chief transformation officer; change employee and managerial mind-sets that are holding the organization back; and embed a new culture... “ McKinsey. 2016. *Transformation with a Capital T.*

48. **A leader plays a number of key roles in promoting the use of knowledge.** For most organizations, harnessing knowledge requires creating incentives, changing corporate culture, and investing in new ideas. Senior leadership needs to demonstrate its understanding of the challenges that the organization faces, communicate the importance of knowledge, and be seen to be actively supporting reforms. This requires a clear mandate from the top, including modelling good behavior and constantly pushing the organization toward the desired strategic reform. A dedicated unit to drive the change process is also important, with high level support. Several factors are key to carrying out reforms supporting knowledge:

(i) **Visible commitment.** A high-level leader needs to take a prominent and public interest in promoting knowledge.

(ii) **Strategic communication.** A leader must be able to communicate clearly why knowledge is important to the organization.

(iii) **Engagement.** The leader needs to remain engaged with the reform.

(iv) **Setting a clear expectation.** Leaders at all levels need to communicate the expectation that knowledge will be treated as a valuable asset.

(v) **Consistent rewards and recognition.** Setting a clear expectation for knowledge-related work needs to be accompanied by rewards and recognition for individuals, teams, and the whole organization.

(vi) **Adoption.** A leader should serve as a role model and personally embrace new approaches.

2. **Organizational Culture**

49. **Culture is a complex concept that captures how an organization works.** Researchers have defined organizational culture in many ways, in terms of values, norms, and practices.

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18 For example, the 2014 survey of 400 knowledge management professionals, summarized in N. Milton. and P. Lambe. 2016. *The Knowledge Manager’s Handbook.* London. This result is also supported by much of the literature on organizational management.
(i) **Values** indicate what an organization’s members believe is important. They may include preferences for specific outcomes or behaviors. They also include what an organization collectively aspires to achieve—be it profit, social impact, or other outcomes.

(ii) **Norms** are shared beliefs about how people in an organization should behave and what they should do to accomplish their work.

(iii) **Practices** are the routines used in an organization to accomplish work. They include both formal and informal practices.

“A culture where connections and knowledge activities are encouraged, and knowledge is valued and actively used, will support the establishment and application of the knowledge management system within the organization.”


50. **A knowledge culture needs to promote autonomy and sharing.** Developing knowledge solutions requires the application of general and technical knowledge to a particular context. This requires giving those involved in generating solutions the autonomy to be able to seek knowledge as well as collaboration.\(^\text{19}\) Individuals in a knowledge culture need to feel comfortable asking for advice, debating options, and sharing knowledge. This does not mean that a knowledge organization will not have internal competition; it faces the challenge of how to balance collaboration with competition.\(^\text{20}\)

“The biggest strength of our process is lots of intellectual debate.” World Bank manager

“Knowledge is generated through communities. People who like certain topics, share because they have the natural instinct to advocate and share good practices.” World Bank staff member

“Executives are embracing digital technologies to reinvent the workplace, focusing on diversity and inclusion as a business strategy, and realizing that, without a strong learning culture, they will not succeed.” *Deloitte 2016 Global Human Capital Trends Report*.

“It is important to cultivate and gain grassroots support, among other things, to enhance the chance of success of a knowledge management journey.” E. Tsui. 2016. *Lessons Learnt from Nearly 200 Cases of Knowledge Management Journeys by Hong Kong and Asian Enterprises*

“The global sector lead would know your name. If you get stuff published, people see your name, and next time he is in town he says ‘great piece - how do we bring this to clients’. Then when it comes time for promotion, you will have people supporting you on your path to principal. The knowledge behaviors people exhibit immediately leads to their promotion. This has been institutionalized in McKinsey for years.” McKinsey staff member

51. **A knowledge culture puts a premium on learning and intellectual curiosity.** Individuals in a knowledge culture understand the importance of learning and take responsibility for their own learning. This includes not just formal learning but also informal learning, including participation in learning processes such as action reviews and active membership in communities of practice. All organizations try to avoid failure and take significant steps to mitigate risks. A strong knowledge culture requires that people are rewarded for learning from failures and for sharing those lessons with others, in the same way as they are rewarded for sharing the lessons of their successes.

52. **The importance of having a knowledge culture is not specific to any region or set of values.** There is often concern that certain beliefs are region-specific and may not apply to Asia and the Pacific. Evidence suggests otherwise. Deloitte’s annual review of human capital trends shows that establishing the right culture is of the same concern to organizations in Asia and the Pacific as it is to those in the rest of the world.\(^\text{21}\)

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21 This is a general finding in Deloitte’s annual surveys. It was highlighted in 2016 report. Deloitte. 2016. *2016 Human Capital Trend Report—The New Organization: Different by design*.
3. **Structure and Incentives**

53. **An organization’s incentives, structure, rules, and procedures play a major role in reinforcing and strengthening culture.** In practice it is difficult to differentiate an organization’s culture from its structure. The structure and incentives are the main levers in the development and maintenance of culture. They influence culture and, at the same time, they are created by the culture in which they operate. The structure and the incentives need to match the desired culture, requiring leadership to make further adjustments. Many organizations include knowledge management in job descriptions. For example, the oilfield services company Schlumberger links knowledge management to its bonus system. In Deloitte, a professional services company, the creation of knowledge assets is central to furthering careers and is reviewed in performance appraisals. A similar approach is applied in McKinsey, a management consulting firm, where it is expected that staff will make a name outside their home office. Managers at McKinsey receive feedback on each staff member’s overall contribution to the organization.

54. **To improve collaboration, many knowledge organizations are trying to break down silos.** In the context of an organization, a silo is a unit that operates in isolation from others; a silo mentality refers to the resistance of units to share knowledge with others in the same organization. Vertical silos exist between different functional areas, such as research or operations. Horizontal silos exist between leadership, management, and staff. Silos prevent organizations from taking optimal advantage of their collective knowledge. The focus on cross-functional teams is an explicit attempt to reach across departments. Organizations have successfully addressed constraints on the flow of information by increasing horizontal communication at all levels; this typically involves cultural changes along with organizational adjustments.

55. **There is a clear trend for organizations to move towards a flexible, team-based approach.** According to the Deloitte 2019 *Global Human Capital Trends* report, a large number of organizations are trying to give a greater role to teams; 88% of respondents to a survey indicated that this was a challenge in their organization. Organizations are creating teams that are cross-functional, with a group of disparate professionals brought together to address specific challenges. The evidence is quite clear that diversity leads to greater productivity, in part because diversity allows a better understanding of different contexts. This approach differs from the matrix management approach under which an individual is responsible to two or more hierarchies—an approach that does not always work out well. In the team-based approach, teams manage resources and have clear accountability.

"The global trend toward team-based organizations is growing for a reason: It is a more effective model for operating in the dynamic, unpredictable business environment typically seen today. In the long term, we believe there will be no leading organization that does not work primarily on the basis of teams." *Deloitte 2019 Global Human Capital Trends Report*

"The World Bank was operating as six regional banks, creating fragmentation by sector and region. It was difficult to move staff and knowledge across Regions. It was also hard for the World Bank and IFC, its private sector arm, to collaborate effectively, and for the entire Bank Group to coherently manage its global corporate priorities." *World Bank. 2019. Knowledge Flow and Collaboration under the World Bank’s New Operating Model* Washington, DC: Independent Evaluation Group, World Bank.

"At the Bank, we have 50 knowledge silo breakers, which are given a little bit of money, and they generate the knowledge and they manage." World Bank staff member

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“Silos are good. They focus on getting a job done and there are lots of important jobs that need to be done extremely well by dedicated experts conversant with the minutiae of specific problems. Silos are therefore necessary and proper. The problem is that most silos are isolated when they should be connected. Specialization and ignorance are two vastly different things. So while we need to keep our silos, we need to make them smarter and more plugged in to what's going on around them.” G. Satell. 2011. *Why we need Marketing Silos.*

“If you are responsible for a function, you naturally want to control it. Your group becomes the in-group; everyone else the out-group. Maintaining clear boundaries is perceived to reduce friction. Hierarchy just seems easier. Information passes upward; control and command downward. Silos probably were necessary when all information and knowledge was based on person-to-person communication and pencil-and-paper. But digital takes us way beyond that point. Put simply, the effect of silos is to optimize locally, often to the detriment of the end-result.” Interview with Ron Ross: *Why Are Silos So Detrimental?*

56. **In practice, most organizations combine teams within their existing hierarchical structure.** Only about one third of organizations use teams as their primary form for organizing their work. Fully half of the respondents to the Deloitte Survey felt that adopting a team approach led to substantially higher productivity, while another quarter indicated it led to improvements in productivity.

57. **While internal cooperation is not an end by itself, it has the potential to create synergies and increase value addition.** Cooperation is a broad concept that encompasses both coordination and collaboration. Coordination refers to actions to bring different units together to work toward a common corporate goal, through a division of labor. Collaboration goes a step further, with units working together on specific interventions. While cooperation can bring together benefits, organizations have to work to ensure that they have proper incentives and resources; otherwise, competition among units is likely to emerge. 26

C. **Resources for Knowledge: Teams and Technology**

1. **People and Teams**

58. **People play a central role in a knowledge organization.** As organizations become more sophisticated and reliant on knowledge, the quality of human capital becomes a dominant factor in determining success. The clearest example of this may be that of consulting firms and think tanks, both of which primarily rely on their staff and their knowledge assets to generate revenues. Where knowledge is important, knowledge organizations have specific roles or accountabilities. These include roles within projects, within communities of practice, and within functional departments.

59. **In line with the growth of the knowledge economy, the education levels of the workforce have constantly increased.** Peter Drucker coined the term knowledge worker in 1959 to refer to workers who have valuable theoretical and analytical skills. As the stock of knowledge increases, there is a growing demand for analytical skills and critical judgment. Workers not only need knowledge, they also need to be able to answer questions and to solve problems. A flexible worker is more valuable because he or she can adapt to a changing economy and environment. As an economy becomes more sophisticated, the minimum level of education will increase for organizations that use knowledge. This does not mean that all workers in an organization have to have a high level of education or theoretical knowledge.

60. **In an ever-changing world, a flexible workforce requires continuous education among workers.** In addition to knowing, a worker must continue learning. Further education includes a combination of technical skills, organization-related training, and training to enhance productivity. Employers typically offer a combination of in-house and external training to provide a variety of continuing education opportunities to staff. A Japanese government report in 2018 estimated that enterprises spent an average

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of $2,500 per employee on training and education, rising to $3,200 for the largest companies.\textsuperscript{27} In the United States, in 2018–2019, employees received on average 44 hours of training per year. The average amount spent on training was about $1,100 per learner, which excluded the opportunity cost. Companies used a combination of online and in-person training in most categories.\textsuperscript{28} In summary, training is an important expense for organizations, it appears to be in the range of 1%–5% of total employee cost, taking into account opportunity costs. In practice, much learning is on the job, and comes from observation, practice, and mentoring. An organization should promote the optimal use of on-the-job training, allowing staff to gain knowledge in an efficient way.

61. **Establishing a comprehensive and public directory of staff and their skills is a common step in strengthening knowledge management.** An expertise locator or skills directory is a standard tool in many organizations. It provides a rapid and easy mechanism for finding people with relevant knowledge (Box 5). Typically, directories combine human resource data with user-entered data.

<table>
<thead>
<tr>
<th>Box 5: Good Practice: Staff Directory Combining Human Resource Data and Self-Entered Information</th>
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<tbody>
<tr>
<td>The World Bank has an extensive skills directory integrated with its online phone directory. This includes information on a staff member’s experience on different projects (from time sheets) as well as self-entered information on education, expertise and skills. In addition, staff can use their page to provide links to their blogs or webpages.</td>
</tr>
<tr>
<td>Interviews with private sector firms showed that skill directories were essential to their operations. A staff member from a leading firm indicated “we have something like our own version of LinkedIn, with details on experience, papers, and background.” A manager from another firm indicated that updating one’s profile was expected and an employee who did not constantly update his or her page was not performing to the organization’s standards.</td>
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<td>Source: Independent Evaluation Department.</td>
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62. **Organizations can use consultants when they face skills shortages or need to augment their available skills.** A knowledge consultant should bring two assets to the table: expertise and experience. For a consultant to help clients adapt good practices, a short-term consultant must be able to transfer his or her knowledge. There is evidence that this can be particularly effective when the organization’s level of starting knowledge is low. In these cases, consultants may add considerable value by leveraging their knowledge. However, because consultants often lack an understanding of the unique organizational context, they are less likely to turn good performance into outstanding performance.\textsuperscript{29}

63. **Consultants play an essential role in filling gaps in the workforce.** In many instances, in both the public and private sectors, organizations hire consultants as temporary workers. They fill in on projects because the organization does not have enough full-time staff. In such cases, they are effectively doing the work of staff. Without proper management, such consultants can become “permanent-temporary workers” and are often used to get around headcount restrictions.

64. **Organizations often rely on consultants to provide independent advice or review.** Often a consultant’s distance from the organization can be an asset, allowing him or her to give independent insight and assessment. As an outsider, a consultant is less likely to be involved in internal politics and is in a better position to offer objective advice than an insider. Also, an independent consultant may play a role in legitimizing controversial decisions or in supporting the organization during a significant transition or reform.

\textsuperscript{27} This includes the cost of the training and the cost of the employees’ time. *Nikkei Asian Review*. 3 July 2018. Japan Urges Companies to Invest more in their Workers.  
While outsourcing can be cost-effective, relying on consultants may lower the transfer of knowledge to the organization. First, there are the normal risks associated with any form of procurement, such as breach of contract, an unrealistic terms of reference, and misrepresentation. In addition, consultants have limited shared incentives with the organization. As an outsider, a consultant is less likely to leave knowledge for the organization. The long-term cost of hiring a consultant may be quite high. 

2. Technology

Information technology (IT) plays a pivotal role in supporting the flow and retrieval of knowledge within an organization. The growth of IT has been central feature in the development of knowledge management as a field. First, a well-designed IT system effectively reduces the cost of accessing knowledge. Second, it allows the efficient classification and location of available knowledge. Third, it supports communication and collaboration for teams distributed throughout the institution in different offices. A successful organization starts out with a strong IT governance, that operates the overall structure. This includes establishing standards for equipment (computers, services, and connectivity), rules and guidelines for usage, and ensuring adequate security. In addition to strong governance, an organization needs to procure, customize, and maintain the appropriate hardware and software.

For technology to be effective, there needs to be a consolidated single “source of truth.” Good practice says that a set of transparent and federated systems is preferable to many different sources held in individual computers. Regardless of where knowledge is located, there needs to be a single authority for all processes and procedures. Access can be controlled based on permission levels. With a single source of truth, duplication and errors are lessened, as different organizational silos all search the same knowledge bases. Where knowledge spans organizational silos, knowledge bases may need to be owned and managed collectively or by a third party. Wikis (hypertext publications collaboratively edited and managed by their own audiences) can be useful for such purposes.

An effective search engine is one of the most important tools in facilitating knowledge access. When an employee needs knowledge, a common first instinct is to use the search engine Google. However, enterprise search doesn’t work like an internet search engine, which uses the existence of key words and backlinks in highly interlinked HTML pages. Enterprise search solutions, in contrast, search unlinked documents. However, it needs to be stressed that effective search engines require a taxonomy to ensure that documents are properly classified (Box 6).

Box 6: Example of a Search Tool

Nalco Water

The global water treatment company, Nalco, uses a taxonomy to classify and organize technical content. The knowledge management team used feedback from stakeholders to develop the taxonomy. Content authors are required to add metadata and keywords to their contributions. The search engine combines the official taxonomy with author-generated keywords to drive relevant search results. Nalco’s search function allows users to find content in all enterprise repositories, including content libraries, communities of practice, employee profiles, team sites, and discussion threads. After a user executes a search, the results page includes a list of related searches to help the user.

Source: Independent Evaluation Department.

Top knowledge organizations keep all documents available unless there a specific reason for limiting access. This is similar to a public library system where all users are welcome to access library assets and may also contribute to the collection. All internal notes and documents should be internally available.

Access will be governed by the rules of each document classification system, but the default approach should be to make access as open as possible.

70. **Teams are not necessarily in one physical location.** Organizations often work across different offices and countries and should not require physical proximity or meetings to share knowledge. Cloud-based services provide all the tools needed for geographically distributed teams to collaborate, communicate, and coordinate activities.

71. **Investing in IT does not guarantee improvements in knowledge.** Such investments require leadership, business process reform, and culture change to be successful. Many knowledge management reforms have failed because of their heavy reliance on technology at the expense of changing other elements such as leadership, process, roles or incentives. IT systems must be designed for the end-user and must be easy to use. 31

**D. Identification: How do Leading Organizations Identify their Partners’ Needs?**

72. **An organization and its partners exist in a complicated network filled with constant change.** In a rapidly changing world, organizations need to have a constant understanding of how their partners are changing. Change can be gradual and largely predictable, but it can also be sudden and unexpected—as the outbreak of the current COVID-19 global pandemic has shown. Periodically, an organization needs to assess the opportunities and risks that it faces not only to understand what it knows but identify unknowns and potential solutions to challenges. Such challenges might come from non-traditional competitors, new exogenous shocks, or new demands.

73. **Organizations need to understand their stakeholders.** Stakeholders are constantly changing, with new groups arising, more established groups fading, and objectives changing. New players can play an unexpected or disruptive role. Organizations need to identify the strengths, weaknesses, and changing needs of each type of stakeholder. This will enable them to target areas where new opportunities can arise and where disruptions may occur. 32

"Representatives from government agencies, governing bodies, civil society groups, nongovernmental organizations, private sector, media, academia, and local constituents are examples of the stakeholders that should be involved in the initial needs assessment. It is also crucial to involve individuals from a variety of levels of leadership from those organizations to thoroughly understand and assess the current state and determine the need for change." World Bank. 2015. *The Art of Knowledge Exchange: A Results-Focused Planning Guide for Development Practitioners.*

"The organization shall determine: (1) the interested parties that are relevant to the knowledge management system and (2) the relevant requirements of these interested parties. These requirements shall be analyzed, prioritizing the main areas and contexts relevant to the organization and the knowledge management system." ISO. 2018. *Knowledge Management System—Requirements (ISO 30401).*

74. **Knowledge organizations analyze their own strengths and weaknesses.** Given a constantly changing environment and the intangible nature of knowledge, an organization needs to be aware of its current stock of knowledge. A knowledge map or a knowledge audit can help an organization understand where knowledge is located. 33 Specifically, a knowledge map aims to answer these questions:

(i) What is the critical knowledge to address current and future challenges?
(ii) Where does that knowledge reside?
(iii) How does knowledge flow between people, and between people and systems?
(iv) What are the gaps in knowledge and the issues that impede its movement?

75. Developing a knowledge map or audit requires significant analysis of an organization, its objectives, and its assets. To create knowledge maps, the organization must first identify the key knowledge areas to map. Many organizations already have process maps and competency maps, which can be a good starting point. Interviews with leaders and key stakeholders will reveal how knowledge is used in the organization. Key stakeholders can provide detailed information about each knowledge area, including what knowledge is relevant to that area, who has it, where it is stored, and when and where it is needed.

E. Design: How do Leading Organizations Tailor their Knowledge Solutions to Meet their Partners’ Needs?

1. Creating Knowledge Solutions

76. Using knowledge, an organization can introduce innovations and improvements that respond to new needs. An organization needs to constantly challenge entrenched beliefs. This requires a formal process that allows the organization to ask questions that test preconceived notions and to explore new solutions. Leadership can play an important role by openly questioning beliefs and practices that are at the center of an organization’s procedures.34

77. Many organizations have specific initiatives to encourage innovation. Staff are often in a better position than management to find solutions to problems. Some organizations have organized schemes to encourage staff to solve problems, giving them the opportunity to lead the process. One approach is the innovation lab, which organizations as diverse as McKinsey, the International Monetary Fund, and Standard Chartered Bank have created. This is a space where staff have the freedom to develop new ideas, products, and services (Box 7). The most successful innovation labs are tied to a strategic objective.35

<table>
<thead>
<tr>
<th>Box 7: Bottom-up Innovation at Tata Chemicals</th>
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<tr>
<td>Tata Chemicals includes collaborative innovation as a strategic pillar with support from senior leadership to create an “environment for innovation and learning.” The company encourages staff to contribute new ideas through two approaches: K-Cafés and Prerana.</td>
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<tr>
<td>K-Cafés are structured, face-to-face brainstorming events. A K-Café might ask the marketing team to develop new business ideas for a market, or seek suggestions to conserve water at a factory. Staff form teams and brainstorm ideas. At the final event, the teams present their ideas. New teams are then formed to develop additional ideas. A panel of experts reviews each idea, selects winners, and orders the immediate development of implementation plans.</td>
</tr>
<tr>
<td>Prerana is an intranet-based system that allows any Tata employee to suggest solutions and ideas. A committee reviews the suggestions to determine whether they are actionable. If a suggestion is approved, the staff member will be asked to develop an implementation plan.</td>
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<td>Source: Independent Evaluation Department</td>
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78. Organizations can collaborate with other stakeholders, including partners, subcontractors, suppliers, customers, academics, or even the public, to generate knowledge solutions. To achieve this, some organizations have started extending their knowledge-sharing and collaboration platforms to include outsiders when appropriate. For example, an organization may establish communities to collaborate with partners. These external communities generally allow staff to work with external stakeholders on specific projects, but they may also permit broader collaboration on new ideas.

79. Leading organizations often form teams of technical specialists to solve challenges that do not fit easily in one practice area. Knowledge organizations seek suggestions for continual improvement from

Good Practices for Knowledge Solutions

staff. Not every innovation or improvement requires an innovation lab. Many knowledge organizations use regular review processes including Kaizen circles (quality circles that involve all members of an organization, from the top to the bottom) to review activities and suggest improvements. A process of creative abrasion brings together people from diverse areas to solve problems. Many organizations encourage this through cross-functional problem-solving communities. By their nature, functional departments bring together individuals with similar skill sets as well as with similar cognitive preferences (Box 8). For example, a department composed of engineers is likely to address a problem differently from one that is composed of economists or accountants. Breaking employees out of their silos can create tension, but it can also spark innovation.

<table>
<thead>
<tr>
<th>Box 8: Examples of Internal and External Collaboration in Various Organizations</th>
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<tbody>
<tr>
<td>The Colombian petroleum company Ecopetrol has used cross-functional communities to tackle problems that do not have clear functional owners in the organization, such as well stimulation and the well shut-down process. Ideas from these communities have increased production and led to significant cost savings. Ecopetrol received the MAKE award in 2011, 2015, and 2016.</td>
</tr>
<tr>
<td>The global professional services firm Accenture uses cross-functional communities to generate creative solutions for challenging problems. Accenture’s communities are called on to solve client issues collectively (e.g., how to reduce a customer’s electricity usage and where to invest a customer’s budget). They also tackle internal issues, such as assessing and expanding Accenture’s potential IT vendor landscape.</td>
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<tr>
<td>The humanitarian aid and development organization World Vision International provides a number of avenues for external stakeholders to participate in knowledge sharing. World Vision invites subject matter experts and influencers from partner organizations to join its communities of practice. World Vision uses such tools as WhatsApp, Facebook, and e-mail lists to enable collaboration between employees and external experts.</td>
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Source: Independent Evaluation Department.

2. Linking with Others through Knowledge Partnerships

80. Knowledge partnerships have the potential to increase an organization’s stock of knowledge. Knowledge partnerships are associations and networks of individuals or organizations that share a common purpose and whose members contribute knowledge, experience, resources, and connections, through ongoing dialogue. Unlike other types of collaboration, a partnership implies a clear horizontal relationship and equality in decision making. Partnerships allow organizations to expand their skills base effectively, beyond what could be realistically expected using internal resources. A partnership can enhance the technical competence of staff, through collaboration with experts from other organizations. A partnership exposes participants to new ideas, which in turn can spark innovation. There are a number of different models for partnerships, ranging from twinning to complex networks.

81. Successful partnerships need to be aligned with the needs of members. For the partnership to be meaningful, it needs to be consistent with the core mission and strategy of each organization. In addition, the partnership should have its own defined short- and long-term goals. Many partnerships start out as informal arrangements that evolve as necessary if a more formal structure is necessary.

82. An organization may promote a twinning partnership as a means to provide knowledge solutions. Twinning relies on institution-to-institution partnerships that facilitate professional exchanges and mentoring to share knowledge to benefit both sides (Box 9). A third party can play a useful role in brokering a twinning relationship. In a traditional knowledge transfer arrangement, knowledge flows in one direction for a limited duration. In addition to providing the initial contact, the sponsoring

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organization provides a framework and may offer financial support and training. A successful arrangement requires commitment from the leadership and staff from both organizations. In the recipient organization, this includes a keenness to learn. The mentoring organization needs to be willing to dedicate experienced staff to handle cultural and operating differences.  

### Box 9: Twinning Arrangements in the Water and Health Sectors

In 2006, ADB and the Global Water Partnership Program began establishing water operators’ partnerships in Asia and the Pacific, to share knowledge and build the capacity of water utilities. The program supports both twinning of peer organizations facing similar challenges and twinning of an experienced water utility with one needing help to deliver better services. Twinning arrangements have included those between the Thimphu City Corporation in Bhutan and the Malé Water and Sewage Company in the Maldives; between Davao Water District in the Philippines and Ranhill Utilities Berhad in Johor Bahru, Malaysia; and between Hunter Water in Australia and Water PNG in Papua New Guinea. ADB argues that “twinning has proven to be an effective way of building utility capacity and improving service delivery.” Asian Development Bank. 2010. Water Operators Partnership Program. Manila.

Twinning arrangements are common in the health sector, where there is often a clear body of technical knowledge and expertise that can be exchanged. For example, the World Child Cancer Twinning Partnership brokered long-term relationships between hospitals in Davao, Philippines and Dhaka, Bangladesh and hospitals in North America. These arrangements have led to important changes in practices in the recipient organizations, while helping staff in North American hospitals to work in different environments, leading to research. J. Hopkins, E. Burns, and T. Eden. 2013. International twinning partnerships: An effective method of improving diagnosis, treatment and care for children with cancer in low-middle income countries. Journal of Cancer Policy.

ADB = Asian Development Bank, PNG = Papua New Guinea.
Source: Independent Evaluation Department.

3. Quality Review

It is important to review both the process that generates knowledge solutions and the final knowledge solutions themselves. Quality review is vital regardless of how the knowledge solution is delivered. A quality review can ensure that the knowledge solution contributes to an organization’s objectives. For example, the review process can help ensure that the views of stakeholders are taken into account. For a physical product, engineering tools can be used to test specifications. Knowledge is different. Since much knowledge is tacit, it is essential to receive feedback from experts. This needs to consider four elements of the knowledge solution by asking if the proposed solution is: (i) consistent, (ii) concise, (iii) complete, and (iv) correct (Figure 4)

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40 Quality assurance focuses on quality the process that go into production to ensure that the organization is doing the proper steps in the proper ways. Quality control focuses on the quality of the final product to ensure that it meets expectations. To avoid the confusion, the evaluation combines both concepts as quality review.
Figure 4: The Four Elements of Quality Review

<table>
<thead>
<tr>
<th>Consistency</th>
<th>Conciseness</th>
<th>Completeness</th>
<th>Correctness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the proposed knowledge solution consistent?</td>
<td>Is the proposed knowledge solution concise?</td>
<td>Is the proposed knowledge solution complete?</td>
<td>Is the proposed knowledge solution correct?</td>
</tr>
<tr>
<td>A knowledge solution is consistent if does not contain contradictory proposals and actions.</td>
<td>A knowledge solution is concise if does not contain unnecessary or redundant proposals and actions.</td>
<td>A knowledge solution is complete if it addresses the challenge using available knowledge.</td>
<td>A knowledge solution correctly applies relevant knowledge to address the challenge context.</td>
</tr>
</tbody>
</table>

Source: Independent Evaluation Department.

84. **Subject matter experts play an important role in reviewing and vetting knowledge.** The peer review approach, which is standard in academic research and is used in organizations such as the World Bank, is an example of this form of expert review. Consulting firms often have a panel of senior experts that reviews quality. Typically, the panel has to approve work products and ensure that it meets a minimal level of quality. Without the approvals of experts, the work product is not shared. An alternative approach is to rely on internal experts who are embedded within the producing unit. These experts then play a more direct role in supporting the incorporation of knowledge in specific products. In practice, many organizations use both internal and external quality review.

85. **Communities of practice are often central to quality review.** Many organizations involve communities of practices in knowledge review. A community of practice can vet and refine knowledge. With defined authority and rules, community leaders can create accountability around the review processes. For example, Accenture uses communities to curate knowledge and to provide technical oversight. Members of the community can serve as subject matter experts and may also provide troubleshooting support.

86. **Many organizations combine formal quality assurance mechanisms with more user-driven approaches.** There are several different models that allow the broader community to publish and share knowledge instantly, without their submissions being vetted and approved. An organization can rely on peer rating and data analysis to understand what knowledge is most valuable for users. This approach speeds the flow of knowledge across the institution and incentivizes participation from a wide range of staff. For example, the IT services and outsourcing company Wipro uses both formal and user-driven feedback to review the quality of its products and procedures (Box 10).

**Box 10: Wipro’s Informal Peer Sharing and Group Quality Control**

The Indian information technology firm, Wipro, offers several networking and collaboration spaces where employees can contribute lessons learned, best practices, and tips. The organization has an internal wiki, Wipropedia, which is open for any staff member to create, edit, and publish content. These pages serve as memos that evolve over time. Another example of user-driven content contribution and review at Wipro is the organization’s “known error database.” The database analyzes user feedback to weigh and evaluate the content. Users can post comments and suggestions, tag items, and rate the usefulness of contributions. The database administrators use this to update the database and highlight trends.

Source: Independent Evaluation Department.

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42 There are different types of peer review, particularly in the academic setting. See S. Horbach and W. Halffman. 2018. *The Changing Forms and Expectations of Peer Review. Research Integrity and Peer Review* 3, 8.
F. Engagement: How do Leading Organizations Measure, Share, and Access their Knowledge Solutions?

1. Measuring Knowledge Solutions

A knowledge organization needs to have a clear strategy to measure how it produces and utilizes knowledge. Such measurement is essential to identify the appropriate amount of investment in knowledge solutions. An organization needs to gauge the efficiency and effectiveness of its knowledge processes as well as progress in using knowledge to achieve its objectives. As with any results framework, a simple causal chain can help to describe the theory of change underlying the program by linking activities to outcomes, describing the inputs, activities, outputs, outcomes, and impacts. The APQC knowledge management measurement model uses three types of indicators for knowledge:

(i) organizational outcomes measure knowledge’s contribution to the overall organization and large-scale impact;
(ii) project outcomes measure the contribution of knowledge at the project level, identifying the success of a particular solution to achieving its objectives; and
(iii) knowledge management processes and outputs that monitor the use, participation and usefulness of knowledge management tools and activities.

“Regrettably, it seems that an increasing number of organizations seek to measure knowledge directly rather than by its outcomes, activities, and consequences. Thus, they emphasize the scope, depth, number, and quality of databases; the numbers of individuals, units, and departments connected technologically; the number of requests or “hits” ...; and the number, variety, and extensiveness of knowledge projects or initiatives. Yet a moment’s reflection will convince even the most diehard metric devotee that such indicators do not provide any sense of an organization’s stock or flow of knowledge or its contribution to decision making and organizational performance.” – L. Fahey. and L. Prusak. 1998. The Eleven Deadliest Sins of Knowledge Management. California Management Review. 40. 265–276.

A successful knowledge organization uses a range of knowledge-based metrics. There are commonly five types of metrics used: (i) completion metrics such as ISO 30401:2018 measure the completeness of an organization’s knowledge management system (Box 11); (ii) compliance metrics measure the level of compliance with internal standards; (iii) activity metrics measure knowledge activity, such as conversations within a community of practice, the number of published lessons, or the number of knowledge products published; (iv) outcome metrics are described above (para 87); and (v) efficiency metrics measure how well the organization’s knowledge system works, for example how quickly a question in a community forum is answered, how quickly a knowledge product is published, or how long it takes for a new lesson to become adopted as a change in procedure. Table 2 presents selected metrics for three of these types of indicators for knowledge.

External validation will help an organization compare its approach with standards of good practice. External validation will provide context, by identifying appropriate benchmarks. External observers are often in better position to carry out the extensive qualitative research that is required to understand knowledge management processes (Box 11).
### Table 2: Selected Measures of Knowledge Solutions

<table>
<thead>
<tr>
<th>Type of Indicator</th>
<th>Example of indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Outcomes</strong></td>
<td></td>
</tr>
<tr>
<td>High-level access and repeat business</td>
<td>Registered or implemented innovations</td>
</tr>
<tr>
<td>Formal high-level recognition and awards</td>
<td>Gained efficiencies in core operations</td>
</tr>
<tr>
<td>Replicated solutions domestically or internationally</td>
<td>Greater recognition of knowledge-sharing capacity</td>
</tr>
<tr>
<td><strong>Project Outcomes</strong></td>
<td></td>
</tr>
<tr>
<td>Influence of targeted policy maker</td>
<td>Adapted proposed reform or change in procedure</td>
</tr>
<tr>
<td>Improved service delivery</td>
<td>Improvement in beneficiary knowledge</td>
</tr>
<tr>
<td><strong>Knowledge Management Processes or Outputs</strong></td>
<td></td>
</tr>
<tr>
<td>Improved collaboration among staff or departments</td>
<td>Improved capabilities to conduct knowledge sharing</td>
</tr>
<tr>
<td>Established dedicated budget for knowledge production, sharing, and dissemination</td>
<td>Increased access to data and information</td>
</tr>
<tr>
<td>Established knowledge and learning governance</td>
<td>Improved expertise and staff</td>
</tr>
<tr>
<td>Created or improved knowledge partnerships</td>
<td>Recognized accreditation or external evaluation</td>
</tr>
</tbody>
</table>


### Box 11: Approaches to Measuring Knowledge Management

**APQC’s Knowledge Management Capability Assessment Tool**

This helps an organization assess its capabilities and maturity in knowledge management. The assessment maps the current state of knowledge management and the knowledge flow processes. It allows an organization to set an objective for the improvement of business processes through the flow of knowledge and to guide organizational change. Since many organizations have applied the tool, it is possible to compare one particular organization’s progress with similar efforts. The tool has five major sections: (i) strategy, (ii) people, (iii) process, (iv) content, and (v) information technology.

**ISO Knowledge Management Standard**

The International Standards Organization’s ISO 30401:2018 was the first global standard for knowledge management. Its aim was to set sound knowledge management principles and requirements as (i) guidance for organizations that aim to be competent in optimizing the value of knowledge, and (ii) a basis for certifying and recognizing such competent organizations by recognized accreditation bodies. The standard does not instruct an organization how to manage knowledge. Each organization should define its own roles, processes, technology, and framework to suit its purpose, objective and context. The aim of the standard is to ensure that an organization has a solid foundation. Even without certification, it can be used as a benchmark for assessing current operations.

APQC = American Productivity & Quality Center.

Source: Independent Evaluation Department.

### 2. Sharing and Accessing Knowledge

“The key to knowledge is to move it from individuals to the institution.” Senior International Monetary Fund staff member

“The short answer on how to encourage internal knowledge sharing, and the best one, is: hire smart people and let them talk to one another. Unfortunately, the second part of this advice is the more difficult to put into practice.” T. Davenport and L. Prusak. 1998. *Working Knowledge: How Organizations Manage What They Know*. Boston: Harvard Business School Press.

90. **A successful knowledge organization shares knowledge internally and with its stakeholders.** Internally, an organization needs to make a conscious effort to overcome barriers and take advantage of the knowledge inherent in its people and produced by its operations. Much of this effort comes through leadership and is facilitated by the organization’s structure, processes, and technology. The traditional approach to knowledge sharing is done through meetings and documents.
91. **Informal sharing plays a major role in transmitting knowledge and top organizations attempt to promote this.** The “water cooler conversation” is an important way of sharing information and knowledge. Such casual physical meetings can enable the sharing of tacit knowledge as well as networking. Informal knowledge sharing is not planned, but many organizations promote it by the way they physically organize their workspaces.

92. **A knowledge taxonomy should identify the relationships among a wide range of items, both to organize what is known and to identify gaps.** A taxonomy can help an organization to store and quickly identify the work that it has done and how different pieces of knowledge relate to each other. They are important in classifying documents for storage and play a function in planning, by identifying important areas that need to be addressed.

93. **Social media can facilitate knowledge sharing.** Many organizations have established internal social media channels to help employees and communities of practice connect with one another, receive quick answers to questions, and find hidden pockets of expertise. Organizations use forms of microblogging to capture quick overviews of tacit knowledge, using such applications as Yammer. Widely used social media, such as Twitter, Instagram, Facebook, and LinkedIn, play an important role in disseminating information and knowledge through blogs, articles, messages, and documents. However, there is a risk that the use of too many channels may fragment and undermine internal knowledge sharing. An organization needs to select appropriate knowledge sharing channels and use them consistently.

**G. Summary**

94. **An organization that values knowledge needs to have committed leadership, a culture and incentive structure that encourage discourse, and sufficient flexibility to take advantage of its resources.** Although there is no single way to organize an optimal knowledge organization, research and experience have shown several clear trends. The following factors are common in different benchmarking methodologies and reflect the latest thinking and experience:

(i) A top management team that champions the importance of knowledge and sets an example.
(ii) A culture that encourages debate, allowing people throughout the organization to express views and bring together ideas.
(iii) Adequate resources to ensure that the tacit knowledge of staff and consultants is documented and that there is a constant process of learning lessons.
(iv) The capacity to form flexible teams that reach throughout the organization, helping knowledge to be shared.
(v) A quality review system that brings in the views of experts and front-line specialists.
(vi) A corporate results framework that measures both knowledge management processes and the contribution of knowledge to the organization's objectives.
3 Approach to Knowledge in ADB
Highlights

Since its establishment, ADB has devoted substantial resources to generating knowledge solutions at country and regional levels through its technical assistance grants.

ADB strategies emphasize the importance of knowledge, capacity, and applied research, leading to the development of specific knowledge management action plans.

Strategy 2030 deepens this commitment through an approach that focuses on solving development challenges rather than just providing outputs.

ADB has a complex structure of gathering, producing, and sharing knowledge solutions and products, with several departments and the Asian Development Bank Institute in Tokyo focusing primarily on knowledge.

From 2008 to 2019, ADB technical assistance has declined by 24% in real terms. However, spending on project-related technical assistance has remained constant, which implies a 35% decline in spending on knowledge-related technical assistance.

ADB has been increasing the share of regional technical assistance at the expense of country-focused technical assistance.

A. ADB’s Knowledge Journey

95. **Since its creation, ADB has included knowledge to complement its financial support.** When ADB was founded in 1966 there was widespread concern about the future of Asia. Asia was wracked by poverty, with low growth and many social challenges. While the need for additional financing was clear, there was a consensus that knowledge was also crucial. In addition to filling the financial gap, the ADB Charter indicates that ADB will offer TA at country and regional levels.43

96. **ADB turned its belief in the knowledge consensus into action.** In 1967, it established the TA Special Fund. From the start, ADB offered a combination of TA for project preparation as well as knowledge support at the sector, country, and regional levels. This knowledge support could include a wide range of activities, spanning contributions to agricultural research centers and studies and capacity building at the sector, country, and regional levels. The fund also supported a wide range of internal ADB activities, including flagship reports, conferences, and training on a grant basis.44

97. **In addition to country-specific TA, ADB began providing regional support.** ADB has supported subregional and regional KPS since 1967. This support has included specific studies, research initiatives, training initiatives, and the development of statistical databases. ADB has produced several flagship research products—ranging from books to journals to flagship reports—focusing on development in Asia and the Pacific.

“...sound advice is far more welcome and is a more valuable antidote than hard cash.” ADB President Watanabe, 19 December 1966.

98. **The ADB Poverty Reduction Strategy (1999) had a strong focus on knowledge solutions.** The strategy highlighted the importance of knowledge solutions in development in addition to financial assistance. Under the strategy and the Long-Term Strategic Framework, 2001–2015 (2001), ADB aimed to become a “learning institution and a primary source of development knowledge.” The strategy paid

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particular importance to the role of knowledge in promoting regional cooperation, through knowledge sharing among DMCs.  

99. **ADB worked to increase the role of knowledge throughout the organization.** In 2003, ADB appointed its first vice president for knowledge management. The following year, ADB approved a Knowledge Management Framework to provide guidance on the role of knowledge in ADB. This introduced indicators and incentives, efforts to share tacit knowledge, and the creation of communities of practice.

100. **The next corporate strategy, Strategy 2020 (2008), further strengthened the focus on 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 Asia and the Pacific.” Strategy 2020 introduced the Finance++ approach, through which ADB would combine its financing with knowledge and partnerships to maximize its development impact. ADB became one of the first multilateral development banks to adopt a corporate results framework in 2008.

101. **ADB developed a Knowledge Management Action Plan (KMAP) 2009 in order to make knowledge planning part of its core processes.** This had four main objectives: (i) sharpening the knowledge focus of ADB’s operations, (ii) empowering communities of practice, (iii) strengthening external knowledge partnerships, and (iv) enhancing staff learning and skills development. The Knowledge Management Action Plan, 2013–2015 reinforced this approach.

102. **IED provided a mixed review of ADB’s progress in implementing its first KMAP (2012).** Appendix 2 outlines the evaluation and its recommendations in detail. While the Special Evaluation Study of Knowledge Products and Services focused on ADB’s provision of formal knowledge products, it also assessed the extent to which ADB was establishing a knowledge management system that addressed the region’s changing needs for knowledge (footnote 12). The evaluation found that ADB was aware of and responsive to the region’s changing needs and that it had quite a few innovative approaches and areas of knowledge leadership. Some CPSs included knowledge communication plans. The evaluation highlighted the role of several regional departments, resident missions, and communities of practice. However, ADB’s approach was not systematic, and the evaluation identified many shortcomings in its approach to knowledge management, including:

(i) gaps in the identification of country-level knowledge needs, impeding ADB’s response to changes in the physical and financial environment;

(ii) variable performance and effectiveness among the 15 communities of practice, with some taking a leading role in providing knowledge leadership while others were inactive;

(iii) an inadequate system to assess the quality and impacts of KPS;

(iv) limited documentation and dissemination of tacit knowledge;

(v) weak coordination across departments, and between headquarters and field operations;

(vi) an absence of high-level strategic guidance, direction, and ownership, particularly on prioritization; and

(vii) the lack of an approach to address the knowledge needs of middle-income countries.

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103. As part of this evaluation of ADB KPS, an external review of publications by a panel of experts found that the quality of publications was generally satisfactory but there was room for improvement. The independent external review panel had nine distinguished members who evaluated the quality of a sample of 85 ADB knowledge publications of various types and topics published during 2008–2011. Publications were reviewed and assessed according to five major criteria: relevance, policy applicability, clarity and focus of analysis, quality of analysis, and value-addition. Of the 85 publications, just under one-third (about 29%) were assessed as generally good- to high-quality and about one-tenth as poor-quality. Most publications were assessed as generally satisfactory. Since this evaluation was carried out nearly 10 years ago, it is not clear whether its assessment remains relevant.

“ADB’s partners demand more than just a simple transfer of financial resources; they need technical and knowledge support to climb out of the middle-income trap, move forward on the sustainable development path, grow more inclusively, and reap the rewards of regional cooperation.” IED. 2012. Special Evaluation Study on Knowledge Products and Services. Manila: ADB.

“There is evidence of the knowledge management agenda influencing and driving changes in many areas of the organization. ... These changes are evident not only in designated knowledge departments but also in the regional departments and resident missions.” IED. 2012. Special Evaluation Study on Knowledge Products and Services. Manila: ADB.

“ADB’s efforts in implementing the knowledge management agenda since the adoption of the knowledge management Framework in 2004 are rated less than successful. ADB was responsive in putting in place the necessary enabling environment for the implementation of the knowledge management agenda. ... Knowledge generation was the strongest area, although coordination ... was weak, and the quality of publications is often not high ... Knowledge sharing was mixed, with insufficient sharing of tacit knowledge ... Needs identification was a weak area, and ... internal knowledge use may also be weak. The knowledge management agenda is rated less than relevant ... The agenda is well aligned with ADB’s core mission of reducing poverty, is consistent with corporate strategies, and good international practice. Less alignment was noted with respect to the needs of DMCs, civil society, and other partners; and the relevance of the knowledge management agenda to prioritize ... was found wanting, with need for more timeliness, cross-country evidence, and tailoring...” IED. 2012. Special Evaluation Study on Knowledge Products and Services. Manila: ADB.

104. The Midterm Review of Strategy 2020 (2014) strengthened ADB’s focus on knowledge solutions. The review highlighted and promoted the role of knowledge solutions in ADB’s support, placing greater emphasis on the role of knowledge-producing units and communities of practice and requiring integration of knowledge work into country programs. ADB introduced country knowledge plans into CPS and these plans are now one of only three mandatory appendixes to the strategies. The review also called for incentives for increased knowledge work and a growing role for other units in providing knowledge solutions.  

2. Strategy 2030

105. The goal of Strategy 2030 (approved in July 2018) is to ensure that ADB continues to respond effectively to the region’s changing needs. Strategy 2030 aims to change how ADB addresses the region’s development challenges (footnote 1). Strategy 2030 reaffirms the continued relevance of ADB’s Finance++ approach by placing a greater focus on integrated knowledge solutions. The strategy commits ADB to offering a more tailored approach in its development support. In emphasizing that “ADB’s continued relevance will increasingly depend on its role as a knowledge institution” ADB seems to have gone beyond the Finance++ approach to a Knowledge++ approach, whereby knowledge solutions are the central deliverable, underpinned by finance and by partnerships.

Approach to Knowledge in ADB

“The Finance++ model has already lost its relevance for many DMCs. More and more, ADB clients are looking for Knowledge++.” ADB senior manager

“ADB will ... generate, capture, and share knowledge in anticipation of emerging and future DMC needs.” Strategy 2030, para. 94.

106. **Strategy 2030 moves ADB away from sector-specific solutions.** Traditionally, ADB has offered financing that focuses on solutions within specific sectors. The operations departments are mainly structured according to this practice, with most of their divisions being sector-based. Strategy 2030 moves toward development solutions that are not confined to one sector or focused on delivering infrastructure solutions. It emphasizes a multidisciplinary approach. To this end, it identifies seven non-sector-specific priority challenges, which will be the center of ADB’s support to the region. In September 2019, ADB approved seven operational plans that responded to these seven challenges, articulating ADB’s strategic priorities in these areas, specific areas of engagement, and operational approaches. It should be noted that ADB’s hitherto dominant transport and energy sector work is difficult to place or recognize in these seven challenges, or even in the seven operational plans. Because knowledge cuts across each of the operational priorities, most of the operational plans identified knowledge priorities and solutions.

107. **The strategy promotes ADB’s role as a knowledge institution.** While it affirms that countries have different needs, it argues that knowledge is not a luxury reserved for wealthier, more sophisticated DMCs. Most ADB DMCs have now reached middle-income status and have access to other sources of finance, but they turn to ADB “for high standards in project design and implementation; the transfer of technology and good practices; and, more generally, the sharing of knowledge, skills, and expertise” (Strategy 2030, para. 93). To strengthen its knowledge services, ADB will enhance its research, promote knowledge sharing, expand knowledge partnerships, and strengthen the institutional capacity of DMCs. The strategy aims to improve how ADB captures tacit knowledge and to enable it to work more closely with DMCs to identify their knowledge needs. It states that ADB should also work to raise its stature in the global arena, both by learning from other regions and by providing a regional perspective to the development community.

108. **Strategy 2030 has important implications for ADB operations.** It implies a shift in the way ADB operates, from a sector-based approach to work across sectors and thematic areas. It reaffirms the need to institutionalize a One ADB approach to bring together expertise and knowledge across the institution. ADB knowledge units must strengthen their links with operations departments. Research needs to inform and provide an analytical base for both operations and policy dialogue. To a greater extent than previous strategies, Strategy 2030 explicitly recognizes the role of information and communication technology and ADB’s Digital Agenda in facilitating collaboration and knowledge sharing and dissemination. ADB is currently developing a new KMAP to support the strategy’s operational plans. The action plan will update the indicators used to monitor knowledge management and will be built on a theory of change.

**B. ADB as a Knowledge Organization**

109. **ADB has a complex structure that it uses to gather, produce, and share knowledge.** All parts of ADB create and use knowledge. ADB is a development institution that operates with the structure and discipline of a bank (Box 12). ADB policy recognizes that knowledge is a broad concept that includes tacit knowledge incorporated into operations. However, in practice, there has been a tendency to see

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51 These priorities are: (i) addressing remaining poverty and reducing inequality; (ii) accelerating progress in gender equality; (iii) tackling climate change, building climate and disaster resilient and enhancing environmental sustainability; (iv) making cities more livable; (v) promoting agricultural development and food security; (vi) strengthening governance and institutional capacity; and (vii) fostering regional cooperation and integration.
knowledge products as separate from other types of knowledge. When discussing knowledge, ADB has traditionally focused on formal knowledge products, separating knowledge from financing and other operations. ADB’s structure reinforces this view, with dedicated knowledge departments that focus on producing knowledge products, and dedicated operations departments that lead partnerships with DMCs. The definition of knowledge solutions (Box 4) explicitly includes both documented knowledge and tacit knowledge. Following ADB nomenclature, the evaluation identifies some departments as “knowledge departments”; this reflects their role under the vice president for knowledge management. It does not imply that other departments are not active producers and consumers of knowledge. Frontline units that directly interact with DMCs or private sector clients are referred to as operations departments, while others are support departments.

### Box 12: ADB as a Bank

The Asian Development Bank (ADB) is an institution that uses its finances to support development objectives in Asia and the Pacific. As a bank, it uses knowledge both to develop better projects (financial solutions) and to complement its other types of support. In the past two decades, ADB has seen remarkable growth in its financial operations. In 2002, ADB approved $7.0 billion in sovereign and $0.2 billion in nonsovereign commitments (expressed in 2012 real dollars). By 2010, this had risen to $11.8 billion in sovereign commitments and $1.2 billion nonsovereign commitments; by 2019, sovereign commitments were $19.4 billion, and nonsovereign commitments were $3.0 billion. In that period, the number of projects has approximately doubled; in 2019, ADB had 892 projects under administration, compared with 487 in 2002.

The staff complement has grown more slowly, from 2,214 staff members in 2002 to 2,827 in 2010 and 3,548 in 2019. Overall, each staff member generated $6.3 million in 2018 compared with $4.6 million in 2010 and $3.3 million in 2002. Much of the growth in staff has been to support private sector operations and to increase the size of resident missions.

In the past decade, ADB has undertaken many reforms to simplify its business processes and improve its efficiency. This has reduced the number of mandatory processing missions and the length of project and strategy documents. Protocols for circulating documents for comments have changed, with an attempt to identify fundamental comments and separate them from advisory comments. At the same time, ADB has increased its fiduciary requirements—for example, with greater emphasis on financial management analysis and integrity review for some implementing agencies. On balance, it is likely that the staff workloads have increased, with each staff member of an operations department taking on more projects.

ADB = Asian Development Bank.


1. Asian Development Bank Institute

110. **In 1997, ADB established the ADBI to support its role as a knowledge organization.** Located in Tokyo, ADBI is a subsidiary organization of ADB, with substantial autonomy under the broad supervision of ADB’s Board of Directors. The ADBI, which receives its main budget from the Government of Japan, furthermore receives donations from several other countries including the PRC, Indonesia, and the Republic of Korea.

111. **ADBI’s mandate is to provide knowledge to promote development and to improve capacity in DMCs.** ADBI engages in both research and capacity building. ADBI’s statute indicates that “the objectives ... shall be to identify effective development strategies and to improve the capacity for sound development management ... in DMCs...” 52 Each year, it selects specific research and capacity building topics. For research projects, it issues a call for papers and organizes conferences. In total, it produces around 100 working papers per year, books, articles, and blog posts. 53 ADBI focuses on priority themes

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53 *The ADBI Three-Year Rolling Work Program, 2020–2022 and Budget for 2020* provides a detailed overview of ADBI’s products as well as its proposed future focus.
for the region, serving as generator of new (or greenfield) research. ADBI’s capacity building program focuses on knowledge for government officials. In 2017, ADBI sponsored 51 capacity building events, of which 18 had direct ADB involvement.  

112. **ADB has a high level of global recognition.** The Lauder Center of the University of Pennsylvania publishes an annual ranking of think tanks. In 2019, it analyzed 8,248 think tanks across the world. Since its first appearance in 2011, ADBI has seen constant improvements in its standings; the 2019 Think Tank Index ranked ADBI 24th in the world overall and 6th in the field of development policy.  

113. **Knowledge Management Vice Presidency**  

The vice president for knowledge management supervises ADB’s knowledge departments. He or she coordinates knowledge work within ADB, including establishing guidelines on how knowledge is produced, collected, and shared. The vice president is responsible for supervising the following departments: the Economic Research and Regional Cooperation Department (ERCD), the Sustainable Development and Climate Change Department (SDCC), and the Department of Communications (DOC).  

114. **The Economic Research and Regional Cooperation Department.** Since 1969, ADB has had a unit devoted to economic research and policy that has delivered a combination of operational support, research, and statistical support. Table 3 outlines the department’s primary units.

| Table 3: Economic Research and Regional Cooperation Department |
|-----------------------------|------------------|----------------------------------------------------------------------------------|
| Unit                        | Number of Staff  | Description                                                                 |
| Regional Cooperation and Integration Division | 15               | Undertakes research and operations to support regional cooperation and integration initiatives |
| Economics Analysis and Operations Support Division | 25               | Undertakes analytical work, including economic analysis and impact evaluation to support operations departments |
| Macroeconomic Research Division | 23               | Undertakes macroeconomic monitoring, forecasting and research on macroeconomic and financial sector issues |
| Statistic and Data Innovation Unit | 13               | Carries out statistical research and capacity building, participates in international initiatives, and maintains statistical databases |
| Financial Cooperation and Integration Team | 5                | Provides support for the development of bond markets, through advisory services, capacity building, and monitoring |


115. **ERCD produces three flagship publications:** Asian Development Outlook (main report and update), Key Indicators for Asia and the Pacific, and the Asian Economic Integration Report. Asian Development Outlook is one of ADB’s most downloaded documents and serves as a tool to engage with policy makers, the press, and the financial community. It also publishes a range of other products (Table 4). One of the central roles of the department is to carry out cutting-edge research on topics that are important at the regional level, such as innovation, impact evaluation, the economics of disaster resilience, or infrastructure. While these are not directly tied to a country, they establish ADB expertise in these areas. In addition, the department carries out demand-driven economic research, including

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54 ADBI. 2018. *ADB Year in Review 2017.* Tokyo. This involvement ranges from the participant of ADB staff as panel members.  

In most cases, ADB facilitates the invitation of DMC officials.  


project economic analysis and debt sustainability analysis, among others. The department also hosts a variety of workshops and conferences to support economic research in the region.

Table 4: Economic Research and Regional Cooperation Department Publications, 2016–2019

<table>
<thead>
<tr>
<th>Type of Publication</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tr>
<td>Flagship Publications</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Research and Technical a</td>
<td>101</td>
<td>104</td>
<td>105</td>
<td>104</td>
</tr>
<tr>
<td>ADB publications</td>
<td>65</td>
<td>71</td>
<td>69</td>
<td>79</td>
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<tr>
<td>Other organizations</td>
<td>14</td>
<td>9</td>
<td>12</td>
<td>28</td>
</tr>
<tr>
<td>Journal articles</td>
<td>32</td>
<td>24</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Public Dissemination b</td>
<td>62</td>
<td>46</td>
<td>42</td>
<td>41</td>
</tr>
<tr>
<td>Op-eds</td>
<td>15</td>
<td>14</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Blog posts</td>
<td>39</td>
<td>29</td>
<td>26</td>
<td>35</td>
</tr>
</tbody>
</table>

a Includes working papers, briefs, articles, technical studies.
b Includes op-eds, newsletters, awareness-raising material, blog posts.

Notes: 1. Flagship publications, ADB working papers, and op-eds are reported to the Board.
2. Excludes databases, training materials, and websites.
Source: Economic Research and Regional Cooperation Department.

116. **The Department of Communications disseminates knowledge both internally and externally.** In January 2018, ADB reorganized the Department of External Relations into the DOC. Among other changes, this reform included the creation of a Knowledge Support Division, which is responsible for disseminating ADB’s policy positions, products, and publications. This division is also responsible for maintaining ADB’s corporate web pages, its knowledge platform (Development Asia), and publications, as well as providing support to other units in ADB. The department also houses the Media and External Relations Division, which supports media relations, manages corporate social media accounts, and develops strategic communications plans with operations and knowledge departments to support operational goals. In total, the department has 20 international staff and 41 national staff positions; the Knowledge Support Division has 8 international staff and 31 national staff members.

117. **The Sustainable Development and Climate Change Department is the central hub for organizing sector and thematic knowledge.** A major ADB reorganization in 2002 created the Regional and Sustainable Development Department. This department brought together sector, thematic, and safeguard specialists in one department to provide both support and oversight to operations. The department provided a combination of knowledge support to operations and served as the knowledge face of ADB’s sectors and themes. The responsibilities of the sector and thematic groups (STGs) include downstream support for operations, participation in preparation for missions, and representing ADB in sector and thematic forums.

118. **The Knowledge Advisory Service Center serves as a coordinating unit for knowledge sharing throughout ADB.** The center advises on knowledge and innovation policy within ADB and manages the measurement of knowledge-related indicators. It is responsible for ADB-wide initiatives related to knowledge and innovation. It also provides a review of selected TA project proposals to improve their knowledge content.

119. **ADB restructured the department into the current SDCC in 2015 to provide greater focus on improving the role of knowledge in operations (Table 5).** SDCC established STGs to formalize the role of the earlier communities of practice. Each STG has a chief who coordinates with sector directors and other members of management. The STGs have TA resources and staff to support their operations.

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57 Other ADB units also maintain their own digital accounts and issue their own publications.
3. Knowledge Work in Other Departments

120. The five regional departments in ADB do knowledge work as part of their country operations, using TA projects to finance studies, books, study tours, and training, among others. Some regional departments have taken additional steps to improve knowledge results. For instance, IED’s KPS evaluation observed that the Southeast Asia and East Asia Departments, and the resident missions in the PRC and India, had demonstrated knowledge leadership (footnote 12). Operations departments prepare sector and thematic assessments to inform operations at the country level. During 2011–2019, ADB circulated 61 such publications. About 50% of these were for DMCs in the Southeast Asia Department. Almost a quarter of sector assessments were for the energy sector in various countries, followed by assessments of the private sector (20%), transport sector (16%) and urban sector (15%). On the nonsovereign front, both the Private Sector Operations Department and the Office of Public-Private Partnerships play a similar role, through their own knowledge work and through collaboration with other operations units.

121. Within regional departments, resident missions play an important role in providing knowledge work. They act as channels for communicating country needs and are ideally placed for sharing KPS across DMCs. Resident missions also support the preparation of country chapters in the Asian Development Outlook. Country directors are knowledge custodians for the design and implementation of country knowledge plans. ADB is reviewing its resident mission operations with an eye to enhancing country directors’ role as custodians of country knowledge.
122. **Other units support ADB’s knowledge work through their own TA activities, work with operations departments, and capacity building in DMCs.** This includes capacity building and support for project implementation carried out by the Information Technology Department, the Controller’s Department, the Office of the General Counsel, the Office of Anticorruption and Integrity, the Office of the Compliance Review Panel, and the Procurement, Portfolio and Financial Management Department. Through their own work and their collaboration with SDCC and others, these units all produce useful knowledge work that is integrated into operations. In accordance with its twin mandates of accountability and learning, IED produces evaluations, conducts knowledge sharing events on its evaluation products, and undertakes evaluation capacity development activities for ADB member countries (Box 13). IED’s knowledge work was examined by an external panel review of IED in 2018, and is not the subject of this evaluation.

123. **Several parts of ADB support its knowledge infrastructure.** The Information Technology Department manages information technology services and solutions to support ADB’s operational, financial, and administrative functions. It provides tools that enable communication and collaboration internally and externally. It also plays a stewardship role within ADB’s technology ecosystem, coordinating with other units on IT-related matters and initiatives. The Information Resources Unit of the Office of Administrative Services has three teams: (i) Library Services supports ADB through the physical and digital library, subscriptions, and database training; (ii) Information and Research Coordinators provide specialized research on ADB’s core areas of operations; and (iii) Records and Archives Services manages the ADB History Gallery and is currently working on the establishment of an electronic document and records management system. The Budget, People, and Management Systems Department also plays an important role in ADB’s knowledge infrastructure. In addition to supporting the recruitment and deployment of ADB’s staff, the newly renamed Culture and Talent Division focuses on talent management, leadership development, and learning and development.

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**Box 13: The Role of the Independent Evaluation Department**

The Independent Evaluation Department (IED) reports directly to the Board of Directors and operates outside ADB’s normal management structure. IED’s evaluates all ADB’s operations and key corporate or thematic policies, strategies, and business processes; it provides lessons and recommendations to the organization. ADB policy requires ADB to incorporate these findings in future operations. IED also plays a role in capacity building for DMCs and ADB staff. IED is an active participant in the Evaluation Coordination Group, which groups together the evaluation offices of all the multilateral development banks. In January 2020, IED launched a technical assistance completion report validation system. IED is also working closely with ADB Management to adopt a bank-wide evaluation policy.

A 2018 [External Review of the Independent Evaluation Department](#) concluded that IED is well-versed in evaluation techniques. It also recommended that IED place greater emphasis on its learning function while de-emphasizing a process-based and rating-focused approach to evaluation.

ADB = Asian Development Bank, DMC = developing member country, IED = Independent Evaluation Department.

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**4. Technical Assistance**

124. **Technical assistance is one of ADB’s most important instruments to finance knowledge solutions.** Currently, there are two broad categories of TA projects: transaction TA (TRTA), which supports the design and implementation of ADB operations; and knowledge and support TA (KSTA). Before 2018, ADB had four categories of TA: (i) project preparatory TA (PPTA), (ii) policy and advisory TA, (iii) capacity development TA, and (iv) research and development TA. Regional TA (RETA) covers more than one DMC and includes both TA operations covering the entire Asia and Pacific region and TA projects that cover more than one country in an ADB regional department. ADB did not reclassify TA projects approved before 2018 to the current TA types. Thus, to maintain consistency, the evaluation uses the terms RETA, TRTA, and KSTA. To align with the current TA classification, this evaluation uses...
TRTA to refer to TA for project preparatory work while other TA types not for project preparatory work are referred to as KSTA, although some capacity development and policy and advisory TA may have supported project preparation or implementation.

125. **ADB’s TA program has generally provided the bulk of its support to knowledge and support TA.** During the period 2008–2019, ADB provided $3.6 billion (in 2012 constant dollars) for TA operations, of which $2.4 billion (77%) supported regional departments. Of the $2.4 billion TA for regional departments, less than 30% (about $800 million) was for TRTA. About 15% of the total ($560 million) was for knowledge departments, primarily SDCC (Figure 5).

Figure 5: ADB allocation of Technical Assistance by Vice Presidency Group, 2008–2019

<table>
<thead>
<tr>
<th>Operations</th>
<th>Total TA Allocation: $3.6 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>ErCd 4%</td>
<td>SDCC 11%</td>
</tr>
<tr>
<td>Private Sector 4%</td>
<td>Others 3%</td>
</tr>
</tbody>
</table>

ADB = Asian Development Bank, ERCD = Economic Research and Regional Cooperation Department, KSTA = knowledge and support TA, PPTA = project preparatory technical assistance, SDCC = Sustainable Development and Climate Change Department, TA = technical assistance, TRTA = transaction TA.

Source: Independent Evaluation Department estimates based on data from Controller’s Department.

126. **There has been a decrease in spending on KSTA.** KSTA dropped from $551 million in 2009–2010 to $334 million in 2017–2018, a decline of 35% in real terms. During this period, spending on PPTA has however remained relatively constant; TRTA now accounts for 30% of total TA spending (Figure 7). This is particularly striking, given that loan-based project preparation facilities were launched in this period. The tripling of the loan portfolio since 2009 was likely a significant factor in this increase in the share of TRTA. In 2009, ADB had a major capital increase, allowing for more lending, and then in 2017 ADB was able to scale up its lending operations further following the merger of the Asian Development Fund (ADF) and ordinary capital resources (OCR) and the introduction of a TA facility for TRTA.\(^58\)

127. **There has also been a drop in country-specific KSTA.** Country-specific KSTA operations amounted to nearly $2.1 billion (almost 60% of total) during 2008–2019. However, in recent years the share of country-specific KSTA has declined. From 2008 to 2019, the percentage of region-specific TA increased by 73%, while country-specific TA operations dropped by 20%. The share of corporate TA operations has remained stable, at around 20% of total KSTA with region-specific TA (covering more than one country of a regional department) amounted to 22% ($809 million).

\(^{58}\) Introduced as part of a TA reform package in 2017, the TA facility supports the preparation of multiple projects in a country or region (regional TA facility).
5. Taxonomy of Knowledge Solutions

128. The concept of knowledge solutions is broad, complicating efforts to create a taxonomy. Given the many different forms that a knowledge solution can take, developing a single list of ADB’s knowledge offerings is not straightforward. The evaluation has prepared a taxonomy, which is contained in Appendix 3. It is based on three primary questions. (i) What is the purpose of the knowledge solution? (ii) How is it delivered to the beneficiary? (iii) Who is the beneficiary? These questions reflect the general approach that ADB uses to classify its products and services. This taxonomy is focused on ADB as the producer. Alternative taxonomies could take the view of knowledge consumers, classifying knowledge solution by their purpose and destination. ADB is working on a taxonomy to better classify its knowledge solutions.

C. Summary

129. ADB has a long history of providing knowledge solutions and has dedicated significant resources to this task. Since its establishment in 1966, ADB has been active in providing knowledge solutions. ADB has established a structure to support the provision of knowledge solutions, including TA funds and dedicated knowledge departments. The key findings of the evaluation team’s review of ADB data and evaluations were:

(i) ADB corporate strategies have been consistent in their support for knowledge, but they have often cited the same challenges to harnessing knowledge within the organization.
(ii) Conceptually, ADB separates knowledge from other forms of assistance, through separate TA funds and independent knowledge departments.
(iii) In recent years, ADB TA has focused more on support for projects while spending on knowledge-related TA has dropped.
Is ADB’s Approach to Knowledge Appropriate for Strategy 2030?
Highlights

ADB has made a commitment to increase its use of knowledge solutions. It does not currently have a sufficiently developed knowledge culture or suitable processes to support the production of significantly better knowledge solutions.

ADB has a strong relationship with its developing member countries (DMCs) which is built on trust. However, ADB is usually not the partner of choice when it comes to rapid policy advice. DMC governments broadly expressed concern that ADB is not modernizing its approach sufficiently to meet future challenges.

Many government officials see ADB primarily as providing financing and engineering solutions, which is its greatest strength. Staff at ADB and in DMCs believe that ADB may find it difficult to evolve away from this traditional approach.

In the way it measures results, ADB is trying to capture solutions rather than focusing only on outputs. ADB is increasingly emphasizing the importance of sharing its knowledge solutions, both internally and externally.

1. How Well Does ADB Identify Regional and Country Needs for Knowledge Solutions?

<table>
<thead>
<tr>
<th>Good Practices</th>
<th>ADB Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad consultations take place with a range of stakeholders in order to understand current and emerging trends</td>
<td>ADB has strong relationships with governments in the region, which allows for productive discussions on sensitive issues. However, ADB often does not consult extensively with stakeholders outside government and is not always engaged in the development community. Governments reported that ADB often does not update its pipeline to address emerging needs.</td>
</tr>
<tr>
<td>The availability of knowledge assets and how they can be accessed is widely understood</td>
<td>It is difficult for ADB to know what knowledge it has and where it is located. This reflects current limitations in its structure, such as strong silos, as well as constraints on accessing documents internally and externally, as previously discussed. ADB does not consistently carry out sector, country, and thematic diagnosis.</td>
</tr>
<tr>
<td>Strategies are developed that are based on different scenarios and analysis</td>
<td>Some governments expressed concern that ADB is slow and unprepared for the future. It remains focused on individual projects. Both staff and external observers noted that ADB often seems to continue the same pipelines in a country.</td>
</tr>
<tr>
<td>Knowledge queries are responded to quickly</td>
<td>ADB is well-respected and trusted in the region. However, it is generally not the partner of choice when countries need rapid policy advice.</td>
</tr>
</tbody>
</table>

1. The View from Outside: Perspectives on Understanding Need

130. To identify country needs, ADB staff engage with government counterparts through regular consultations cemented in long-term relationships and trust. In many instances, such relationships are especially close with the Ministry of Finance. These relationships are vital to identifying needs and to successfully completing projects and ongoing programming work. However, in some countries, the evaluation found that relatively few ADB staff had access to key counterparts to discuss country needs. ADB is appreciated by governments as a relatively accessible and efficient organization. One DMC respondent commented that ADB is less bureaucratic and more flexible than some other development institutions and that its decision-making process, although still protracted, is relatively efficient.

131. Government counterparts most value ADB support when it is aligned with their real long-term needs and integrates international experience. Interviewed officials noted that ADB-supported projects had strong documentation, with good project plans, and that these contributed to the orderly transfer of expertise, particularly in infrastructure. ADB was also seen as generally supportive of the government’s
development strategy, both at the national level and with the government agencies and local governments that implement it at the local level. For example, a representative of a subnational project implementation agency in the PRC noted that working with ADB had helped support the local government’s alignment with the national strategy.

132. **DMC respondents indicated to the IED team that they need innovation in all sectors.** During the PRC and Georgia missions, policy makers indicated that, because many of their large-scale infrastructure needs had now been met, often with significant support from ADB, their focus had shifted to more complex problems that required multi-sectoral responses. For example, Georgia needs high-quality employment and the PRC has to address its growing elderly population. In Cambodia, while there is still a strong need for infrastructure investment, representatives from several agencies indicated that they needed projects that fitted into larger systems rather than stand-alone investment islands (a similar sentiment was expressed in Georgia). In Georgia, while ADB’s support for urban and transport infrastructure was crucial, the government was becoming focused on requirements for livable cities, and on the maintenance and sustainability of project assets created in an earlier phase. Policy makers from several DMCs suggested that ADB may find it difficult to provide the desired level of expertise and innovation in such areas.

133. **Perceptions of the level of consultations varied greatly.** While there is a broad agreement that ADB tries to be responsive to the needs of DMCs, some respondents felt that ADB was primarily focused on the needs of the government and particularly the Ministry of Finance (or equivalent). For example, in one country, several nongovernment organizations reported that while ADB did engage with them during the development of CPS, it had little contact or feedback before or after the strategy process. Some government officials in different DMCs visited for the evaluation (including participants in the workshop in the Pacific) indicated that ADB primarily listened to central ministries and less so to other ministries. In some cases, this led to projects that were seen as supply-driven, often pushed by ADB teams that were focused on quick preparation and disbursement. However, these views were not universal; the quality and depth of the relationship often depended on the resident mission. Development partners indicated that ADB was often relatively inactive in sector groups of development partners, even in sectors where it had a specialist in the resident mission and it was a major development partner. Some ADB staff in the resident missions indicated that this was driven by workload as well as the role of the local sector group in the DMC.

134. **Many officials noted that the challenges of the 21st century increasingly involve cross-sectoral solutions, lessons from other innovative projects, and a more rapid knowledge response.** In addition to the evidence gathered during the country missions, this has been a recurring message from different IED evaluations, and, indeed, a major reason why Strategy 2030 emphasized integrated cross-cutting solutions to increasingly complex problems. Stakeholder consultations in IED’s evaluation of ADB’s engagement with middle-income countries found that such countries expect more knowledge-intensive support from ADB and greater value-added knowledge. IED’s retrospective on country partnership evaluations in 2017 found that countries valued ADB support not so much for its financial resources but for the knowledge and best practices it provided directly through TA and advice or as embedded in its operations. This echoes the findings in IED’s evaluative perspective on Strategy 2030—which said that ADB needed to become more agile in its ability to deliver or develop a larger volume of basic infrastructure.

135. **Several DMC officials interviewed also commented that ADB staff frequently move from one project to the next.** IED’s 2014 Annual Evaluation Review noted that the average stay of an international staff member in a position in operations was only 1.8 years (an average of 3.4 officers managed each project); considerably less than at the World Bank where the average was 2.5 years (and 2.4 officers...

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59 IED. 2016. *ADB’s Engagement with Middle-Income Countries*. Manila: ADB.


managed an average project). As a result, the time available for a staff member to analyze and understand needs at a deeper, more complex level was often too short to add meaningful value or, sometimes, to ensure an effective design. According to some DMC officials, this can lead to delays in government approval or downstream implementation issues.

"Maybe twenty years ago, we mostly needed the money. But now we have more money. This is not our priority. Now we need good ideas and somebody with the patience to share and implement them." Senior DMC official, Ministry of Finance

"Whatever sector you are in you should be trying to drive the expertise across the Bank – across the regions. That's what countries are buying. They want knowledge, but what they want is the global knowledge." World Bank staff member

"ADB might be too focused on disbursement targets. If you're too much focused on disbursement perhaps financing takes the center stage and the knowledge element is viewed as less significant." Ministry of Finance official

2. The View from Inside: Perspectives on Understanding Needs

136. ADB Management interviewed for this evaluation lauded ADB’s many strengths. In their view, these included its familiarity with DMCs; its reputation over time; its convening power; regional profile; and the experience of its people. Management also said that ADB interacted closely with DMCs and that it provided support over the longer term, which meant it absorbed valuable country knowledge. They argued that ADB was not afraid to get its hands dirty in its close interaction with DMCs, which allowed it to develop a specific approach per country and gave it an advantage over other development partners in the region (Box 14).

Box 14: Country Partnership Strategy Business Process Reforms

In 2008, following the adoption of Strategy 2020, ADB conducted a review of the country partnership strategy (CPS) business process. The review identified weaknesses in the relevance, effectiveness, and efficiency of the process, in particular the long CPS preparation time (about 3 years on average), and the considerable length of CPS documents (100–150 pages on average). Based on the review, ADB introduced reforms in 2010 to streamline the CPS business process. These aimed to improve the quality of the CPS, rationalize the time and staff effort needed to prepare it, mainstream knowledge management, and generate savings.

Under the reforms, the main CPS document was limited to 15 pages and focused on issues relevant to ADB operations and better aligned with the DMC’s planning cycle and outcomes. ADB background studies as part of its regular knowledge program would not be required as part of the CPS preparation process. The CPS results framework was streamlined and tied to country development goals, key sector outcomes, ADB areas of intervention, and indicative resource allocation. In addition, ADB simplified the preparation and approval process for the CPS.

ADB = Asian Development Bank, CPS = country partnership strategy, DMC = developing member country.


137. Most ADB staff and consultants who were surveyed believed that ADB did a good job in identifying regional and country needs for knowledge solutions. Respondents highlighted the key role that ADB’s resident missions had played in its engagement with DMCs over the years and in the identification of country needs. Resident missions allow for ongoing, face-to-face contact between ADB and DMC representatives which, in turn, creates the formal and informal relationships through which business is conducted. This is true for both sovereign and nonsovereign operations. Respondents also noted that resident missions, supported by the presence of national staff in those offices, lend some cultural nuance to its engagement. The evaluation team analyzed the transcripts of 116 interviews using MAXQDA to identify the general perceptions of ADB staff, including both positive and negative

comments. In general, ADB staff were positive about how ADB identified needs; although this view was more strongly held among national staff and consultants than among international staff (Table 6).

Table 6: Staff Views on How Well ADB Does in Identifying Regional and Country Needs for Knowledge Solutions

<table>
<thead>
<tr>
<th>Staff and Consultants (number)</th>
<th>Generally Positive (%)</th>
<th>Mixed (%)</th>
<th>Generally Negative (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>International staff (68)</td>
<td>41</td>
<td>37</td>
<td>16</td>
</tr>
<tr>
<td>National staff (29)</td>
<td>72</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>Consultants (22)</td>
<td>64</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>Total (119)</td>
<td>53</td>
<td>26</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: MAXQDA analysis of in person interviews; Independent Evaluation Department.

138. **Some ADB Management respondents observed that, while ADB had the resources to identify needs systematically through studies and research, its knowledge was mostly contingent, local and tacit.** In part, this reflected ADB’s traditional view that knowledge was an add-on and that codified knowledge was something produced by TA. Senior staff expressed concern that, while ADB had significant tacit knowledge, built through its hands-on approach, it did not codify this well and hence much of the available knowledge was not recorded, utilized, or transferred.

139. **Respondents also noted that the quality and depth of ADB local knowledge was not always very explicit in its CPS.** These strategies, while built on considerable hands-on country knowledge, are written so concisely that many saw them as rather abstract. Despite ADB’s complicated system to ensure that corporate priorities are weaved into CPSs, their analytical underpinnings are no longer made public since 2016, except for the inclusive and sustainable growth priorities, which are assessed in a linked document. Though this means reduced paperwork and burden, it also means an opportunity lost for converting tacit into codified knowledge on these priorities.

140. **Country knowledge plans are to define the scope of ADB’s knowledge operations in a DMC.** Since a country knowledge plan was made mandatory by end-2015, all CPSs now include such a plan. This is a very positive development although several of the earlier ones have been seen as little more than “a list of activities and products.” Others, however, look well aligned with the priorities in the CPS (Box 15), and overall there is a trend to improvement of their quality.

141. **Senior managers emphasized the importance of government ownership in making a successful knowledge plan.** In the PRC, Indonesia, Kazakhstan, the Philippines, and Sri Lanka, among others, there is a demand for a structured ADB knowledge program. For these countries, the strategy is quite powerful. In the Philippines, for example, the government and ADB have embarked on a series of knowledge-related initiatives. Without this ownership, any plan will be of questionable value. Many plans are consequently never revisited or seriously monitored after they are published and at best reviewed marginally at the time of the final review of the CPS.
Box 15: Examples of Good Practices in Programming Knowledge Products: Kazakhstan and the People’s Republic of China

The country partnership process includes dialogue between ADB and the government to set knowledge priorities. In some countries, ADB has involved stakeholders outside government more closely in setting knowledge priorities.

Kazakhstan. Since 2013, ADB and Kazakhstan have jointly operated the Knowledge and Experience Exchange Program (KEEP) to determine knowledge priorities. The government and ADB meet quarterly to identify analytical and capacity building activities. They share the cost of the TA equally, with ADB administering the funds. Each phase of KEEP has been for 3 years; Phase III (2017–2019) was funded by $1 million from ADB and $1 million from the government. For ADB, KEEP brings several innovations: (i) a flexible TA structure that does not fully define outputs at the time of approval; (ii) frequent dialogue to set priorities and agree on outputs; (iii) joint financing, with the government providing direct support administered by ADB. While other TA projects have used similar approaches, they are not common. KEEP appears to be only the TA project that incorporates all three elements.

People’s Republic of China. The PRC has a sophisticated research establishment and world-class universities. However, their knowledge is not evenly shared, and many government agencies and local governments are in need of policy support. Each year, the government issues a call for proposals from local government and government agencies for areas of interest. A tripartite panel of government officials, ADB, and leading experts review the proposals and allocate the TA resources accordingly. The selection process is quite competitive. In addition, the PRC has contributed to a number of ADB funds that finance knowledge activities both in the PRC and in other DMCs. In some cases, ADB selects proposals competitively, while in others it allocates resources through country and regional programming exercise. The knowledge action plan for the PRC is detailed and ADB’s Final Review of the PRC’s Country Partnership Strategy 2016–2020 reported on the program implemented in exemplary detail.

ADB = Asian Development Bank, DMC = developing member country, KEEP = Knowledge and Experience Exchange Program, PRC = People’s Republic of China, TA = technical assistance.

Source: Independent Evaluation Department.

142. Many staff members expressed concern that ADB’s organizational culture and incentives discouraged innovation in the pipeline. IED’s safeguard evaluation in 2020 also argued that ADB had a risk-averse and middle-of-the-road portfolio. In that analysis, risk aversion was associated with perceived high transaction costs in pursuing more challenging but also more high-impact projects. In interviews, staff indicated that ADB was driven by commitment and disbursement targets, which often led to a pipeline that discouraged innovation and risk. The need to avoid extra work while preparing projects within a short timeframe drove ADB to deliver a pipeline of low-risk projects. However, other staff members indicated that they had been allowed extra time to develop project designs and to increase the quality of their projects. This largely occurred when management was satisfied there were enough large projects elsewhere to meet financial targets, or when there were more resources available, and a longer time frame for project preparation, possibly with project design facilities. According to staff, some directors show a strong commitment to quality and are not willing to approve poor-quality projects or to rush the process unnecessarily.

“In every step for value added or Finance++ or doing things differently, it takes time. It takes risk taking and a great relationship with the client. But the way ADB is set up and the way we process projects does not align accordingly.” ADB staff member

143. Although staff feel that ADB has strong level of engagement with DMC governments, they believe it is less inclined to reach out beyond these relationships. Staff noted that the systematic inclusion of other perspectives, such as those of civil society organizations, think tanks, and academia, was limited. This coincides with concerns raised by external stakeholders (para. 166). Although there is a general understanding that this sort of engagement, as part of a feasibility exercise, would likely improve design and maximize development potential, many see ADB as reluctant to “go behind the government’s back.” Staff members reflected on the need for ADB to be a more “humble and better listener.”

144. **ADB has had a mixed experience with determining country needs through diagnostic studies.** In 2013, the Economic Research Department (now ERCD) introduced country diagnostic studies to enhance the economic rationale behind ADB’s country strategies. These studies identify the most critical development constraints faced by the country in efforts to realize its objectives. This evaluation’s analysis of 20 country diagnostic studies from 2013 to 2019 found that the timing of their publication rarely aligned well with the CPS process. Some were circulated well after the CPS had been approved. In six cases, they were released over a year after the CPS, raising questions about their relevance to the formulation of the strategy. In eight cases, the diagnostic studies were circulated several years before CPS approval. Given the rapid developments in most DMCs, this raises questions about the relevance of the studies. The diagnostic study and its associated CPS were circulated around the same time in only six cases. In recent country diagnostics, ERCD has emphasized a preference for more sector and thematic analysis rather than a focus on the country overall and its macroeconomic barriers to growth and development. CPSs and their interim updates are complex documents and can be difficult for country diagnostic studies (or sector assessments) to keep up with.

145. **Given that the first major step in formulating a country partnership strategy is diagnostic work, this misalignment with the country diagnostic studies is a concern.** The misalignment has become more apparent since the streamlined CPS business processes of 2010, when mandatory sector assessments were decoupled from the preparation of CPSs and, in practice, the frequency of their updates was reduced. Over 2011–2020, ADB published a total of 52 stand-alone sector assessments with a specific country or sub-regional focus, and 12 private sector assessments—or about 2 per DMC per decade. Of 52 sector assessments, fully 35 were produced by the Southeast Asia Department, which published nearly 4 per year. On average per year, ADB published 1.5 stand-alone assessments for the energy sector, and 1 for the transport and urban sectors. The capacity of ADB resident missions to support country diagnostics and conduct regular sector assessments varies widely. The IED topical paper on Strategy 2030 argued that “the determinants of inclusive economic growth are highly contextual and therefore require that sound diagnostics underpin country, sector, and project approaches” (footnote 61). IED’s country-level evaluations and validations illustrate that the constraints and drivers for inclusive growth are specific to the country, sector, project, and other circumstances such as demographics and geography. One senior manager suggested that ADB operated “a case-by-case approach to each country” rather than trying to really understand the overall country context before giving advice.

146. **ADB prepares sector assessments as part of project preparation and often as part of CPS preparation as well.** A sector assessment is a due diligence requirement during project preparation, and is a required linked document in the report and recommendation of the President (RRP), ADB’s project design document. IED reviewed the sector assessments in the RRs of 116 projects implemented by the implementing agencies that were met during the evaluation missions. The review showed good compliance with the requirement, with a high proportion of RRs having such sector assessments (Table 7). Consistent with the template for an RRP sector assessment summary, most sector assessments included a problem tree analysis; and a discussion of sector-wide problems, challenges, and opportunities. Most discussed the government’s development and sector strategy. Few of the summary sector assessments contained in RRs appear to be related to an ADB sector study. This suggests that the summary sector assessment is produced through a TRTA and did not represent a full strategic understanding of the sector. In some countries, like the PRC, ADB has worked on policy notes focusing on specific issues of interest to the government. While these do not always lead to a formal ADB publication, they can serve as input to formulation of policies and strategies. In the case of the PRC, a highlight of the ADB knowledge program was that it provided inputs through TA on issues ranging from climate change to high quality and sustainable growth and urbanization, in preparation of the government’s 5-year plan.

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64 This relies only on officially published sector assessments. ADB produces other related knowledge work that may not be properly counted as sector assessments. Some of these are likely to be in the form of consultant reports that are not published. Others may be in the form of working papers, making it difficult to identify them as sector assessments.

While the evaluation team did not examine the quality of the sector assessments in RRP s, IED’s recent sector-wide evaluations suggest there is scope for improvement. The sector-wide evaluation of agriculture, natural resources, and rural development and that of transport highlighted the need for robust diagnostics (including sector analysis) at the project level. IED’s transport sector-wide evaluation found that “weak project diagnostic analysis limited ADB’s ability to develop and select transport projects that could have maximized value addition for DMCs and ensured greater development effectiveness.”  

IED’s agriculture sector evaluation underlined that, at the country level, the diverse issues and needs in the sector require “comprehensive upfront diagnostic work, including policy dialogue, to capture this heterogeneity and formulate more nuanced responses through the CPS, and project development.” The safeguards evaluations in 2016 and 2020 emphasized the need for and benefits of more frequent strategic environmental assessments.

<table>
<thead>
<tr>
<th>Country (number)</th>
<th>RRP with Sector Assessment</th>
<th>RRP Sector Assessment Citing Source of Summmary</th>
<th>RRP Sector Assessment with a Problem Tree</th>
<th>RRP Sector Assessment Discussed Sector-wide Problems, Challenges, or Opportunities</th>
<th>RRP Sector Assessment Presented the Government Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia (17)</td>
<td>94</td>
<td>38</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>People’s Republic of China (35)</td>
<td>100</td>
<td>26</td>
<td>97</td>
<td>74</td>
<td>100</td>
</tr>
<tr>
<td>Georgia (26)</td>
<td>85</td>
<td>55</td>
<td>95</td>
<td>95</td>
<td>91</td>
</tr>
<tr>
<td>India (19)</td>
<td>84</td>
<td>38</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Pacific (19)</td>
<td>89</td>
<td>41</td>
<td>82</td>
<td>76</td>
<td>100</td>
</tr>
</tbody>
</table>

RRP = report and recommendation of the President
Source: Independent Evaluation Department.

As a result, ADB CPSs are often seen as somewhat generic. Since 2015, sector assessment summaries were dropped from CPSSs, and only three linked documents were retained. The CPS’ short length (15 pages) tends to limit the scope for ADB to offer much granularity as a knowledge product. The ongoing reviews of resident mission operations and CPS reform by the Strategy, Policy, and Partnerships Department are investigating sector and operational priority assessments.

ADB has a strong relationship with the governments of its DMCs but often does not systematically analyze the challenges that a country faces now and in the future. ADB is well-respected and trusted in the region, but it often turns to other partners when it comes to policy advice that requires a quick turn-around. ADB TA projects may be useful for some long-term in-depth analytical work, but often the focus is on project preparation and implementation. Governments know that ADB will always be reliable and will support them, yet many expressed concerns that ADB is not modernizing its approach sufficiently to meet future challenges. During the country missions for this evaluation, the specific concerns raised were:

(i) **ADB does not provide enough solutions that address complex cross-sectoral challenges.** In all countries, there was interest in finding incisive solutions to complex problems. While representatives in the PRC were largely satisfied with how ADB approached projects, in other DMCs, officials expressed concern that ADB was too focused on engineering projects that were increasingly losing their relevance.

(ii) **ADB missed opportunities to share lessons and experience from similar projects.** There was a clear desire in all countries to learn more about what works and what can be

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applied to the local context. Officials felt the best practice offered through projects should have been adapted to the local context in more cases.

(iii) **ADB provided insufficiently detailed analysis to address new challenges.** In all countries, there was interest in understanding and improving policy. With the exception of the PRC, countries did not see ADB as a ready choice for short-term, just-in-time, or focused policy advice. Even in the PRC, where the government appreciates ADB’s knowledge work, there has been no interest in reimbursable TA from ADB so far. In Cambodia and Georgia, the government mostly relied on other development partners to provide timely advice. Discussions in the Pacific showed a wide range of practices and experiences with ADB, depending on the country and the sector.

**B. To What Extent Does ADB Tailor Knowledge Solutions to Meet Developing Member Country Needs?**

<table>
<thead>
<tr>
<th>Good Practices</th>
<th>ADB Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>The diversity of client is recognized and the organization tailors its solution to each problem</td>
<td>ADB maintains a strong relationship with DMCs, which allows it to work closely with governments to develop projects. However, ADB relies heavily on consultants who sometimes lack an understanding of the country context.</td>
</tr>
<tr>
<td>Teams from across different silos support strategic and cutting-edge knowledge input</td>
<td>ADB teams are quite small and rarely include members from other divisions or departments. Knowledge departments provide support but only occasionally join teams. Consultants play a major role in ADB teams.</td>
</tr>
<tr>
<td>Innovation and creativity are encouraged within disciplines</td>
<td>DMC officials and ADB staff indicated that the speed with which ADB processes projects often prevents a search for innovative solutions. In the opinion of many government officials, ADB focuses primarily on engineering solutions and does not address deeper systemic issues.</td>
</tr>
</tbody>
</table>

150. **ADB operates in a highly diverse region, containing more than half of the world’s population and about one third of its economic activity.** ADB has over 40 DMCs, ranging from high-income and inactive borrowers such as Singapore and the Republic of Korea, to fragile states such as Afghanistan and the Solomon Islands. In terms of population, the region encompasses the largest countries in the world as well as some of the smallest. ADB needs to tailor its response to the very diverse needs of these countries. ADB has three primary routes to create value through knowledge: through stand-alone products, through interactions with other knowledge providers, and through the incorporation of knowledge into ADB operations.

1. **The View from Outside: Partners’ Perspectives**

151. **DMC governments believe that development support needs to be tailored to the context.** In several interviews, government staff mentioned that the cost of bringing in solutions from the wrong context was high and they explained their concerns with generic solutions. While there was agreement that many projects require engineering solutions, officials pointed out that these components needed to fit into often complex systems and to be adapted to local circumstances.

152. **Developments in the region have led to demands for more complex projects and ADB clients have become more sophisticated and demanding.** Common themes mentioned across the countries included the role of technology, greater globalization, and the growing importance of regional economies, particularly that of the PRC. Partners in all the DMCs emphasized the importance of evolution; a solution that was relevant two decades ago may no longer be appropriate or attractive. For example, in Georgia, the government emphasized its need to move into a new generation of development; one built around promoting human development and strengthening systems. In Cambodia, officials indicated that they would like to see projects fit into more intricate systems, for example, the significance of urban water in the wider context of urban development and the role of the
private sector. This evolution of needs must be matched by agile and evolving knowledge provision from ADB (Box 16).

**Box 16: Innovation in ADB's Energy Projects in India**

ADB’s India country partnership strategy, 2013–2017 was aligned with the government’s adoption of Innovation Impulse with Investment Approach in 2013.

ADB has a sizable portfolio in the energy sector in India, totaling $5.0 billion from 2007 to 2015, a period that saw a number of significant developments in the energy sector globally, due to the emergence of new technologies and the growing demand for cleaner and more efficient systems. Against this backdrop, the evaluation team examined 10 energy projects approved during 2015–2019 to determine the extent to which ADB had brought knowledge and innovation to the energy sector. The evaluation classified projects into mildly, moderately, and highly innovative based on how the technology, process, and business model compared with the stated project objective. The evaluation assessed five of the 10 projects mildly innovative and four moderately innovative. The other project did not have any innovation elements. None of the 10 projects was highly innovative. Only one project, the Off-Grid Prepaid Solar Leasing Project, was innovative from a technology aspect, as it brought in distributed renewable energy. This project also had a relatively pioneering business model: the payments for charges also acted as payments towards the amortization of the system purchase price.

IED’s review of innovation in energy projects in India appears to corroborate the finding of its India country assistance program evaluation in 2017, which reported that ADB’s approach to supporting knowledge work and cutting-edge innovation did not meet expectations. The review found that ADB strengthened the institutional capacity for project preparation, implementation, safeguards, procurement systems, and other areas, but that there was significant scope for support to design knowledge solutions.

ADB = Asian Development Bank, IED = Independent Evaluation Department.

Note: Projects were classified mildly innovative if the underlying technology, process or business model or had been around for some time but had been taken up in India only recently; moderately innovative if a technology, process or business model technology resulted in more “last mile” reach of renewable energy by taking the existing ideas to something better; and highly innovative (disruptive technologies) if processes or business models had entered the energy sector only recently and (mostly) required advanced digitization to be implemented.


153. The evaluation’s interviews presented a mixed assessment of ADB’s tailoring of products and services. Many government officials saw ADB primarily as financing engineering solutions or as a source of budget support. There was a consensus that ADB had a high degree of engineering prowess. However, respondents in both Cambodia and the PRC expressed concerns that the engineering work sometimes did not consider important contextual elements and that more emphasis was placed on speed than on understanding the problem’s context. More broadly, there were concerns that DMCs needed solutions to complex problems rather than engineering solutions. This view was expressed across the range of DMCs. In Cambodia, for example, government participants in a group meeting indicated that ADB had “industrial processes” that were appropriate for infrastructure but not for more complex issues that they faced.

"The need for borrowing from multilateral development banks is expected to decline as a country develops. Georgia needs not just money but also knowledge of best practices". – Senior Official, Ministry of Finance

154. Previous IED evaluations have raised similar concerns with ADB projects. IED’s topical paper for Strategy 2030 in 2017 recommended that ADB should “embrace a more programmatic and integrated approach to operations, rooted in a business model that places leveraging of knowledge and finance as its central tenets” and that “ADB needs to become more agile in its ability to deliver or develop a larger volume of basic infrastructure, as well as more efficiently targeted services, and provide more customized and innovative financing and advisory packages” (footnote 61). Similarly, IED’s evaluation of ADB’s engagement with middle-income countries in 2016 noted that “ADB needs to consider evolving towards a business model that places learning and innovation at the center, and increases the
knowledge intensity of its operations in order to contextualize and customize its support, in order to respond to the context and meet the needs and expectations of its MIC clients” (footnote 59).

“ADB is seen as doing engineering well, but the holistic planning is not really present.” Senior DMC official, Ministry of Finance

“ADB has an industrial process... that is was good for roads but is not fit for understanding the complexity of modern problems and issues.” Senior DMC official, line ministry

“The need for borrowing from multilateral development banks is expected to decline as a country develops. Georgia needs not just money but also knowledge of best practices.” Senior government official

155. **Findings from IED country evaluations suggest that most countries appreciated the knowledge solutions provided by ADB.** However, country program evaluations also highlighted the loose connection between TA and lending operations (Philippines) and weaknesses in documenting and disseminating lessons from projects (the PRC). While there were examples of innovations and best practices, these were not systematically applied (India). In some cases, knowledge-related expectations were not met (Armenia and Cambodia). The findings from four country assistance program evaluations and 18 country partnership strategy final review validations that IED completed during 2016–2020 are presented in Table A2, Appendix 2.

156. **DMCs appreciated ADB’s training and said it resulted in significant knowledge transfer.** Most officials had some experience with ADB-financed training, and all rated the utility of the training highly. Training typically focused on safeguards, procurement and broader project management related to ADB regulations and guidelines. Officials in the PRC and the Pacific felt that this training was critical in understanding and complying with ADB policies. Although the training was useful, it was rather ADB-specific, although in some cases it was also relevant for work with other organizations (primarily the World Bank) and for local government procedures. Several officials in the PRC shared examples of how they had used ADB procedures for safeguards in other projects. Officials in both the PRC and Georgia remarked that the training was rather targeted and primarily benefited mid-level government staff. The training could be usefully widened to include actors that engaged with the project at both higher and lower levels in the system; this would allow for systemic rather than project-specific knowledge transfer. Officials from all DMCs indicated that they would like to see more ADB training. None of the respondents had received any sector-specific or thematic-specific training that extended beyond the needs of their ADB projects.69

157. **ADB has an active capacity building program on technical issues.** It has supported activities in many fields, including anti-corruption policies, climate change and disaster risk management, social protection, safeguards, and many other areas. Capacity building takes the form of training, workshops, and conferences. ADBI also maintains an active capacity building program that focuses on building the technical skills of DMC officials. While it is clear that there is coordination among departments to develop and deliver these activities, the amount of cooperation is not clear. There is room for ADB to measure the contribution of these programs to the organization’s objectives more accurately.

158. **The four evaluation missions found several examples of innovative projects that incorporated a high level of both technical and country knowledge.** In the PRC, both the national government and ADB have placed a strong emphasis on ADB providing knowledge and innovation through its investment projects. The results are clear since many public sector projects incorporate new ideas and approaches. Importantly, projects focus on new ideas for a specific context. For example, ADB support for urban transport included expanding the use of dedicated lanes, the introduction of bus rapid transit, and

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69 This is consistent with the findings of past evaluations. For example, the country assistance program evaluation for India found that ADB strengthened the institutional capacity for project preparation, implementation, safeguards, procurement systems, and other areas, but left significant scope for support to design knowledge solutions. IED. 2017. *Country Assistance Program for India.* Manila: ADB.
greater accommodation for pedestrians and bicycle riders. These innovations were introduced in some other parts of the world two or more decades ago, but, for local officials, they represented major advances and allowed a city to make a significant advance in terms of both practices and policy.

Box 17: Knowledge Solutions in Health: Introducing e-Government through Digital Health Project in Tonga

Tonga faces significant challenges in meeting the health needs of its citizens. One of the core issues facing the Ministry of Health is the lack of effective collection, storage, and usage of basic public health services data. The government requested ADB support for a health project to improve its health information system and to strengthen its civil registration system. The ADB team and the government agreed that the project should invest in information technology (IT) to create a digital health information system that would replace the existing fragmented, paper-based system.

Project preparation took 2 years, including significant time for ADB to understand the context and the legal framework. The ADB team held workshops with the government and visited health facilities to develop a deep understanding of the needs of patients, health workers, and the government.

The government and ADB agreed that only investing in IT systems would not be effective. ADB focused on ensuring that there would be good knowledge and understanding of why a new system was needed. To ensure appropriate software was available, ADB employed an innovative system of procurement with the government and vendors. It organized change management workshops for health staff on the main island and three outer islands to clarify how the new system could benefit patients, the health system, health workers, and the country.

In 2019, ADB approved a $7.5 million grant for the Introducing e-Government through Digital Health Project. In addition to software, the project will continue with the work started by the TA, including support for policy and regulatory advice. The project is also supporting capacity building, with ongoing training for staff in health centers as well as in the Ministry of Finance, the Department of Statistics, and the Department of Women.

ADB = Asian Development Bank, IT = information technology, TA = technical assistance.

Source: Independent Evaluation Department.

2. The View from Inside: Staff Perspectives

159. Interviews with ADB management confirmed that knowledge was in great demand by DMCs. As with other groups interviewed, senior staff recognized that ADB had substantial resources within the organization that, if found and used, could provide ADB with a comparative advantage in tailoring products and services to meet client needs. These included TA funded by grant-based resources, regional expertise, and well-staffed resident missions. However, management also recognized that ADB has sometimes found it hard to put these advantages into practice. Several senior managers accepted that ADB sees knowledge as a stand-alone product and that the organization did not take advantage of much of its knowledge base to develop innovative projects.

160. There was general agreement that ADB always tried to meet an immediate need as defined by the client. Staff in resident missions generally felt that ADB did not make enough use of its broader knowledge base to advise the client outside of ADB’s contractual requirements, such as compliance with safeguard and procurement procedures. Many agreed that ADB was less inclined to engage with other voices, e.g., civil society, social partner organizations, and academia.

“ADB has traditionally seen knowledge as an add-on, something produced by TAs. However, ADB has tacit knowledge which it does not use efficiently or recognize.” ADB senior manager

161. ADB staff perceptions about the extent to which ADB tailors its specific products to local conditions and needs were mixed to negative. Staff were broadly in agreement that ADB support was at its best when it was aligned with real long-term needs and when the solution integrated international experience through TA and other means, such as working partnerships. This sentiment was matched by
concerns raised in the discussion groups and in interviews with management. In general, national staff (with more local knowledge and familiarity) tended to be more negative than international staff about the extent of tailoring, as can be seen in Table 8.

Table 8: Staff Views on the Extent to which ADB Tailors its Products and Services (%)

<table>
<thead>
<tr>
<th>Staff</th>
<th>Generally Positive</th>
<th>Mixed</th>
<th>Generally Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Staff</td>
<td>44</td>
<td>40</td>
<td>15</td>
</tr>
<tr>
<td>National Staff</td>
<td>21</td>
<td>55</td>
<td>14</td>
</tr>
<tr>
<td>Consultants</td>
<td>41</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>42</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: MAXQDA analysis of in-person interviews, Independent Evaluation Department.

162. **Staff and consultants who rated ADB positively tended to attribute ADB’s success in meeting client needs to its history and presence in the region.** A number of staff and consultants observed that, being in and from Asia, ADB understands the culture of its clients. For example, one consultant described ADB as a veteran in the region, and a staff member said ADB was well prepared “because it has a lot of knowledge.” By extension, this group of respondents broadly agreed that ADB’s track record and work across sectors meant ADB had developed expertise that is “backed by strong relationships with the DMCs that provides knowledge based on current realities.” However, this appears to be a tautological response, based on several assumptions: ADB is operating in the region for a long time, it knows a lot, and therefore it adds value.

“ADB’s competitive advantage in Asia is its knowledge of Asia.” ADB staff member

“We bring our own experience from all the previous projects, but it tends to be internalized in each staff member.” ADB staff member

“the knowledge agenda in ADB is a big project that crosses many groups. As an organization, we have not decided who is going to lead this type of pivotal project. It is important that we take a multi-sectoral approach.” ADB staff member

163. **A second group of staff had more divided views on the tailoring of knowledge solutions.** This group said that ADB had appropriate strategic intent, had responded to that intent, and that the organization had the means to be successful. However, they recognized the need to harness and deploy those means to meet partners’ needs. Thus, ADB faces a challenge of “allowing people to focus on what should be” and changing mindsets, including “unlearning” aspects of what ADB has been so it can become a real knowledge institution.

164. **A third group of staff saw ADB as rather conservative and reluctant to innovate.** The staff who were less positive about ADB’s readiness to tailor its products and services had concerns about ADB’s objectives. Some staff felt that ADB lacked clarity about what it wanted to be in practice and felt it was reluctant to move beyond the standard product (i.e., the financing or engineering solution). This group of respondents identified a lack of innovation in the ADB approach as well as a need to ensure a more systematic approach to knowledge and tailoring “rather than just being individually led.” Many also emphasized some frustration in not being able to access the expertise of other staff members or ADB’s institutional knowledge.

“Sometimes people are so concentrated on the process that they forget the bigger picture of what we are trying to deliver or… achieve. So I think because of this processing-oriented kind of culture, we kind of just have to meet the deadline, but I don’t feel we spent enough time to fully understand what the country needs.” ADB senior staff member
165. Overall, management and staff recognized ADB’s ambition and its resources—human, financial, and reputational—as key to the knowledge agenda. Management and staff were also conscious of the need for a more joined-up, cross-sectoral approach to meeting increasingly complex demands from clients. There was a clear understanding that the knowledge agenda will be only realized by converting valuable knowledge into an accessible and usable resource. Respondents at all levels recognized a need for ongoing and consistent clarity in leadership.

166. Staff at ADB resident missions provided additional nuance in understanding ADB’s use of knowledge solutions. Overall, these staff expressed greater concern about the knowledge agenda, although there were significant differences in views that seem to be determined by the level of sophistication of the DMC counterparts. Resident mission staff were broadly in agreement that ADB is more known for project delivery than for providing knowledge. As one staff member in Georgia explained, ADB has low name recognition as a knowledge provider compared with other development partners. There was broad agreement that, because ADB is so focused on project delivery, it engages in very limited consultation outside its interaction with the immediate client in any given context. Its knowledge is linear and limited outside of a more purely technical grasp of issues.

“ADB is a reactive organization. A more proactive/anticipatory role would add value.” ADB resident mission staff member

“Once ADB is given the go ahead from the government, we are a good partner…we move the earth.” ADB resident mission staff member

167. Regardless of staff members’ general perceptions, location, or level in the organization, there was broad agreement that ADB emphasizes processing time and disbursement targets for knowledge solutions in projects. Many staff members are concerned that this limits the quality of the client engagement they need to invest in better, more strategically oriented project designs. The concern is that ADB rushes to disbursement and that more time should be spent on gaining the knowledge to improve the design. This would avoid down-the-line issues such as delays, wrong solutions, and inflexibility.

“ADB’s approach is traditional and it focuses on disbursement. This is simply not relevant for the PRC, where the focus is on solutions. There needs to be a better way to measure knowledge.” ADB resident mission staff

“We have to process our projects faster with less resources and produce more. So, it’s becoming really more difficult. If we have to do everything we need to do, we need to be given the adequate resources to achieve that. But it seems we are getting less and less.” ADB headquarters staff

3. The Role of Technical Assistance and Consultants

168. The provision of TA on a grant basis was consistently identified as a key comparative advantage for ADB. ADB management described TRTA projects as critical to project success and a resource not available to other organizations such as the World Bank, the European Investment Bank, or the Japan International Cooperation Agency. Key informants from other development organizations also noted the advantage that TA provided and the way it allowed ADB to develop projects and to ensure a certain degree of quality assurance early in the process.

169. Some DMC respondents also recognized that TRTA can have negative effects. Several interviewees observed that a TA project, which is largely outsourced to consultants with limited ADB staff engagement and oversight, introduces an element of reputational risk for ADB. ADB is often a passive actor during a crucial phase of DMC engagement. This is a lost opportunity for ADB staff to dispense and acquire both formal and tacit knowledge and to support capacity building.
“Greater ADB involvement (in TRTAs) would enhance efficiency and effectiveness at little cost. ADB could increase its presence and visibility and its interaction with government agencies, PMUs and other organizations—this would be a big advantage.” PRC government official

“While TRTA projects are generally good, staff are often too distant. In part this is because ADB staff are too busy.” ADB resident mission staff

“Projects are highly dependent on the quality of the consultants. So, solutions vary significantly.” ADB resident mission staff

“You shouldn’t give the overall concept of a project (knowledge or TA) to consultants… as this is not conducive to learning and retaining the knowledge that is being transferred within or outside of a project.” World Bank senior manager

170. **There was broad concern among DMC government officials about ADB’s use of consultants.** There is nothing inherently positive or negative in the use of a consultant model in the delivery of TA; however, how that model is used was an issue for many. ADB was seen as effectively outsourcing the management of knowledge to the consultant. However, consultants have little or no access to resources (people or documents) within ADB, and therefore cannot make use of ADB’s knowledge or experience. DMC officials indicated that the quality of ADB’s work depended largely on the quality of consultants. IED highlighted this point in its 2014 evaluation of the role of TA, which found that outsourcing implementation to consultants limited the involvement of ADB staff. That evaluation argued that this may not be the best approach for complex TA projects. The costs are high, knowledge losses after consultants’ leave are significant, and consultants are often taken less seriously than ADB staff.  

171. **The evaluation missions registered a broad range of views regarding consultant support.** Officials in Georgia were generally satisfied with the quality of the consultants available to them and with their performance. In Cambodia, it was clear that experiences were mixed, which officials attributed to luck—simply put, sometimes ADB chose good consultants and sometimes it did not. DMC participants in the Pacific felt clearly that ADB was over-reliant on consultants and focused on consultant costs more than quality. In the PRC, the use of consultants was misunderstood; the feeling was mostly that ADB used too few local consultants and too many international consultants who did not understand the local context.

172. **ADB staff also expressed concern about consultants.** Within ADB, some staff referred to the way consultancies were used as posing a reputational risk to ADB, particularly if the team leader was not on top of the subject or the issues in question. Several staff interviewed in resident missions stated that ADB relied too much on consultants and that they often lacked country-specific knowledge and up-to-date knowledge of ADB rules and procedures. In addition, international staff in ADB operations frequently change position, increasing the reliance on consultants. Staff at several resident missions said the variability of consultant quality during the design stage in particular was a common concern. Many noted that generic solutions cannot be simply grafted from one place to another without tailoring and adjustment.

173. **Other staff stressed the lack of context-specific knowledge among consultants.** In the PRC, most informants said that many international consultants lacked an appreciation for context, which often meant that a considerable amount of time had to be invested in getting them up to speed. This, in turn, meant that consultants then had to rush toward a solution within their allocated days and that they did this with little in-depth consultation. This often led to unrealistic designs. Executing agencies also commented that the consulting firms that won TA contracts often assembled groups of consultants to deliver the contract and that these freelance individuals often had little or no connection between them, with the resulting lack of coordination possibly affecting the overall quality of subsequent project.

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71 IED’s TA evaluation (2014) discussed the issue of evaluating consultants’ performance at length (footnote 70).
Implementation. Government officials raised similar concerns in Cambodia. In the Pacific, officials from different DMCs indicated that consultants brought solutions from other countries that were clearly not appropriate and were poorly suited to local conditions. In all these cases, respondents felt that greater presence of ADB’s own staff was needed. A preference was expressed for teams combining consultants and ADB staff from both headquarters and resident missions.

4. Quality Review and Interdepartmental Support

ADB’s formal quality review system is built around internal commenting. ADB has a well-established review system that applies to all official ADB projects as well as to proposals to change rules and procedures. The same process includes a focus on compliance with ADB rules and on quality enhancement. Within this system, departments can and do introduce additional procedures.

The interdepartmental review process plays a central role in reviewing ADB products. Prior to approval ADB circulates key documents for comment, including project concept papers, project documents (RRPs), TA reports, and business process-related documents, such as staff instructions and guidelines. During the circulation period (typically 1–2 weeks), each department is asked to provide comments. Under current guidelines, which were developed in 2015, interdepartmental reviews are intended to identify significant issues in project design, ensure compliance, and help incorporate good practices. Each department can provide fundamental comments and advisory comments. Advisory comments provide recommendations to improve the project design. Operations departments are only obliged to consider fundamental comments; they can decide which other comments would help improve the design and presentation.

“ADB will start moving away from excessive dependence on interdepartmental reviews, but will encourage participation of staff from advisory and knowledge departments in project preparation.” – 2015 ADB policy paper on operational efficiency.

ADB’s interdepartmental review process combines procedural compliance with technical advice. Like all development organizations and financial institutions, ADB has mandatory requirements for its projects, including those designed to mitigate adverse environmental and social impacts (safeguards), and to manage financial and procurement risks. Overall, ADB has a strong system to review projects and to ensure that they comply with rules and regulations. However, this process is fundamentally different from a quality review. While a quality review can have a mandatory element, such as sign-off from an accredited expert, it typically involves developing a different sort of consensus than compliance. There was generally support for compliance-related reviews and general appreciation of the support from colleagues in safeguards, thematic, and fiduciary functions. This echoes a general appreciation from DMCs—they do not always agree with safeguard provisions but understand their importance and appreciate the additional value that ADB brings to the table.

Many staff expressed concern that the interdepartmental review process remains burdensome and doubt its value-addition from a knowledge perspective. One of the primary concerns is the timeliness of the comments, another the static nature, which allows for limited discussion. While many ADB staff see the importance of carrying out an independent peer review, some raised concerns about its impartiality.
“... ADB has a strong pool of experts. When we develop our projects...there’s a strong peer review and experts that we can tap from SDCC.” ADB operations staff member

“The peer review process can only be effective if it is engaged at the right time. And of course, the value of the peer review process also depends very much on the project officer and a willingness to engage in a discussion.” ADB resident mission staff member

“There are no ... terms of reference for peer review, which indicate that I should first look at what kind of projects existed in that country from other organizations or somewhere else in the world....” ADB knowledge management staff member

“We are ADB and we tick boxes. The project officer doesn’t have to speak to the reviewer until the reviewer reviews the concept paper and that’s the box ticking.” ADB operations staff member

“... we seriously try to add value with our ... comments. Sometimes two lines of comments can significantly change the approach of a document particularly if something ... important was not included in the paper or in the strategy...” ADB knowledge management staff member

“The peer review should be all of your peers supporting you and sharing information... And that’s what we’re trying to do... particularly for complex projects. We’re trying to host meetings for complex projects...and have all the specialists sit down and discuss that project at planning stage before the department review meeting, way before the concept paper, so six months before the concept paper.” ADB knowledge management staff member

178. **There is a broad consensus that interdepartmental review is of limited value in the final stages of project preparation.** In ADB, investment projects are reviewed twice: at the project concept paper stage and when the final project document is complete (the RRP stage). Staff felt that there was often value to the review at the project concept paper stage, as useful knowledge and advice could be offered, but the time allowed was generally not enough for in-depth discussion and engagement or for significant teamwork beyond departmental boundaries. After the concept paper stage, both project teams and commenters felt that the value of inputs was limited, since the project had already been designed and largely agreed with the government.

179. **Individual departments have their own procedures for quality review.** For example, the East Asia Department follows a rigorous review process for its knowledge products. Prior to their approval, a meeting is held together within the department, including invited peer reviewers, to examine the relevance of the proposed knowledge products and to make revisions or additions. The department also requires that all investment projects clearly show how ADB adds value through knowledge solutions. Likewise, the Central and West Asia Department holds periodic meetings to discuss the progress of knowledge work, to ensure that the products are relevant and of good quality. These processes have led to the well-articulated knowledge programs in Kazakhstan and the PRC described in Box 15. ERCD organizes seminars for working papers and actively encourages staff to submit papers for publication. The department also makes extensive use of peer reviewers for all of its publications, including working papers and official documents.

180. **The role of the STGs in quality reviews was regarded as highly variable.** ADB STGs provide official comments during the interdepartmental review; several group chiefs indicated to the evaluation team that this is a major function of their group. The staff in the different groups reported that a significant part of their work involves preparing and discussing these comments. Beyond the required participation in the review process, the groups offer different levels of support. Some were quite active in providing upstream support; for example, the education sector group typically held informal discussion meetings prior to project concept meetings. At other times, STGs staff and members of the expert pool participated in preparation missions. Other than participating in informal discussions, other members of STGs had a limited role in providing input or reviewing quality.
“Definitely project officers do not want to involve … SDCC colleagues, because they want to go with their approach, which they have already agreed with the government.” ADB knowledge management staff member

“The interdepartmental review of an RRP is written after the fact when the design is done. It is not going to change anything that has been agreed with the counterparts already.” ADB operations staff member

“…we need to get external peer review involved much earlier in projects… But the issue again is time. So, if you need a reviewer from another department … good luck finding one who has the time.” Mixed focus group

“It is a box ticking exercise, but it also can … add value and knowledge on the technical aspect of that project. However it can’t be done within 2 weeks when the document is circulated for comments.” ADB knowledge management staff member

181. The primary interaction between the ERCD and operations departments is in economic analysis. Many respondents indicated that their main area of interaction with ERCD was in preparing the economic analysis for a project, which was largely seen as a procedural compliance function. However, this view was far from universal and varied greatly. ERCD also works closely with country teams in operations departments when preparing the Asian Development Outlook country chapters. The evaluation identified a number of close collaborations between ERCD and operations staff, including for projects in Southeast Asia, Kazakhstan, and the PRC. These included support for policy dialogue, project design, and knowledge products. In some cases, ERCD produced knowledge products that were shared with the support of the regional department. ERCD also supported impact evaluation studies related to ADB operations in different sectors and regions. While these interactions were positive, ERCD is relatively small, limiting the extent of the interaction. There appeared to be less interaction between ADBI and operations departments.

182. From modest beginnings, ADB has developed a relatively strong impact evaluation program. Starting in 2007, ERCD provides grants to support impact evaluations of ADB-financed operations. In addition to providing financing, ERCD provides expertise and support to regional department as they implement evaluations. Regional departments enter into a competitive process to receive grants. In addition to supporting individual evaluations, ERCD has prepared synthesis studies and guides related to impact evaluations.

183. ADB does not have defined guidelines for review and vetting of knowledge products. While ADB has rules (in its staff instructions) on TA projects, it does not have a common set of rules for KPS. The formal quality review process applies to ADB projects, be they loans, grants, or TA projects but not to individual papers or documents. In general, ADB requires that the President or the vice president for knowledge management approve flagship publications, after relevant departmental review. Heads of departments and directors generally approve other knowledge products after they have been approved by the relevant unit and (when appropriate) governments. ADB guidelines do not provide much guidance—leaving decisions on quality control to individual departments. Furthermore, there is no requirement for quality review of a consultant-produced document that does not fall into the official categories. In practice, it appears that ADB staff approve a consultant report and authorize payment without any additional review.

5. Tailoring of Products and Financing Modalities

184. The tailoring of knowledge solutions to the right ADB financing products and modalities would improve quality and relevance. IED has carried out several evaluations to assess the efficacy of various types of products and modalities. The 2020 Annual Evaluation Review looked at a range of financing products—loans, grants, equity investments, and guarantees—and concluded that equity investments and guarantees may be insufficiently employed by ADB, given their potential for resource mobilization.

Guidelines indicate that ADB should use external reviewers and other types of reviews if merited. They do not provide any firm rules on how or when to use external reviewers.
and supporting more well-rounded knowledge solutions. Although ADB has used private equity to only a limited extent in the past (and not very successfully), the 2020 Annual Evaluation Review argued that equity investments have considerable potential for contributing to overall knowledge solutions. By taking an equity position, ADB can play an important role especially in difficult and fragile environments where debt capital is hard to raise. Private equity support can be demonstrative and catalytic. Likewise, guarantees can unleash private sector capital for development. In countries with fragile and conflict-affected situations as well as in other high-risk countries, greater use of political risk guarantees could crowd in capital and enable work on more complex and comprehensive solutions.

185. **IED evaluations have shown that the different lending modalities have different potential for knowledge solutions.** In the public sector, the investment project or program has remained the most used of the three major modalities, accounting for 70% of financing. The relatively new results-based lending has a soft ceiling of 10% of total lending but it may have considerable potential for offering new knowledge solutions, reducing some of the limitations of the investment project approach. Policy-based lending has a higher ceiling of 20% of total ADB financing. An evaluation of this modality in 2018, concluded that, while policy-based lending was often successful, it was increasingly concentrated on just a few areas, particularly in public sector management and public finance management. Policy-based lending was less likely to be found in more central areas of ADB’s interest, such as infrastructure provision and management. Policy-based loans were often not fully based on in-depth analytical work, limiting their potential.

186. While investment projects and programs can be a good vehicle for knowledge solutions, many infrastructure operations were still not very innovative or even technologically advanced, for example, projects covering road widening and transmission line construction. Multitranché financing facilities, which enable a series of investment tranches, have the potential to improve the delivery of knowledge solutions by facilitating more systematic planning and long-term capacity development of an executing agency. However, a recent evaluation concluded that ADB had made limited efforts so far to design and implement multitranché financing facilities that provide integrated knowledge solutions involving multiple sectors and thematic areas. To date, ADB has used this approach only in the urban sector, which is unfortunate given that there are opportunities in most sectors.

187. **Certain types of projects tend to attract more attention from other development partners.** The 2020 Annual Evaluation Review recommended that ADB increase its use of multitranché financing facilities and results-based lending because these modalities attract more joint or parallel cofinancing than investment projects can. This is a sign of their potential for cross-organizational collaborations and more comprehensive knowledge solutions.

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74 IED. 2017. *Results-Based Lending at the Asian Development Bank: An Early Assessment*. Manila: ADB.
C. Does ADB have the Necessary Processes and Culture to Harness its Resources Efficiently to Deliver Knowledge Solutions?

<table>
<thead>
<tr>
<th>Good Practices</th>
<th>ADB Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership shows commitment to the knowledge agenda, serving as a role model, promoting a knowledge culture, and ensuring that resources and processes are in play to promote the development of knowledge solutions</td>
<td>ADB senior leadership has demonstrated an understanding of why the institution needs to increase the role of knowledge, placing it at the center of Strategy 2030 and other key initiatives. ADB is updating its knowledge management action plan and is including more knowledge-related indicators in the corporate results framework. There is no specific knowledge management policy.</td>
</tr>
<tr>
<td>The organizational culture encourages discussion and debate, allowing members of the organization to seek and share knowledge and collaborate across the organization</td>
<td>ADB staff have a high level of commitment to ADB’s mission, however ADB lacks a common vision statement and is guided by unwritten cultural norms. In particular, staff have identified a reluctance to take risk or to embrace innovation in a culture that is characterized by vertical communication and highly codified rules, and a difficulty in collaborating and sharing knowledge, especially across divisions and departments. Staff and management agree that the culture is evolving and that ADB is making efforts to improve collaboration. Investment in technology and changes associated with COVID-19 also appear to be contributing to this trend.</td>
</tr>
<tr>
<td>Flexible teams work across the organization, minimizing the role of silos, and promoting the free flow of information</td>
<td>ADB management and staff have expressed similar concerns about the powerful silos within ADB that result in small and isolated units. There are few incentives to support cross-sectoral and cross-departmental teams of technical staff. Managers offer incentives to focus on their own group. DMC representatives have expressed concerns about a lack of clarity on who makes decisions. ADB has attempted several reorganizations within the past decade to improve the flow of knowledge. Following the consolidation of sector and thematic groups, there do not appear to be any major initiatives to adjust the institutional structure of ADB to suit cross-departmental collaboration. The focus is more on introducing new technology and culture changes.</td>
</tr>
<tr>
<td>Staff have a mix of skills and are sufficiently flexible to address new challenges and provide continuous training and capacity building</td>
<td>The education level of ADB staff has at best remained the same. Average work experience before joining ADB has shortened. ADB provides support for internal and external training, although the uptake of such training is relatively low.</td>
</tr>
<tr>
<td>Technology facilitates collaboration and communication, allowing staff to locate knowledge, communicate freely, and form work-flexible teams</td>
<td>ADB is behind its peers in the use of technology in some areas like knowledge management and its digital workplace but has embarked on a significant investment program. It has adopted many platforms and systems and is phasing out older systems. New technology is supported by training. ADB is continuing its investment in technology and will continue to replace legacy systems.</td>
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</table>

188. **Despite progress in some areas, ADB needs to make significant further efforts to transform itself as a knowledge bank.** Chapter 2 described how strong knowledge organizations have integrated business processes, a knowledge culture, integrated IT systems, and a set of incentives that facilitate and reward the creation of knowledge solutions. Despite ongoing reforms, ADB still has shortcomings in all three of these areas. In short, the evaluation found that ADB remained largely focused on the production of projects and services rather than on a more multisectoral approach to solving increasingly complex development issues. ADB is in the midst of a major review of its resident mission policy and is launching a major culture transformation. These two initiatives are designed to support the implementation of Strategy 2030.
“ADB will improve its capture of tacit knowledge, including lessons learned throughout the project cycle, and allocate TA and other resources strategically and adequately to support knowledge services.” Strategy 2030, para. 94

“All departments will be encouraged to generate knowledge products and services and to contribute to capacity building efforts in their areas of expertise.” Strategy 2030, para. 97

“Complicated problems require thoughtful planning which may not fit into the compressed timeframe of ADB’s project and planning cycle.” Senior DMC official, water sector

“ADB itself depends too much on a factory quantity model... that seems to assume that its production is generic, like an old-fashioned factory. This drives it to use people who are more focused on quantity, rather than on quality. Much of the measurement and reward systems seem to be driven by counting.” ADB senior manager

“ADB might be too focused on disbursement targets. If you’re too focused on disbursement…financing takes the center stage and the knowledge element takes a lower position. … Perhaps at times ADB loses sight of the real value addition, which goes beyond finance. It’s not easy to build capacity… and we emphasize capacity building a lot because especially our poorer regions are low in capacity”— Senior DMC official, Ministry of Finance

1. **Does ADB Have the Necessary Culture to Support Strategy 2030?**

189. **The evaluation found a high level of commitment to improving knowledge solutions at the highest levels of ADB leadership, but this needs to be reflected in specific decisions.** Strategy 2030 demonstrates a clear desire for ADB to improve its use of existing knowledge, generate higher quality knowledge, and provide knowledge solutions. Chapter IX of Strategy 2030 outlines ADB’s objectives to improve its capacity as a knowledge organization. Strategy 2030 contains a commitment to provide knowledge support and advisory services across all of the seven operational priorities (para. 106) and to share knowledge across the institution (para. 107).

190. **This commitment has been backed by public declarations.** Senior management has made a clear public commitment to increase the role of knowledge in operations. Based on interviews for this evaluation with all vice presidents and most directors general, there was a broad consensus that: (i) to respond to the region’s changing needs, ADB has to increase the value addition of its financing; and (ii) to achieve this, ADB needs to change its culture and its incentives. This evaluation identified a number of initiatives at the department level to improve knowledge generation and sharing (Box 18); leadership interviews confirmed that these reflected conscious leadership choices. In interviews, it was clear that staff and management fully understood this commitment. This was also reflected in the staff engagement survey in 2018, which showed that 77% of staff believed that senior leadership (president and vice presidents) had a clear vision for the future and a well formulated business strategy.

“The demand for ADB operations will decrease over time, unless we can bring in new ideas, advanced technologies, and experiences from our work in countries.” ADB President Nakao, Speech to Country Directors 20 August 2019

“The first priority is to further develop our explicit and tacit knowledge to help solve emerging issues with our clients.” ADB President Asakawa, Speech to ADB staff 5 February 2020
Converting individual knowledge into organizational knowledge and retaining intellectual assets is a common struggle for many organizations. Staff should share their knowledge before changing jobs or leaving an organization. However, knowledge sharing is affected by culture, employee motivation, and information technology.

In 2018, the ADB Southeast Asia Department initiated after-action reviews for its projects. The department introduced the reviews to improve feedback among staff about the projects. The reviews were seen as a tool to retain knowledge and to share it among the team. To facilitate the reviews, the department created an online template in SharePoint and piloted it for 3 months. Having an online template increased the number of reviews; in just two months (February and March 2019), the department produced 20 reviews compared with 40 in the entire year of 2018. In the 90-day period after the introduction of online template, there were 14,146 site visits. Staff reported that the reviews made it easier to share lessons learned from projects and helped team members capture good practices and identify shortcomings.

ADB = Asian Development Bank.
Source: Independent Evaluation Department.

“Leadership and culture are the key drivers of performance.” ADB staff member

“It really depends on senior-level management, on how much they push for that quality as opposed to lending volume. Everybody can acknowledge there’s a tension there.” ADB resident mission staff member

“The Bank has sufficient resources and it has good people. However, it has to commit to implementing its vision (Strategy 2030) and focus on key issues and priorities. The institution is making progress, but it is not there yet.” ADB manager

191. However, below the broad rhetorical and branding level, staff need to interpret how the strategy will be implemented. Many staff and managers, in both group and individual interviews, regarded the organization as less than the potential sum of its parts from a knowledge perspective. For example, ADB was described as a “patchwork…of initiatives and pieces” that are not always connected. Several respondents wondered who was going to really lead the push towards cross-organizational and multi-sectoral responses. Others questioned what ADB was willing to commit to doing to utilize its resources to bring together its disparate departments.

192. The ability of directors and task leaders to articulate the links between Strategy 2030, operational priorities, and knowledge management objectives, was regarded as inconsistent. This was compounded by a top-down communication flow that did not systematically facilitate feedback or the flow of knowledge across the organization. This perspective was also reflected in the staff engagement survey in 2018 where only 56% of respondents felt comfortable about making recommendations that could be “unpopular.” The recently initiated 360° feedback for all directors may help to address some of these concerns.

193. ADB does not have an agreed code or value statement, unlike some other large organizations that aim to be knowledge-based. Although such statements often have a certain rhetorical flair, they do fix the organizational values in concrete terms and help stakeholders understand “what the organization is about.” Without such a statement, culture (the unwritten code) will play an even more important role. Core values, when defined and properly applied, can help unite an organization and give it a common vocabulary and set of expectations and behaviors for all stakeholders. They give

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77 For example, McKinsey has a set of core values to: (i) adhere to the highest professional standards; (ii) improve clients’ performance significantly; and (iii) create an unrivaled environment for exceptional people. The World Bank Group has a set of core values that are prominently displayed in its buildings: “Impact – We help our clients solve their greatest development challenges; Integrity – We do what is right; Respect – We care for our people, our clients, our partners and our planet; Teamwork – We work together to achieve our goals; Innovation – We learn and adapt to find better ways of doing things.”
members of the organization something to adhere to themselves and to hold each other accountable to.

194. **ADB does not have a formal policy on knowledge management.** While KMAPs provide guidance on how ADB should use knowledge, these are a planning documents and not policy statements. Neither ADB’s Operations Manual nor its other instructions provide direct guidance on knowledge management, including broad policies on how documents are shared, how internal communication is managed, and other key elements in knowledge management.

“Culture eats strategy for breakfast.” Anonymous, often associated with Peter Drucker

“The consulting firms have done well, in terms of making knowledge sharing a part of the culture. The minute you walk in the door, this is what is expected of you. This is how you’re expected to behave, how you’re expected to contribute.” World Bank senior manager

195. **There is a broad consensus that ADB’s culture is evolving and that ADB staff have a high level of commitment to the organization’s mission.** Despite the lack of a formal code, ADB management and staff generally agreed on certain advantages that the organization had, including: (i) loyalty to and sustained relationships with DMCs; (ii) humility in interaction with partners and a willingness to listen to their needs; and (iii) a palpable commitment to the work of the organization.

196. **Staff and management at all levels identified several areas where the organizational culture acts as a barrier to the ADB’s knowledge aspirations as outlined in Strategy 2030.** Analyzing hundreds of interviews, the evaluation identified several key themes:

   (i) a high level of risk aversion and anxiety about innovation and delegating decision-making;
   (ii) a heavy level of formality associated with a vertical communication style and a reluctance to discuss mistakes;
   (iii) a high level of bureaucracy and a heavily codified set of rules to guard against mistakes, leading to rigidities;
   (iv) a tendency towards secrecy, shown in the way internal documents are classified by default as confidential;
   (v) a lack of teamwork outside the immediate day-to-day working environment and a reluctance to share information and data outside of organizational silos; and
   (vi) limited interaction with beneficiaries, the private sector, and civil society in DMCs.

197. **None of these observations are surprising and they are by no means unique to ADB.** Risk aversion was a commonly used phrase by staff and management when describing the organization, which chimes with the staff engagement survey finding in 2018 that only 50% of respondents felt they were encouraged to take calculated risks to improve business performance in their departments. Many DMC interviewees expressed frustration with the high degree of centralization in ADB, with the resident mission often referring issues back to ADB headquarters that other development partners could resolve in the field. Likewise, in the staff engagement survey, only 42% of staff felt that ADB had established a climate where people could challenge the traditional way of doing things. ADB is directly addressing this through a major review of its culture as part of a value-based culture transformation initiative to foster an environment where staff are empowered and motivated to achieve ADB’s mission.

198. **Some staff expressed concern that ADB is often reluctant to adopt innovation.** This did not reflect hostility toward new ideas as much as ADB’s focus on speed and risk aversion. ADB is not alone in having difficulty adapting to a more dynamic context. For example, a senior World Bank interviewee noted that some of the demands being placed on his institution felt like an “old dog having to learn some new tricks to stay on top.” The staff engagement survey showed that the majority of staff feel
that they are unable to challenge the traditional way of doing things in ADB. Overall, the score in the innovation category decreased in 2018 in comparison to that in the 2015 survey. Only 42% of staff perceived that they were able to challenge the traditional way of doing things, a reduction of 5 points from 2015. Overall, only 60% of staff saw ADB as innovative. Given Strategy 2030’s emphasis on promoting a culture of innovation, this perception may be hampering ADB’s innovation efforts. The results suggest that staff need to feel more encouraged to take calculated risks to improve the quality of their work.

199. **Disaggregated results from the staff engagement survey showed that team leaders felt particularly discouraged in their daily work.** Disaggregated by staff category, non-manager level international staff (IS levels 1 to 6) felt the least encouraged to challenge the traditional way of doing things. Only 23% of IS 5–6 and 26% of IS levels 1–4 felt that the organization supported such challenges. Staff were more positive in their views on whether people in their department were encouraged to come up with innovative solutions to work-related challenges—nearly three quarters felt positive about this. The response varied across staff category. About 60% of non-management international staff felt that they received support from their departments. In contrast, management staff, particularly at the higher levels, were quite positive both about ADB in general and about their departments.

> “Whatever knowledge solutions we provide is really accidental, it just falls in our lap. You know, it’s an innovative project that we fund. If it goes to the board, people will give it a lot of claps, ‘whoo, you did something very innovative.’ It’s not by design.” ADB operations manager

> “But the question is, do we have the knowledge? I don’t know. That’s a very, very big question. That I’m sure there’s knowledge at ADB, but do we have the capacities to shift our technology? From the projects that I have observed in my regional department, absolutely not, not much innovation at all. What innovation that you see is probably coming from the government.” ADB operations staff member

> “I think it’s you are extremely good or extremely bad, because sometimes when you’re trying to introduce something new, and if you’re successful and it’s in line with the disbursement targets—you’re applauded. If somehow you are delaying the project, because something has to wait for you to … integrate your innovative idea, then it slows down the disbursement.” ADB operations staff member

> “I do my own pilot studies… I have a grant… It will go for a tech innovation challenge initiative that I launched. First was a call for proposals, and I will invite proposals for three sets of different technologies. And for each technology, I will give them half a million grant and they can come with their own money.” ADB knowledge staff member

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200. **ADB staff and managers frequently commented on the siloed nature ADB operations units and the effect this has on cross-fertilization of work and ideas.** ADB has seven operations departments (including the Office of Public–Private Partnerships), which largely operate independently of each other. Interviewees associated the working of the structure with the cultural aspects listed above. One manager stated that the extent of silos was “extremely shocking,” since individuals are serving their small department rather than ADB as a whole. A review of the time management system conducted for the evaluation found limited formal cross-collaboration among operational departments. Instead of having one unit provide cross-support or forming cross-department operational teams, ADB largely relied on short-term assignments. This was a relatively bureaucratic arrangement and required the staff to temporarily leave his or her home unit for a certain amount of time. One important exception was regional TA projects that involved more than one regional department, for example promoting regional cooperation between the PRC and Central Asia or the PRC and Southeast Asia. The private sector departments also worked closely with regional departments.\(^{79}\) Even the current One ADB teams responding to COVID-19 in the various regional departments rarely consist of members from more than one regional department; and some are limited to a particular division within the department. This phenomenon was also recognized in the staff survey in 2018, where only 29% of respondents said ADB was doing a good job in internally transferring best practices (although this was an improvement over 22% in the 2015 survey).

201. **ADB knowledge departments and support departments collaborate actively with operations departments.** In recent years, non-operations departments have improved their direct collaboration with operations departments. Support departments have embedded staff in regional departments and resident missions, including staff focusing on social safeguards, procurement, financial management, and human resources among others.\(^{80}\) Interviews show that the level of collaboration among knowledge departments varies throughout the organization. Other departments, such as the Office of the General Counsel, are involved with SDCC and regional departments with their TA projects. The Office of the Secretary plays an important role in archiving Board documents as well as providing stewardship over ADB’s access to information policy.

202. **Most internal ADB documents are automatically classified as restricted or confidential.** For knowledge to flow, members of an organization need to know what knowledge is available and how to access it. Although practices vary, as of the first quarter of 2020, most internal ADB documents are effectively classified. Several departments do not provide any access to their SharePoint sites to staff members outside the department. Other SharePoint sites are open but only for authorized users. For example, staff may be able to find a document folder containing back-to-office reports and aide mémoire, but they cannot independently open these documents. This practice differs markedly from that of other organizations. For example, all World Bank staff have full access to all public sector implementation and supervision reports and aide mémoire.\(^{81}\) Private companies typically allow company staff to have access to assets and information about a project. Likewise, interviews with private sector knowledge organizations showed that open access to internal reports, memos, and agreements is standard and considered essential to the organization’s functioning. SharePoint itself continues to experience teething problems, particularly when used for working in teams on large documents, and in working with staff inside the organization and consultants outside.

203. **Knowledge is often lost because of the organizational silos and changes in staff.** Shortcomings in data sharing and file management have improved with SharePoint, but the issue is not just an IT one. Instead, it is the behavioral activities in the team, with work units sometimes making coordination difficult. Distributed teams and overreliance on e-mail as the single unifying communication tool

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\(^{79}\) As previously discussed, (paragraph 53), there are different forms of cooperation. Without a doubt, regional departments do coordinate with each other through a variety of means, including with support from SDCC.

\(^{80}\) In some cases, staff members are formally included in the operations department and in others, they remain in their home departments.

\(^{81}\) The World Bank allows the public access to most aide mémoire and partial access to supervision reports.
compound this. Staff changes and gaps in a resident mission can create knowledge loss when country directors or staff move on. Teams end up having to learn the same lessons again and again.

“90% of the documents ... are tagged as confidential. So, it’s not that we can’t find them, it is that we are not allowed to show them.” ADB IT staff member

“It’s very hard to say we are a knowledge organization, where everything is secret, and nothing is shared. This is not something that IT can fix. Our tools are capable of sharing everything. It’s the organization that will decide what to lock and hide.” ADB IT staff member

204. **Poor internal coordination has important consequences for ADB’s interaction with DMCs.** DMC officials interviewed for the evaluation commented on a lack of coordination within ADB. Concerns include the requirement for resident mission staff to constantly seek guidance, delays in decision making, and a lack of knowledge among new team leaders. ADB’s weaknesses are often compounded by staff turnover on the government side, further reducing the depth of the historical knowledge available. Lack of access to documents also has consequences for ADB’s interactions with DMCs. Some government agencies expressed concerns that ADB staff did not seem to know what they were doing and that they lacked awareness of previous agreements.

205. **ADB staff also spoke about a fear to speak up and to challenge the status quo.** Interviewees referenced the hierarchical nature of interactions which limit the flow and exchange of knowledge. For example, a “meeting outside the meeting” can result in an informal agreement on meeting outcomes before issues are actually discussed. Other inhibitors of active and open engagement, particularly at meetings, were referenced by interviewees such as a demarcation between management and staff: “the senior person speaks first and then ‘other staff are not likely to disagree publicly.’” Others referenced a similar gulf between international and national staff. This reflects sentiments expressed in the staff engagement survey in 2018, where only 51% responded positively to the statement “most of the time it is comfortable to speak up and voice one’s opinion and suggestions in ADB.”

206. **It is important to note that ADB staff do agree that ADB culture is changing, although not fast enough.** Some perceived that there had been changes in communication in the current phase of COVID-19 response, confirming the old saying that it takes a crisis to change behavior. It must also be acknowledged that all organizations face challenges in maintaining a flexible team structure and in sharing knowledge. Interviews with leading consulting firms emphasized the degree to which their culture was backed by incentives, including strong negative incentives that quickly separate those who do not collaborate and share. Likewise, discussions with technology firms emphasized that collaboration was integral to their culture and their evolution.

207. **There are many examples of elements of good practice and cross-fertilization within ADB.** For example, the Private Sector Operations Department and the East Asia Department both have a strong relationship with SDCC leading to substantial collaboration. Likewise, the Pacific Department has incorporated SDCC staff into some of its mission teams, as have operational departments, particularly for larger projects. Staff and management indicated that this reflected in part their own lack of resources for TA and their need to rely more on staff and less on consultants. Likewise, there appear to be strong connections between the Southeast Asia Department and ERCD.

208. **The current incentives for work units and staff do not place any significant emphasis on developing and sharing knowledge solutions.** In operations departments, the work priority is lending. Staff in these departments who collaborate will not be especially rewarded, and departments will not receive compensation for time lost if their staff work with other departments. Operations staff perceive their department’s priority to be to complete loan processing with its own staff and that this is the primary or only means to promotion. Staff in knowledge departments such as ERCD and SDCC may be reluctant to provide services to the operations departments due to their own rigid work programs.
Is ADB’s Approach to Knowledge Appropriate for Strategy 2030

ADB will incentivize staff to integrate the best knowledge available with financing and institutional capacity building throughout the operational cycle.” Strategy 2030, para. 94

ADB needs to maintain and enhance its relevance and competitiveness by providing its DMC clients with knowledge solutions. It would need to change the current incentives and budgetary allocations to enhance the role of knowledge.” ADB manager

“Right now, whether you capture or disseminate knowledge makes no difference.” ADB staff member

“The enthusiasm for doing something new. Part of it… a personality trait, but part of it is also the culture, the incentives, and the momentum in the organization.” ADB senior manager

“ADB’s knowledge and evidence-based research will raise understanding and awareness about critical areas and sectors … and support good policies and reforms by DMCs. ADB’s research products will … contribute to global development discussions by offering perspectives from Asia and the Pacific.” Strategy 2030, para. 95

209. Management and staff agreed that the current system does not offer significant incentives or even place a high value on providing knowledge products or services. One of the recommendations of IED’s evaluation of KPS in 2012 was that ADB should improve its incentive structures to provide more rewards to staff doing knowledge work (footnote 12). The apparent lack of progress on responding to this recommendation suggests that progress in moving towards a more knowledge-driven model has been particularly slow. Some respondents suggested that ADB does not employ staff with cutting-edge skills, particularly in technology, and that its culture and incentive structure are not attractive to the type of people who think outside the box. Other multilateral development banks have recognized the importance of incentives for knowledge work (Box 19).

**Box 19: Incentives in Development Banks**

“The Inter-American Development Bank needs to ensure there are resources and incentives for staff to extract lessons and learn from operational successes and failures, which implies continuing to strengthen project completion reports and aggregating lessons learned from the execution and results of individual projects, ad further strengthening the mechanisms for internal sharing and learning.” Office of Evaluation and Oversight. 2019.

“On incentives, an implication is that enhancing the World Bank Group’s success rate on providing knowledge services will require staff incentives to be included in the knowledge activities. These incentives need to be as strong as incentives for staff engaged in lending operations.” Independent Evaluation Group. 2016.

Source: Compiled by the Independent Evaluation Department.

210. The ADB incentive structure favors processing projects, contract awards and disbursements at the expense of preparing knowledge products. Respondents recognized that there were many examples of excellence and that there were knowledge champions, while also acknowledging that this was not universal or systematically encouraged. Others noted that outside ERCD, ADB does not encourage research. Many operations staff felt that they were not up to speed with the thinking of the larger economic and policy community while others argued that ADB resident missions were not engaged in the same way as those of other development agencies in the country.

2. Does ADB have the Right People and Teams to Implement Strategy 2030?

211. ADB’s model for knowledge emphasizes both its own capacity as well as its ability to leverage the knowledge of others. ADB has introduced an approach called “build, buy, borrow” to reflect its main avenues to acquiring and generating knowledge: (i) “build” is the use of ADB’s resources to increase its own internal capacity, through staff, including the development of talent within the organization, (ii) “buy” refers primarily to the use of consultants to support ADB’s operations in a variety of areas, and (iii) “borrow” is the use of staff and services from other agencies, through secondments
Knowledge Solutions for Development: An Evaluation of ADB’s Readiness for Strategy 2030

and exchange programs (Figure 9). ADB has a variety of different staff categories (Box 20), with various levels of expertise and sources of experience. The salary and benefits and business travel cost of staff will amount to about $500 million a year in 2020 (including costs of IED and the Compliance Review Panel). ADB hires a substantial number of staff consultants for work focused on ADB’s internal processes, paid for by its administrative budget ($35 million in 2019) and TA consultants for country or regional work from a variety of special sources that fund TA projects (about $400 million a year). The total costs of consultants comes to about 85% of the total salary and benefits and business travel costs of ADB staff. In other words, ADB almost matches its own fixed human resources with another set of more flexible though less visible human resources.

**Figure 9: ADB Financing for Human Resources**

ADB = Asian Development Bank, ADBI = Asian Development Bank Institute, AS = administrative staff, DMC = developing member country, IS = international staff, NS = national staff, TASF = technical assistance special fund.

Note: Amounts were based on various sources and measure the disbursed amounts in 2018. Individual consultants and consulting firms may receive multiple contracts during the year. Estimates exclude delegated consultant contracts that are financed by ADB loans and grants to DMCs.


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82 See Rogers, K. (2018) “ADB aims to break down silos by ‘building, buying, borrowing’ staff.” Devex, 07 May 2018. This description is commonly used within ADB to describe how the organization operates regarding consultants and partnerships. In corporate organization literature, buy can refer to merger and acquisitions, while in human resources buy may refer to hiring additional staff while borrow may include the use of consultants and contractors.
There are three broad categories of staff in ADB: (i) international staff, who are professional and technical staff with international knowledge and experience; (ii) national staff, who are professional and technical staff with mainly local knowledge and experience; and (iii) administrative staff. The president, the vice presidents, and members of the board are not classified as staff. As with staff, consultants with relevant international experience and coverage are classified as international. National consultants correspond to national staff, and “temps” correspond to administrative staff. In addition, ADB hires a substantial number of contract staff. While most contractors provide support services—ranging from cleaning, security, maintenance, and medical services—some are active in the knowledge ecosystem, including those working in information technology.

ADB = Asian Development Bank.
Source: Independent Evaluation Department.

While ADB staff numbers have grown since 2012, the education qualifications of staff have not.
Over the past decade, about two thirds of national staff had master’s degrees or higher. About 70% of junior international staff (levels 3 and 4) held master’s degrees and another 20% had doctorates. However, during the same period, the education level of senior international staff (levels 5 and 6) decreased—in 2012, one third (34%) had a doctorate compared with only one fifth (20%) in 2018. At the management level (levels 7 to 10), the education qualifications remained relatively stable—two thirds hold master’s degrees and one third have doctoral degrees. It appears ADB is recruiting and promoting fewer staff with doctorates at the senior level. At the same time, the number of staff without graduate degrees has dropped. By 2018, very few international staff had a bachelor’s degree as their highest diploma.\footnote{IED examined the profiles of ADB staff, including their educational background, pre-ADB experience, and ADB tenure in 2012, 2014, 2016, and 2018. The analysis excluded senior management (vice presidents, managing director, and the President) as well as Board members and their staff. More details are in Appendix 1.}

Education levels have not changed within vice president groups. Of these groups, the departments under the vice president for knowledge management had the highest percentage of international staff with doctorates, particularly in the ERCD. In 2012 and 2018, about 45% of staff had doctorates. In operations, there was a notable decline in the proportion and number of staff with doctorates between 2012 and 2018. This was largely driven by a decrease in the percentage of junior...
international staff with doctorates. It is surprising that the percentage of staff with doctorates has not substantially increased in the departments under the knowledge management vice president. While the percentage of staff with doctorates should not be the only indicator of educational attainment, the overall educational level of ADB staff does not seem to have increased over the past decade, despite rising education levels worldwide and the increasing emphasis on ADB becoming a knowledge bank.

Table 9: Education Level of International Staff by Vice President Group, 2012 and 2018

<table>
<thead>
<tr>
<th>Unit</th>
<th>International Staff with Master’s Degrees</th>
<th>International Staff with PhDs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Sector Operations</td>
<td>318</td>
<td>63%</td>
</tr>
<tr>
<td>Private Sector Operations</td>
<td>52</td>
<td>71%</td>
</tr>
<tr>
<td>F&amp;A</td>
<td>107</td>
<td>66%</td>
</tr>
<tr>
<td>Knowledge management</td>
<td>67</td>
<td>45%</td>
</tr>
<tr>
<td>Total 2012</td>
<td>544</td>
<td>61%</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Sector Operations</td>
<td>337</td>
<td>70%</td>
</tr>
<tr>
<td>Private Sector Operations</td>
<td>85</td>
<td>78%</td>
</tr>
<tr>
<td>F&amp;A</td>
<td>175</td>
<td>67%</td>
</tr>
<tr>
<td>Knowledge management</td>
<td>67</td>
<td>47%</td>
</tr>
<tr>
<td>Total 2018</td>
<td>664</td>
<td>66%</td>
</tr>
</tbody>
</table>

F&A = finance and administration.
Source: Independent Evaluation Department estimates based on data from Budget, People and Management Systems Department.

214. The pre-ADB work experience of ADB staff has not changed significantly in recent years. ADB staff typically bring substantial work experience from outside the organization. Although promotion through the ranks is important in ADB’s culture, ADB tends to hire staff with some outside experience. As with education, the level of pre-ADB experience has remained stable over the past decade. Virtually all national staff and junior international staff (levels 3 to 4) have at least 4 years of pre-ADB experience, with around 40% having more than 11 years of experience. Among the international staff at the more senior level (level 5 and above), around two-thirds have more than 11 years of pre-ADB experience. Virtually all the rest have at least 4 years of pre-ADB experience. ADB places a higher premium on outside experience over corporate knowledge. There was no significant change in the proportion of staff with longer pre-ADB work experience (11 years or more) across the vice president groups, except for staff from knowledge departments, where there was an uptick in the proportion of staff with longer pre-ADB experience (11 years or more) from 50% in 2012 to 62% in 2018 (and a corresponding decline in the proportion of staff with 4–10 years pre-ADB experience).

215. The evidence on whether ADB has the right staff to enable it to become more of a knowledge bank is mixed. It is surprising that, on the surface, staff education levels have not increased. Nevertheless, discussions with ADB’s Budget, People and Management Systems Department indicated that the recruitment process has become more rigorous and more competitive in some ways. A recent review by Korn-Ferry, a consulting firm, noted that, in many cases, the educational requirements and number of years of relevant experience seemed high for the role in question. The review concluded that this explains why ADB has few staff in their twenties and argued that individuals could be overqualified for the jobs they are doing, which could lead to demotivation in the long term. In recent years, ADB has placed more emphasis on new staff being able to communicate well, as witnessed by the growing importance of staff selection interviews. ADB uses staff consultants extensively to fill gaps in staff knowledge and created a knowledge expert pool in 2016 (Box 22).

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84 Given the nature of their work, SDCC and especially ERCD require that staff members that have PhDs.
216. **ADB provides various learning and development opportunities to staff, including in-house training and external training programs.** ADB’s learning programs are grouped into four categories: (i) iKnow (technical skills and business process awareness); (ii) iGrow (self-awareness and personal effectiveness), (iii) iManage (supervisory and management skills), and (iv) iLead (leadership skills and stakeholder management).\(^{85}\)

217. **Training per capita in ADB is low.** On average, each ADB staff member devoted about 3.4 days per year to attending in-house programs in 2018. Operations staff devoted about 4 days per year to in-house training programs, more than other groups and the ADB average.\(^{86}\) In terms of types of training programs, staff from operations and private sector vice president groups devoted 3.1 days and 2.9 days per year, respectively for technical skills and business process awareness, both of which were higher than the ADB average (2.7 days).

218. **ADB’s spending per staff member on external training is low and has fallen over 2016–2018 (Table 10).** ADB spends about $400,000 annually on external training for its staff. In 2016 and 2018, this accounted for around $220 per staff member or around $3,000 per participant. In 2016, about 6% of international staff and 9% of national staff participated in external training; in 2018, 7% of international staff and 9% of national staff participated in external training. While ADB’s support for training is relatively generous in financial terms, the coverage is low. The average length of external training varied greatly from year to year—but a recipient would typically receive two to three weeks of training per year.

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\(^{85}\) ADB’s Learning Framework is available at [https://training.adb.org/learningFramework/](https://training.adb.org/learningFramework/)

\(^{86}\) Staff from the Private Sector group allocated about 3.4 days per capita per year for in-house training programs; the Finance and Administration group and Knowledge Management group, about 3 days.
Table 10: Spending on External Training ($)

<table>
<thead>
<tr>
<th>Category of Staff and/or VP Group</th>
<th>Number of participants</th>
<th>Cost per participant</th>
<th>Per capita</th>
<th>Number of participants</th>
<th>Cost per participant</th>
<th>Per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>National staff</td>
<td>62</td>
<td>2,139</td>
<td>186</td>
<td>76</td>
<td>2,567</td>
<td>242</td>
</tr>
<tr>
<td>International staff</td>
<td>52</td>
<td>4,499</td>
<td>259</td>
<td>68</td>
<td>3,003</td>
<td>201</td>
</tr>
<tr>
<td>Operations</td>
<td>37</td>
<td>5,191</td>
<td>232</td>
<td>49</td>
<td>4,118</td>
<td>231</td>
</tr>
<tr>
<td>Private sector</td>
<td>15</td>
<td>2,389</td>
<td>280</td>
<td>15</td>
<td>2,949</td>
<td>253</td>
</tr>
<tr>
<td>F&amp;A</td>
<td>49</td>
<td>1,879</td>
<td>196</td>
<td>57</td>
<td>1,917</td>
<td>201</td>
</tr>
<tr>
<td>Knowledge management</td>
<td>13</td>
<td>3,569</td>
<td>244</td>
<td>23</td>
<td>1,834</td>
<td>189</td>
</tr>
<tr>
<td>Overall Total</td>
<td>114</td>
<td>3,225</td>
<td>227</td>
<td>144</td>
<td>2,772</td>
<td>219</td>
</tr>
</tbody>
</table>

F&A = finance and administration, VP = vice president.

Note: All values in current dollars, including the cost of travel, if required. Per capita refers to the total spending divided by all ADB staff.

Source: Independent Evaluation Department estimates based on data from Budget, People and Management Systems Department.

Box 21: Knowledge Sharing to Provide Better Knowledge Solutions: SARD Academy and SARDFlix

The South Asia Department (SARD) has launched several initiatives to support ADB as a knowledge organization. The SARD Academy provides an important platform for the department to share knowledge among its staff. The academy’s objective is to maintain a certain level technical competence among its staff and to upgrade staff capabilities at different levels. The academy developed and delivered courses for staff, in 2- to 3-hour sessions to accommodate busy schedules. The courses are led by internal resource persons and cover a range of technical and operations subjects.

The regional department has also created an online learning platform called SARDFlix. Staff contribute videos about their project-level work and share these with the department. The objective is to help other staff in the department become better informed about projects through short, informative pieces.

The use of internal resources helps to ensure that the coursework in the SARD Academy is relevant to ADB’s context and reflects the real challenges that its staff face in DMCs. It also helps to create informal networks of specialists. The videos in SARDFlix allow staff to learn quickly about challenges and activities in the department without having to review long documents.

ADB = Asian Development Bank, DMC = developing member country, SARD = South Asia Department.

Source: Independent Evaluation Department.

219. **ADB has a strong orientation program for new staff, but the follow-through appears to be mixed.** The orientation program is the first opportunity for most new employees to gain experience and learn about their new employer and is generally well-regarded. However, many new staff report that ADB does not have much structure at the departmental level and staff are often left on their own to figure things out.

220. **ADB formally separates consultants from other staff as human resources, and this limits their ability to function in teams.** ADB directly contracts and supervises TA consultants, although most TRTA consultants officially work for executing agencies. However, interviews with consultants and DMC officials make it clear that they see TA consultants as an extension of ADB and this evaluation treats them as part of ADB’s human resources. The difference between staff consultants and TA consultants is often not clear to government officials and work under a TA project can overlap with staff consultant work paid from the administrative budget. ADB uses a procurement system to contract staff consultants and TA consultants. The same department that oversees procurement of civil works under ADB projects is also responsible for consultant recruitment in ADB projects and processes consultants for ADB’s own operations. Conceptually, consultants are seen as inputs in the production of ADB products such as

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*An administrative unit manages corporate procurement and contractors, using a similar set of rules.*
knowledge products and investment projects. Terms of reference generally do not treat consultants as team members and emphasize specific tasks and deliverables. Most consultants are hired to provide defined inputs and outputs. Consultants need special permission to access ADB’s IT systems and may not be identified as part of ADB.  

221. ADB has been reducing the number of TA consultants it recruits, particularly in operations. Consultants are funded through: (i) TA grants and other special funds (TA consultants) for work that directly benefits member countries, or (ii) ADB’s administrative budget (staff consultants) for internal work of ADB. Tables 11 and 12 provide estimates of ADB’s use of staff and TA consultants, in full-time staff equivalents. The use of inputs declined for operations (by 33% for international consultants and 16% for national consultants) and knowledge management groups (by 22% for international consultants) in a comparison of the periods 2013–2015 and 2016–2018. However, across vice presidency groups, the total input of staff consultants increased between 2013 and 2018. For all categories, the private sector vice presidency group’s use of consultants, especially international consultants, increased sharply due to the growth in the nonsovereign portfolio, although this was from a low base (Table 11).

222. The prominence of consultants varies from department to department. In the knowledge management and operations departments, IED estimates that there ADB recruits close to one international consultant (in full-time staff equivalent) per staff member, mainly for TA work. In the private sector departments, the ratio is one consultant per two international staff. In the finance and administration departments, the ratio is lower: one consultant per six international staff, mainly for ADB internal work.

| Table 11: Average Annual Number of Staff Consultants, in Full-Time Staff Year Equivalents |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                 | International   | National        | International   | National        |
| Finance and administration      | 26.7            | 57.1            | 24.9            | 39.6            |
| Knowledge management            | 42.5            | 58.7            | 54.9            | 51.6            |
| Operations                      | 50.0            | 88.4            | 63.4            | 128.6           |
| Private sector                  | 5.9             | 11.8            | 14.8            | 24.9            |

Note: Consultants’ data are based on working days stated in the contract (including variations), not actual working days rendered. Working days were divided by 264 (22 working days per month x 12 months) to derive the year equivalent.

Source: Independent Evaluation Department estimates based on data from the Consultant Management System.

| Table 12: Average Number of Annual TA Consultants, in Full-Time Staff Year Equivalents |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                 | International   | National        | International   | National        |
| Finance and administration      | 6.4             | 11.7            | 9.8             | 12.1            |
| Knowledge management            | 96.8            | 169.5           | 92.3            | 192.6           |
| Operations                      | 408.5           | 757.7           | 353.2           | 669.1           |
| Private sector                  | 16.4            | 11.6            | 37.4            | 37.6            |

Note: Consultants’ data are based on working days stated in the contract (including variations), not actual working days rendered. Working days were divided by 264 (22 working days per month x 12 months) to derive the year equivalent.

Source: Independent Evaluation Department estimates based on data from the Consultant Management System.

223. By contrast, some organizations treat consultants as part of their human resources, and therefore their functioning in teams becomes relatively seamless. Generally, the same unit that administers human resources will also lead in the selection of consultants. In the World Bank Group and in other multilateral development banks, consultants are explicitly identified as part of the organization.

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88 For example, ADB provides a clear distinction in consultant e-mail accounts and does not issue business cards to consultants. ADB consultants cannot use the ADB logo in their business cards.
with identical business cards and e-mail addresses. Likewise, these organizations offer long-term contracts under special circumstances, with a consultant explicitly serving as a team member in operations. ADB is in the process of implementing reforms in its consulting processes, which will provide more flexibility for contracting and retaining consultants.

To increase the depth of skills available to it, ADB created a knowledge expert pool in 2016 (Box 22). The evaluation spoke to members of the knowledge expert pool as well as with staff in operations departments. Several staff members emphasized the importance of experts to support their operations, while others commented that the expertise available in the expert pool did not meet the needs of their sectors and that the pool was often focused on overly sophisticated solutions. However, the majority reported a positive experience with the experts, working with experts in a variety of roles, including supporting policy dialogue and project preparation. One constant concern is how to ensure that experts can contribute their knowledge to operations and not spend their time focused on bureaucratic requirements.

### Box 22: Knowledge Expert Pool

To develop knowledge in priority areas, ADB launched an Expert Pool Initiative in 2016, under which ADB would recruit seasoned experts in targeted areas under 3-year, nonrenewable, fixed-term contracts. The sector and thematic secretariats of the Sustainable Development and Climate Change Department host the experts. The experts provide technical advice to regional departments in designing two to three projects per year, through advisory services, document reviews, contribution-oriented knowledge products, and mission support.

The expert pool supports both the “build” and “buy” elements of the ADB’s “build, buy, borrow” approach. Each year, ADB determines its priority areas. It has a “staff stream,” whereby ADB finances the positions using its administrative budget. ADB also offers a “secondment stream” under which a public or private organization finances the position, allowing ADB to borrow an employee in a mutually beneficial partnership. This corresponds to the “borrow” element of “build, buy, borrow”.

In the initiative’s first year, ADB recruited experts in the areas of water supply, smart grids, and railways. Since then, it has recruited specialists in dam optimization, smart cities, disaster risk financing, and IT in education, among others. While most of the experts have been recruited for the staff stream, some have been recruited for the secondment stream. To date, ADB has contracted 15 experts; currently it has 11 in the staff stream and one in the secondment stream.

ADB = Asian Development Bank.

“I don't think anybody has ever came all this way from SDCC to sit down with our team here and say ‘depending on the portfolio for next few years, what kind of experts do you need?’” – ADB operations staff member

“In our department, we have had a very successful experience with the sector and thematic groups. For some projects, their staff have joined as full mission members.” – ADB operations director

“We have mixed experience. What happens is if you bring an expert implanted in SDCC... there's a physical limitation on how much one person can do. So, I think you should not over-rely on bringing in those experts and hope everything works well. Investing in our own staff ... is the most sustainable things to do.” – ADB operations staff member

“The clients are always asking for more TA funding when they need more knowledge building.... We don't have the capacity for advisory services right now. We received support from an expert pool member. And we'll be relying on this going forward to help us in terms of even having that dialogue and crafting those types of TAs for our clients. We need to hire more people and frankly, I'd like them embedded in my team as well too.” – ADB private sector staff member
“We get these people to work with ADB, they don’t understand ADB. They cannot write jargon...but they have that knowledge, in the industry. They also suffered from the bureaucracy. They not familiar with ADB processes, but they bring to ADB new ideas. This is important to us.” — ADB operations director

“There are lots of leading experts here that are so good. If we focus on identifying the right experts on the right areas, it can make ADB really a cutting edge institution. So, I don’t know how, how our operations are taking advantage of the experts. But I think that is a is a great resource.” — ADB operations director

225. ADB also borrows knowledge resources through knowledge partnerships, although it is unclear whether the use of such partnerships has increased over the years. IED’s evaluation of partnerships in 2016 found that ADB had engaged in a wide range of knowledge partnerships, but that its experience had been mixed.89 The evaluation found that knowledge partnerships involving collaboration on specific initiatives, such as joint project preparation or implementation, engagement of high-level experts for conferences and policy dialogue, completion of a series of publications or events, were usually effective. However, it found the way ADB worked with civil society organizations, think tanks, universities, and government-affiliated research institutes to be limited; these organizations were treated as consultants (“buy”) and often subjected to particular restrictions. In 2017, ADB introduced knowledge partnership agreements to promote knowledge work with such entities.90 To date, ADB has entered into knowledge partnership agreements with a number of organizations, including the World Resources Institute, the International Rice Research Institute, Head Foundation Singapore, University of the Philippines National College of Public Administration and Governance, Lee Kwan Yew School of Public Policy, and the Korea Development Institute.

3. Does ADB have the Technology to Support Strategy 2030?

226. ADB is making a significant investment to increase the quality of its information technology. At the strategic level, ADB introduced the IT reforms and the digital agenda, which aimed to overhaul IT practices and to support its broader development objective. This included investment in new equipment, new connectivity options as well as new applications and tools. By March 2020, ADB was in relatively good shape after ADB headquarters were closed due to COVID-19. ADB had already installed the necessary security features and had the necessary tools and networking to manage a sudden transformation, with virtually all staff working away from the office. ADB is currently modernizing its entire internal digital infrastructure to support new systems for sovereign and nonsovereign operations as well as financial services, and administrative and corporate services. The intended outcome will be integrated document systems, clear analytics, effective internal search engines, and the basics required for a modern organization.

“I think the COVID-19 crisis has accelerated the bank’s transformation to be more agile, work remotely, paper-less, and less bureaucracy.” – ADB resident mission staff, from Work at Home Internal Survey, June 2020

227. The difficulty of using ADB’s IT systems was a common theme in staff responses during interviews and group sessions. Before the current reform process, ADB used a mixture of legacy systems to maintain over 1,900 separate databases; for example, ADB has different platforms for the different types of consultants that it hires. Data sources were separated, and different parts of the system did not feed into each other. In interviews and group discussions, it was mentioned that many systems were poorly designed and hard to use, echoing the results of internal surveys. There is little orientation for new employees in the use of the systems. This may partly reflect the decentralized nature of operations management in ADB, with departments often being allowed to develop their own tools to solve specific problems that the central IT system could not solve. ADB relies heavily on spreadsheets and other workaround tools to store critical data and for planning purposes. These spreadsheets are not integrated

90 Knowledge partnership agreement is a new legal arrangement under which (i) ADB and a knowledge partner jointly determine the scope of knowledge collaboration and outputs under a KSTA project and share intellectual property rights, and (ii) ADB pays the knowledge partner for a reasonable portion of the related costs (excluding profits).
with ADB’s various servers. ADB does not appear to have a catalog of how different departments manage data. Overall, this suggests that while at a central level ADB has made significant advances with technology it still suffers from a decentralized and fragmented data system.

228. **ADB does not have a functioning directory of staff skills or expertise.** As discussed in Chapter 3, a skills directory is a common early initiative of an organization seeking to improve its knowledge management. In August 2011, ADB launched a technical skills registry to enable staff to self-report their technical skills and proficiency levels. The registry covered 471 technical skills in six skills categories and 44 subcategories. In 2017, this was replaced by an operational skills inventory that aimed to record staff operational skills and areas of expertise with corresponding proficiency levels on a list of 200 areas of expertise and skills considered key to operations. Data show that only 43% of ADB staff completed their entries in the operational skills registry. According to interviews, most of the data were never validated and thus not shared. Currently, neither of these directories is being used. In both cases, staff reported significant issues with the usability of the systems. This differs from the practice in many other organizations, including other development banks.

> “ADB is not very good at file management. We didn't really have a good consistent system.” ADB operations staff member, resident mission

> "looking for specific documents in ADB is like trawling garbage in the sea. You go looking for fish and you end up getting tires." ADB IT staff member

> “Back to Office Reports are signed and scanned but are not searchable.” ADB operations staff member, resident mission

> “The website is impossible... Everyone just goes to Google... whatever it is they're trying to find…” ADB operations staff member, headquarters

229. **Despite ADB’s extensive experience in the region, there is limited awareness and use of information on ADB’s lessons and experiences.** While ADB has several internal systems and tools designed to locate ADB documents and knowledge, the utilization rate of these systems is low. There was a strong consensus among interviewees about the length of time it took to find comprehensive information within the system. Currently the internal use of these databases is limited. For example, IED maintains a database on lessons from evaluations (www.lessons.adb.org); since December 2018, this database received an average of 713 unique page views per month, of which 19% were from ADB headquarters. A central repository of ADB knowledge work, K-Nexus, was launched in 2015, but internal surveys show that it has a relatively low recognition rate among staff in regional departments. DevAsia is ADB’s external portal. It was introduced in 2017 to collect and curate knowledge about a wide range of development topics. During 2019, DevAsia reported 110,000 users (up from 52,000 in 2018) and 205,000-page views (up from 96,000 in 2018). However, none of the participants in internal ADB individual or group interviews mentioned using DevAsia or any other tool as a source for lessons or knowledge to support. ADB started actively promoting DevAsia in 2019, after the pilot period and when the site had accumulated a sufficient number of lessons.

230. **ADB does not appear to have consistent practices on what, where, or how to upload information.** Different divisions have different practices. Interviews confirmed that the internal search engine has a number of serious technical flaws that reduce its usability. Such problems are by no means unique to ADB, as any document-heavy organization has to properly tag and catalogue its information assets and few do this perfectly. Commercial search engines, such as Google, dedicate vast resources to improving their search algorithms. ADB is planning to introduce SharePoint Search to address this, but

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91 No current data are available on the registry. Using data from a PowerPoint presentation, the knowledge products and services evaluation in 2012 (Footnote 12) reported that 74% of staff had created their skills profile.

92 The five proficiency levels are foundational, intermediate, advanced, highly advanced, master.

93 K-Nexus has recently transitioned to SharePoint and does not currently have utilization data.
the introduction of this tool has been slow going (Box 23). Various initiatives are now underway to improve finding information and lessons (Box 24).

<table>
<thead>
<tr>
<th>Box 23: Emerging Practice in Document Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Led by its management, the Southeast Asia Department has made a special effort to use SharePoint to improve collaboration. Staff report that this has largely been successful.</td>
</tr>
<tr>
<td>As mandated by the Office of the President, ADB used SharePoint to prepare for the 2020 Annual Meeting. All staff were required to use it to write documents collaboratively. Initial findings suggest that this has led to a substantial reduction in the time spent in preparing documents.</td>
</tr>
<tr>
<td>Both examples indicate the significance of leadership in adopting new systems.</td>
</tr>
<tr>
<td>Source: Independent Evaluation Department.</td>
</tr>
</tbody>
</table>

231. **Paper memos and physical signatures are still common in ADB, although modern organizations have passed this phase.** ADB still relies heavily on physical documents and requires physical signatures for the transmission of memos and approvals of rules. The use of modern digital signatures, which allow for a more workflow-based IT and storage systems, has not gone far in ADB, although some documents now include a scanned physical signature. Scanned documents are more difficult to curate and reference using search engines and require more space. In an internal communication (October 2019), ADB President Nakao stated that an e-signature for approval would be introduced. ADB is currently exploring expansion of the use of digital approval platforms.

<table>
<thead>
<tr>
<th>Box 24: Using Artificial Intelligence to Find Evaluation Lessons in the Independent Evaluation Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>In April 2020, IED introduced a new online tool to identify lessons, EVA. Using data from independent evaluation reports, EVA uses artificial intelligence to identify lessons from previous projects. EVA scans thousands of documents to understand their content and meaning. Based on feedback from users, it learns and improves its capacity to identify lessons. For example, it learns to identify the difference between a lesson, a recommendation, and a description. In due course, EVA will return complicated answers to complex questions.</td>
</tr>
<tr>
<td>EVA was the fourth solution created by the Information Technology Department’s “digital innovation sandbox” and is part of the department’s introduction of tools to support ADB’s operations. The digital innovation sandbox was one of the six programs under the Digital Agenda 2030, with the goal of preparing ADB for the future by piloting emerging digital technologies. Along with EVA, the Information Technology Department has supported a number of initiatives that utilize artificial intelligence to improve ADB’s operations, including an intelligent concept paper, a recruiting chat bot for human resources, and transaction anomaly detection.</td>
</tr>
<tr>
<td>ADB = Asian Development Bank.</td>
</tr>
<tr>
<td>Source: Independent Evaluation Department.</td>
</tr>
</tbody>
</table>

232. **Before the COVID-19 pandemic, ADB relied heavily on e-mail, with only limited use of newer digital platforms for internal communication, planning, or coordination.** Modern organizations have already shifted from e-mail to more sophisticated tools that promote internal discussion, sharing, and collaboration with distributed teams. Many companies, government agencies, and organizations have adopted team collaboration software, such as Slack or Microsoft Teams, to reduce the use of e-mail and improve team communication. There are a large number of planning apps, such as Trello and Jira, that organizations use to coordinate work plans. ADB’s Outlook system sends 1.5 million e-mails per month and an average user receives 6,300 e-mails per month. Yammer usage is quite low, with 140 monthly posts, and an active 1,900 viewers. Skype for Business has been more successful and has a broader user base, with all 5,600 active users; typical monthly usage is about 700,000 peer-to-peer messages and

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94 According to DocSign, a Digital Signature is a type of secure electronic signature consisting of a transformation of an electronic document or an electronic data message using an asymmetric or public cryptosystem. Digital signatures are legally recognized in the jurisdiction of numerous ADB member countries.
200,000 calls, with 1,500 events and meetings. Staff also use a wide range of other communication tools, such as Viber and WhatsApp, to communicate with DMCs. In some resident missions, these have also become important tools for internal communication. However, internal surveys show that the COVID-19 pandemic has led ADB to substantially increase its use of digital communication technology. By all accounts, ADB has made a major transition to an online organization (Box 25).

**Box 25: COVID-19 and the Unexpected Evolution of ADB Communication Practices**

At 2:53 AM on 12 March 2020, ADB closed its headquarters to all but essential staff in response to the detection of a COVID-19 case. Since many staff then had no access to their office computers or paper files, there was a sudden need to adjust as staff began working at home. As the pandemic evolved in the Philippines, many international staff left the country and consultants were unable to travel. Digital Agenda 2030’s Digital Workplace and Connected Data Program envisioned a digital workplace where knowledge workers were empowered to access reliable data and knowledge anytime, anywhere. With no time to prepare, ADB was forced to adopt virtual teamwork and rely on digital tools for all work-related tasks. Microsoft Teams, which was being slowly introduced, became the primary tool of communication. Expedited processes required greater collaboration among dispersed team members. The Information Technology Department also had to develop processes to balance the need for security with the need for flexible work.

While it is far too early to assess the impact of these changes, it is clear that in many ways they are huge as ADB was forced to transform overnight from being a traditional workplace with a strict work schedule, into a globally dispersed workforce collaborating in teams. A recent survey (June 2020) showed that more than 70% of staff and consultants had access to additional IT tools and more than 80% indicated that they were working from home at least as productively as in the office. More than half of staff expected to continue using collaboration and communication tools after the pandemic is over. It is clear that the capital investment that ADB made to support IT under the digital agenda has been largely successful.


233. **ADB has worked to strengthen its data management.** In 2017, the President created a data management subcommittee to lead efforts to improve the consistency and quality of data, as well as to create a data governance framework, including policies and standards for data ownership, quality, and reliability. The subcommittee has 14 members from across the organization. ADB launched a data dictionary with cross-departmental agreement on standard definitions about key business terms in July 2019 to establish a single “source of truth” leading to better project commitment, approval, contract awards and disbursement (see para. 67).

234. **SharePoint has been important in centralizing storage but only some parts of ADB are using it to improve collaboration.** As of March 2020, 86% of staff used SharePoint, primarily for document storage. Increasingly, staff use SharePoint to share documents instead of attaching them to e-mails. However, in interviews and group discussions, ADB staff at headquarters and in resident missions reported some frustration in using SharePoint for document collaboration. Staff reported files being lost, truncated, or damaged. The use of SharePoint varies greatly across ADB. Adopting the system requires a steep learning curve and it will take time for it to be fully integrated into ADB processes. Several departments, including the Southeast Asia Department and the Controller’s Department, rely on SharePoint for a wide range of activities. In other departments, the use of SharePoint is significantly less common.
“SharePoint is new, it is not widely adopted. Project staff do not always use it. We still rely on attachments.” ADB operations staff member, headquarters

“So, the experience that we have had is a lot of times when people have been using it simultaneously, it’s locked up. It’s lost key pieces of information and text that we have inputted into the system. So, it’s pretty frustrating to people. So, I think, by and large, people on my team are frustrated by SharePoint right now.” ADB operations director D.

D. To What Extent does ADB Measure and Efficiently Share Knowledge Solutions?

<table>
<thead>
<tr>
<th>Good Practices</th>
<th>Current ADB Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational outcome metrics focus on the contribution of knowledge to the overall organization and measure large-scale impact</td>
<td>ADB has never developed high-level indicators to measure the knowledge economy in Asia and the Pacific. Nor has it produced any indicators of the contribution that knowledge makes in individual DMCs. ADB’s new corporate results framework does not include any outcome indicators of knowledge at the regional or corporate level.</td>
</tr>
<tr>
<td>Business output metrics measure the contribution of knowledge at the project level, using a combination of quantitative and qualitative indicators</td>
<td>ADB’s previous results frameworks included only numbers of knowledge products and services produced. The new results framework puts more emphasis on ADB’s development solutions. ADB has traditionally relied entirely on quantitative indicators, particularly focusing on its own outputs in physical terms. Its new results framework places greater emphasis on solutions and innovation and will require greater reliance on evaluation and qualitative measures.</td>
</tr>
<tr>
<td>Knowledge management outputs metrics monitor the use, participation and usefulness of knowledge management tools and activities</td>
<td>ADB has created a few indicators on its internal knowledge management practices. The new results framework includes indicators on several knowledge processes, but coverage is still mixed.</td>
</tr>
<tr>
<td>Knowledge management practices are externally validated to increase the understanding of strengths and weaknesses</td>
<td>ADB has hired external consultants to review its knowledge management system. ADB has not conducted a knowledge audit, nor has it participated in any externally validated benchmarking exercises.</td>
</tr>
</tbody>
</table>

235. While ADB is taking significant steps to enhance its measurement and sharing of knowledge, there is room for improvement. Overall, ADB’s new approach is more amenable to knowledge solutions than many of its previous approaches. During the evaluation interviews, both staff and management expressed concern that they were primarily measured by quantitative indicators of project financing, but there was a feeling that this is slowly changing. ADB has also been active in trying to recognize and reward innovative behavior. ADB is reforming its DOC and has seen a general increase in its external reach.

1. How Effective is ADB’s Measurement of Knowledge Solutions?

236. Since 2008, ADB has developed a consistent series of results frameworks to gauge ADB’s advances against corporate targets. The corporate results framework is a results chain, with inputs and activities ultimately contributing to impact. While there have been modifications over the years, the general model has remained the same. ADB’s current corporate results framework has four levels:

(i) Level 1: Development progress in Asia and the Pacific. Indicators track the region’s progress in reaching development goals and how ADB contributes to these outcomes.

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95 This is based on the most recent results framework: ADB. 2019. _ADB Corporate Results Framework, 2019–2024_, Manila. The names of the levels have changed over time; however, previous results frameworks have followed this broad model.
(ii) **Level 2: Results from ADB’s completed operations.** Indicators measure ADB’s progress toward its operational priorities.

(iii) **Level 3: ADB’s Operations management.** Indicators capture the quality at entry of ADB operations as well as their strategic alignment with ADB’s priorities, for example the share of projects supporting climate mitigation or education.

(iv) **Level 4: Organizational effectiveness.** Indicators focus on the quality of ADB’s internal management as well as staff perceptions of culture and incentives.

237. Originally, ADB’s results targets for completed operations had a narrow focus on outputs rather than outcomes. Table 13 summarizes ADB’s knowledge-related indicators from the different corporate results frameworks, the last of which was approved in 2016. At level 2, the results framework aggregated some main outputs in the main sectors and tracked success rates for completed ADB operations. The framework used simple output-oriented metrics, such as number of classrooms built, number of teachers trained, and number of kilometers of expressway built. These indicators emphasized results frameworks, the last of which was approved in 2016.

Table 13 summarizes ADB’s knowledge-related indicators from the different corporate results frameworks, the last of which was approved in 2016. At level 2, the results framework aggregated some main outputs in the main sectors and tracked success rates for completed ADB operations. The framework used simple output-oriented metrics, such as number of classrooms built, number of teachers trained, and number of kilometers of expressway built. These indicators emphasized results frameworks, the last of which was approved in 2016.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Corporate Results Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicators Indirectly Related to knowledge</strong></td>
<td></td>
</tr>
<tr>
<td>Final project evaluation rating. Relevance (for sovereign operations) and additionality (for nonsovereign operations) may capture embedded knowledge solutions</td>
<td>Level 3</td>
</tr>
<tr>
<td>Project QAE rating. QAE may capture use of knowledge in project design</td>
<td>Level 3</td>
</tr>
<tr>
<td>Final evaluation rating of CPS. May partially reflect ADB’s use of knowledge in the CPS</td>
<td>Level 3</td>
</tr>
<tr>
<td>CPS QAE rating. QAE may capture use of knowledge in the CPS design</td>
<td>Level 3</td>
</tr>
<tr>
<td>Partner perception. Survey results may reflect partners’ perception of ADB knowledge solutions</td>
<td>Level 3</td>
</tr>
<tr>
<td><strong>Indicators Closely Related to Knowledge</strong></td>
<td></td>
</tr>
<tr>
<td>Final TA evaluation. Self-evaluation in TCRs captures the use and sharing of knowledge</td>
<td>Level 3</td>
</tr>
<tr>
<td>Knowledge management accreditation. The MAKE survey assessed ADB's knowledge management capacity and readiness</td>
<td>Level 3</td>
</tr>
<tr>
<td>Perception as a knowledge organization. Survey on ADB’s performance in knowledge sharing and best practices</td>
<td>...</td>
</tr>
<tr>
<td>Number of downloads. Total number of downloads of ADB knowledge products</td>
<td>...</td>
</tr>
<tr>
<td>Number of impact evaluation studies. Use of rigorous evaluations to assess ADB operations</td>
<td>...</td>
</tr>
</tbody>
</table>

Note: See para. 236 for an explanation of the levels in the current corporate results framework.


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96 These are only the indicators that are, in the view of IED, most relevant to measure knowledge solutions. The actual names of the indicators have changed from time to time. Most other indicators focused on efficiency and development outputs.

97 This is discussed in depth in IED. 2019. 2019 Annual Evaluation Review. Manila: ADB.
238. **The new corporate results framework, 2019–2024 has a greater focus on ADB knowledge solutions.** The framework, which was approved August 2019, has a greater focus on knowledge and knowledge solutions at the output (level 2) and process (level 3) levels (footnote 95). In its annual report on development effectiveness, ADB reported on two broad types of indicators: (i) results framework indicators that focus on ADB’s direct contributions; and (ii) tracking indicators, which are not formally part of the corporate results framework and include a large number of indicators from operational priority plans.

239. **The ADB results framework emphasizes outcomes and solutions.** While many of the indicators are quantitative, they are typically presented in terms of number of beneficiaries (for example, number of people benefiting from improved social services) and no longer in terms of specific types of outputs, such as classrooms or roads paved. While the new approach still favors larger projects, it provides more recognition for innovation. In particular, it provides staff the flexibility to decide what characteristics should be improved instead of relying on a very quantitative definition of an outcome. In addition, a few results framework indicators concentrate on the number of initiatives (for example, percentage of innovative projects and TA projects). This gives equal weight to smaller projects and credits innovation. Box 26 provides an example of regional cooperation and integration as measured by the previous and current corporate results frameworks. Tracking indicators provide greater depth in assessing results from ADB operations and its processes. While some are expressed in the number of beneficiaries, most reflect the number of initiatives or measures that contribute to a particular operational priority. This approach builds on guidelines on the internal operational targets issued in late 2018; these are based on the principles of: selectivity, quality as a priority, ADB as a knowledge institution, the importance of a region-specific, differential approach, and responsiveness. The guidelines also provide guidance on how different units can share credit for operational success.  

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**Box 26: Comparing Regional Cooperation and Integration Indicators**

The Transitional Results Framework, 2017–2020, had two level 2 indicators on ADB’s contribution to regional cooperation and integration: cross-border transmission of electricity (gigawatt hours) and cross-border cargo volume facilitated (tons per year).

The current ADB results framework includes three results indicators relating to regional cooperation and integration.

1. The amount (in US dollars) of cargo transported and energy transmitted across borders. This is similar to previous indicators, but using a dollar amount permits more flexibility and credits support for high-value trade instead of just focusing on bulk weight.

2. The amount (in US dollars) of trade and investment facilitated. This provides more flexibility for ADB to support trade in services and investments, both of which are likely to increase with policy reform.

3. The number of regional public goods initiatives that successfully reduce cross-border environmental or health risks, or providing regional access to education services.

In addition, ADB has 11 related tracking indicators, many of which directly measure the contribution of ADB knowledge solutions. Examples include the number of measures to improve cross-border connectivity; the number of regional and subregional mechanisms to enhance coordination in energy, transport, and ICT; and the number of measures to develop cross-border economic corridors.


240. **The results framework is relatively silent on knowledge products.** Table 14 presents the indicators that, in the view of IED, are most directly related to KPS, as well as the knowledge management processes in ADB. The framework includes only two direct measures of the contribution

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of knowledge, using perception surveys—Clients satisfied with the use of ADB knowledge products (level 2) and staff perception of ADB as a knowledge organization (level 4). This is similar to those in the World Bank’s Corporate Scorecard—(i) percentage of successful development effectiveness rating International Finance Corporation advisory services, (ii) stakeholder feedback on World Bank Group knowledge (average rating), and (iii) client rating of percentage of advisory services and analytics objectives accomplished.99 In addition, there are several tracking indicators that are directly related to the production of knowledge and knowledge management.

241. **ADB does not have robust measures of its own knowledge management practices.** The results framework includes staff perceptions of the implementation of the Digital Agenda and Strategy 2030. The only indicator of knowledge management is the result of the Most Admired Knowledge Enterprise survey. This is an unsupported methodology which is not appropriate for measuring progress in knowledge management (Box 27). Because it can be difficult to measure knowledge using quantitative means, many organizations externally validate their knowledge management systems. ADB does not participate in any externally validated measure or have any accreditation of knowledge management readiness, although many organizations use some form of knowledge audit to understand their knowledge ecosystem. There are several ways to allow organizations to identify their strengths and to compare themselves against benchmarks, including the recently approved International Standards Organization’s standard on knowledge management (footnote 19) and APQC’s Knowledge Management Capability Assessment Tool (Box 11).

### Table 14: Knowledge Indicators in the Current ADB Corporate Results Framework

<table>
<thead>
<tr>
<th>Indicator</th>
<th>CRF, 2019–2024</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcomes and Contributions Related to Knowledge Solutions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clients satisfied with the use of ADB knowledge products*</td>
<td>Level 2</td>
<td>An outcome, based on a bi-annual perception survey</td>
</tr>
<tr>
<td>Perception of that event participants increased knowledge and skills</td>
<td>Level 2</td>
<td></td>
</tr>
<tr>
<td>Completed technical assistance projects rated successful</td>
<td>Level 2</td>
<td>An outcome, based on self-evaluation and independent evaluation</td>
</tr>
<tr>
<td><strong>Outputs Related to Knowledge Solutions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of downloads of ADB knowledge products.</td>
<td>Level 2</td>
<td>Measurement of the production of knowledge products</td>
</tr>
<tr>
<td>Engagement on social media</td>
<td>Level 2</td>
<td></td>
</tr>
<tr>
<td>Number of impact evaluation studies produced</td>
<td>Level 2</td>
<td></td>
</tr>
<tr>
<td>Number of knowledge products and services drawn from k-Nexus</td>
<td>Level 3</td>
<td></td>
</tr>
<tr>
<td>Percentage of knowledge products and services delivery</td>
<td>Level 3</td>
<td>Extent to which ADB was able to meet its target to generate knowledge products.</td>
</tr>
<tr>
<td><strong>Indicators Related to Internal Knowledge Processes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff perception of ADB as a knowledge organization. Staff rating ADB an effective knowledge and learning organization (%)</td>
<td>Level 4</td>
<td>The view of staff on digital transformation, culture, and effectiveness of knowledge. Indicated in the bi-annual staff engagement survey</td>
</tr>
<tr>
<td>Staff rating ADB’s effectiveness in digital transformation (%)</td>
<td>Level 4</td>
<td></td>
</tr>
<tr>
<td>Staff rating ADB as providing an enabling culture for Strategy 2030 implementation (%)</td>
<td>Level 4</td>
<td></td>
</tr>
<tr>
<td>Internal training budget (average $ per staff member)</td>
<td>Level 4</td>
<td>An indicator of inputs</td>
</tr>
<tr>
<td>ADB’s performance in the MAKE survey</td>
<td>Other</td>
<td>Included in the Development Effectiveness Report.</td>
</tr>
</tbody>
</table>

ADB = Asian Development Bank, CRF = corporate results framework, MAKE = Most Admired Knowledge Enterprise.
* included in the corporate results framework. All others are tracking indicators.
Source: Independent Evaluation Department.

99 The World Bank Group’s Corporate Scorecard has three levels of indicators and is not directly comparable with that of ADB. All three listed here are tier 3 indicators, focusing on World Bank Group’s performance.
Is ADB’s Approach to Knowledge Appropriate for Strategy 2030

Box 27: ADB’s Use of the Most Admired Knowledge Enterprise Framework

ADB conducted an annual survey based on the MAKE methodology from 2005 to 2012 and then again in 2018 and 2019. This annual survey has eight questions, one for each of the eight dimensions of the MAKE methodology. For example, (from the 2019 survey): “How would you rate ADB as a provider of knowledge?” While the ADB annual survey provides some insight into changing internal perceptions, it cannot be used to benchmark ADB’s knowledge management practices compared with that of other organizations. In 2011 and 2012, ADB participated in the formal award process and was identified as among the top 20 organizations (2011) and top 23 organizations (2012) in Asia. The global MAKE award was issued between 1998 and 2017, and the methodology is no longer active or supported.

MAKE used a qualitative approach (the Delphi approach), so the scores are not comparable with ADB’s internal ranking. As stated in the first MAKE report: “when an organization’s own staff complete an Enterprise Assessment, they do not have the objectivity or external knowledge of best practice knowledge-driven organizations.” While MAKE provides a methodology to understand how knowledge is managed, it is not appropriate to use the results to measure ADB’s knowledge management maturity.

ADB = Asian Development Bank, MAKE = Most Admired Knowledge Enterprise.


“measurement is more about the number of projects that you take to the board and the extent to which you hit your annual targets.” ADB operations staff member

“management’s focus is on raw numbers… and the passage through the promotion chain about numbers…There’s a tension between volume and quality.” – ADB staff member, resident mission

242. ADB has not begun measuring the contribution of knowledge at the regional level. There are no knowledge-related indicators at level 1 of the corporate results framework, 2019–2024. While ADB recognizes the importance of the knowledge economy, it has not incorporated any knowledge-related indicators from the Sustainable Development Goals or other sources. ADB has 10 result framework and 23 tracking indicators at level 1; none of these directly measures the knowledge economy in Asia and the Pacific. While ADB does have several tracking indicators on the coverage of technology and of basic education, none covers the extent of the knowledge economy or of innovation.

Chapter 2 of this evaluation discusses several indicators that measure the extent of the knowledge economy. There are also several aggregate measures of the knowledge economy: since 2016, the United Nations Development Programme and the Mohammed Bin Rashid Al Maktoum Knowledge Foundation have prepared the Global Knowledge Index, which ranks countries using a multidimensional concept of knowledge.

Likewise, the European Bank for Reconstruction and Development has produced the EBRD Knowledge Economy Index since 2011. This index, which covers nine ADB DMCs, seeks to measure the gap between member countries and benchmark comparators.

243. The corporate results framework represents an important advance in terms of outcome measurement on earlier frameworks and ADB is working to improve the measurement of knowledge. While the new ADB results framework has level 2 indicators that can capture the contribution of

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100 The relevant level 1 tracking indicators are: (2) youth not in education or training (%); (3) Lower secondary education graduation rate (%); and (23) proportion of population covered by a mobile network or information and communication technology (%).

101 The Global Knowledge Index has seven components: (i) pre-university education; (ii) higher education, (iii) technical and vocation education and training; (iv) research, development, and innovation; (v) information and communication technology; (vi) the economy’s composition; and (vii) the enabling environment. Each component has between 10 and 30 variables and has a weight of 15%, except for the enabling environment, which has a weight of 10%.

102 The EBRD Knowledge Economy Index has four pillars: (i) institutions for innovation, including economic openness, business environment, and governance; (ii) skills for innovation, including both overall education levels and the presence of specialized skills; (iii) innovation system, focusing on inputs (such as spending on research and development), outputs (such as patents), and linkages (such as connections between research and the economy); and (iv) information and communication technology, including its availability and its sophistication.
knowledge solutions at the project level, it does not help the organization to understand how it delivers knowledge. It is also relatively weak in measuring the contribution of its formal knowledge products, which is surprising given the importance of TA projects in ADB’s portfolio. ADB is experimenting with different approaches to identify knowledge solutions and innovation. SDCC and the Strategy, Policy, and Partnerships Department are leading an ADB-wide effort to prepare an innovation framework to define innovation and promote a culture of innovation. In June 2019, ADB introduced a formal definition of knowledge solutions in an attempt to identify and give credit to them officially. Also in 2019, ADB started a process of identifying innovation in its operations and processes. This culminated in an internal innovation fair in January 2020, where teams presented and shared their initiatives. ADB is also preparing a KMAP, which will likely be released in late 2020. This may include a host of knowledge management specific indicators.

244. **From the perspective of its staff, ADB is primarily concerned with the volume of its operations.** Staff clearly feel under strong pressure to measure ADB’s performance through the number and size of its operations. During group discussions, all participants indicated clearly that their manager’s primary focus was disbursement. Staff in knowledge units indicated that production, such as the number of papers, books, and conferences, was the primary performance indicator. Some staff mentioned sector awards and indicated that their divisions recognized innovation.

2. **How Well Does ADB Share and Access Knowledge Solutions?**

245. **ADB is strengthening its corporate communications and is seeing an increase in its external outreach.** ADB was one of the first organizations in the Philippines to use the internet and it has been actively disseminating documents online for at least 25 years. In recent years, it has seen a continuous increase in the use of its corporate social media accounts (Figure 12). ADB’s social media presence remains much smaller than those of global organizations such as the World Bank, which has about 10 times more Facebook and Twitter followers. This reflects the World Bank’s global presence, its strong media presence in non-borrowing members, and its longer experience with social media platforms. However, among regional development banks, ADB has the highest number of followers. The number of users of the ADB corporate website (www.adb.org) increased from 2.8 million in 2014 to 3.5 million in 2019, and downloads increased from 1.2 million to 1.7 million during the same period.\(^{103}\)

**Figure 12: Number of Followers, Corporate Social Media Accounts**

<table>
<thead>
<tr>
<th>Year</th>
<th>Facebook</th>
<th>Twitter</th>
<th>LinkedIn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>144,136</td>
<td>55,472</td>
<td>97,368</td>
</tr>
<tr>
<td>2016</td>
<td>198,713</td>
<td>105,711</td>
<td>120,133</td>
</tr>
<tr>
<td>2017</td>
<td>224,667</td>
<td>172,819</td>
<td>197,676</td>
</tr>
<tr>
<td>2018</td>
<td>265,863</td>
<td>204,182</td>
<td>197,676</td>
</tr>
<tr>
<td>2019</td>
<td>255,471</td>
<td>212,710</td>
<td>239,913</td>
</tr>
</tbody>
</table>

Note: Instagram is not included because it is a relatively new platform for ADB (starting in 2016). The number of users increased from 804 in 2016 to 7,894 in 2019. Source: Asian Development Bank.

\(^{103}\) Tracking the number of followers is a straightforward measure of social media reach, however it does not capture the use or impact. Social media sites frequently change their algorithms to decide which posts users see, and in what order.
“ADB will use diverse communication channels and digital technologies to disseminate knowledge externally and internally.” Strategy 2030, para. 99.

“My impression of their knowledge work is that while ADB produces many valuable knowledge products ... the total impact appears to be negligible. So, in my view, in the area of knowledge ADB is punching well below its weight. It needs to up its game.” Researcher in ADB

“I know that ADB produces some flagship products. I am embarrassed to say that I am not familiar with them.” Global think tank manager

“Measuring the use of a knowledge product is not straightforward. Sometimes it’s more important to have 50 people read a product if those 50 people are the target audience, than 1,000 random readers. We are a lot more innovative now in how we promote (knowledge products) than a decade ago. There are new (internet distribution) channels and we are (constantly) innovating in how we are disseminating.” ADB knowledge management director

246. **ADB is introducing strategic communications planning for its operations and knowledge outreach.** The DOC has developed a framework (“prioritize-plan-implement-learn”) to support departments to identify their priority operational and knowledge sharing goals and plan communications-related actions to support the implementation of those goals. The plans include measures to understand the impact of their actions better. The framework seeks to integrate communications planning into the early stage of project, program, and publication planning, and to ensure ADB teams consider audience targeting, message development, and communications channel selection when starting new initiatives.

247. **Operational plans are currently in place for the five regional departments plus the Private Sector Operations Department.** The DOC worked with the operations departments to develop a communication plan for each and to identify focal points in each department and in many resident missions. The department also helped prepare individual communications plans ahead of key events and publications launches. For example, while the main economic forecast section of the Asian Development Outlook attracts significant attention upon publication, the theme chapter of the report tends to attract interest from sector experts over a longer period of time. Therefore, the communication plan for the Asian Development Outlook had a two-pronged campaign to (i) showcase the data to one set of interested readers such as economists and the media (as a conduit to a broad policy making audience) and (ii) promote the theme chapter to a fresh sector-specific audience through blogs, targeted newsletters, and social media posts.

248. **ADB does not have a centralized or strategic approach to disseminating most knowledge products.** ADB has a corporate website and corporate social media accounts, but it also has other more disparate accounts that are operated by departments, programs, and other entities within the organization. The DOC does not directly monitor or supervise these websites or other social media accounts; it lacks the resources to monitor the numerous resources outside the adb.org domain. Websites established by other units or by TA projects linked to ADB’s broader work are monitored by staff from those departments, although they are required to adhere to ADB’s branding and other key guidelines. ADB does have standards regarding the use of corporate icons and, like all international organizations, has rules on the proper use of countries and territory names. Of particular note is the website of ADBI, which has seen a substantial increase in its website users (www.adbi.org)—in 2014, it had 34,000 users and 18,000 downloads compared with 198,000 users and 90,000 downloads in 2019.

249. **ADB does not appear to have a consistent way to measure the impact of its publications.** Although the most downloaded documents vary from year, typically publications from ERCD are the most popular ADB publications. However, even here, there appears to be a decrease in the number of downloads: in 2015, the Asian Development Outlook had 26,800 downloads; in 2019, this had declined to 14,600. Key Indicators, another major ERCD publication, also saw a reduction in downloads, possibly because of a weak dissemination strategy. However, these numbers do not fully reflect the different channels that ADB uses to disseminate its flagship products. As highlighted in Box 11, there is no single
metric that can measures knowledge outcomes. ADB has been expanding distribution channels for knowledge products, and it is likely that existing metrics do not capture the full extent of ADB’s reach.

250. It can be difficult to find ADB-financed documents. The evaluation team conducted a search for TA-financed documents. Using a selection of 77 TA completion reports—22 TRTA projects and 55 KSTA projects—the evaluation team was able to locate fewer than half of the knowledge outputs indicated in the reports (101 documents out of 220). This search included both ADB’s corporate and other websites. In other words, while a completion report may list a significant number of documents produced by the TA, most of them are not available, either publicly or even internally. A higher proportion (53%) of TRTA outputs (such as feasibility studies, sector assessments, poverty and social assessments, safeguard documents, and gender action plans) are publicly available on the internet, compared with only 35% of KSTA outputs (such as policy notes, studies, and training manuals). This is because many of the TRTA outputs are required to be disclosed publicly in accordance with ADB’s Public Communications Policy (and can therefore be found on the corporate ADB website as well as other websites). This exercise suggests that documents are unlikely to be made publicly available unless it is mandatory to do so. It also confirms the view that providing open access to ADB documents is not the default approach.

251. ADB recently introduced an internal classification of information. On 1 April 2020, ADB released its policy on the internal classification of the information assets—regardless of form or characteristics—that ADB produces and possesses, including those by DMC governments, clients, and other parties. Each information asset is classified according to (i) the level of harm posed by information compromise and (ii) the parties with whom the information asset may be shared. By definition, information assets should be classified at the lowest reasonable level to enable information sharing. However, the proposed guidelines are still restrictive—for example aide mémoire and some back-to-office reports should be classified as “internally restricted.” It is difficult to understand the justification for this classification, particularly for documents associated with sovereign operations.

E. Summary

252. Strategy 2030 sets a high bar. Given ADB’s status as the leading regional development bank in Asia and the Pacific, it has significant strengths and these represent a solid foundation for it to address Strategy 2030’s requirements. However, the transition to the model for the new type of organization envisaged by Strategy 2030 is far from inevitable, although the challenges are not insurmountable either.

253. How well does ADB identify regional and country needs for knowledge solutions? Overall, ADB is responsive to the requests of DMC governments. However, during IED missions, DMC officials said that ADB could be more participatory in its consultations on country needs. ADB has had a mixed performance on preparing country diagnostics and sector studies. While ADB projects almost always have sector assessment summaries, these appear to be prepared for the project and are therefore not detailed enough to support the country strategy.

254. To what extent does ADB tailor knowledge solutions to meet DMC needs? Staff and partners expressed concerns that ADB focuses on the delivery of engineering solutions, not knowledge solutions. ADB has a strong reputation for the efficiency of its project delivery. However, numerous interviews showed that DMCs would like to see a greater focus on solving problems and integrated solutions.

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104 IED started with a random selection of 134 TA projects approved in 2009, 2013, and 2017 in selected countries. The TA projects were from all five regional departments as well as corporate TA projects, and were a mix of project preparatory, capacity development, policy advisory and research and development TA projects. The evaluation identified 77 TA completion reports and created a list of 220 documents that were created by these TA projects.

105 Administrative Order 4.17, on Information Classification issued on 1 April 2020. The implementing guidelines were issued in January 2020.
Interdepartmental circulation and commenting remains the primary required quality review mechanism for ADB projects. Yet this form of review tends to come late in the process, when a project is advanced, and it is often seen as a compliance issue.

255. **Does ADB have the necessary processes and culture to harness its resources efficiently to deliver the knowledge solutions envisaged in Strategy 2030?** While ADB has made a strong commitment to implement Strategy 2030’s knowledge agenda and is widely respected in the region, it faces structural, infrastructural and cultural constraints that it will need to address. In particular, ADB has strong silos that prevent the flow of knowledge throughout the institution and limit collaboration between technical specialists across the institution. While knowledge departments do collaborate with operations departments, this is not routine and the results are mixed.

256. **To what extent does ADB measure and efficiently share knowledge solutions?** ADB is in the process of improving its system of measurement and its communication of knowledge. ADB has been a leader in measuring corporate results. ADB has reoriented its results framework to outcomes, based on solutions rather than focusing on outputs. It has room to improve the measurement of knowledge management processes and of the contribution of knowledge product, as well as to track the knowledge economy at the regional level. Likewise, ADB has been increasingly emphasizing the importance of sharing its knowledge solutions, both internally and externally. The recent reforms in the DOC highlight this commitment. Overall, ADB has seen an increase in external demand for its knowledge products, although it lacks the means to measure usefully the relevance or impact of the products it produces or the services it provides. ADB also faces issues relating to quality review and internal knowledge sharing.
Conclusions and Recommendations
257. **ADB faces a significant challenge to keep up with the changing landscape of Asia and the Pacific.** Over the past 50 years, the region has seen transformations that have lifted millions of people out of poverty. However, the current outbreak of COVID-19 presents stark evidence that continued progress is by no means guaranteed. The pandemic has also highlighted the importance of knowledge solutions; while finance is important, ADB faces great demand for knowledge solutions to address the dual public health and economic crises that have resulted from the pandemic.

258. **The Asian Development Bank is at a significant crossroads.** Asia and the Pacific has seen considerable development that has transformed economies and has lifted millions of people out of poverty. DMCs have become more demanding and are seeking sophisticated solutions to help them address complex challenges, such as climate change, aging populations, and public health crises, such as COVID-19. ADB’s Strategy 2030 represents a bold attempt to transform how the organization works internally so it can continue providing relevant support to DMCs. Strategy 2030 emphasizes the importance of knowledge—both as an input into ADB’s other support and as an output for DMCs. ADB integrates knowledge into all aspects of its operations. All ADB departments and offices actively play a role in supporting the knowledge agenda.

259. **While ADB has many strengths, it finds itself struggling to offer the integrated knowledge solutions to the more complex challenges envisioned in Strategy 2030.** ADB will have to work on a number of fronts to create the institution that Strategy 2030 envisions. The strategy requires ADB to develop a new approach to development in the region. Since its creation in 1966, ADB has seen significant evolution and transformation; this evaluation has shown that this process needs to continue and accelerate. This includes continued efforts to change ADB’s culture, leading to more teamwork and a greater focus on knowledge, matched by changes in incentives, policies, roles, practices, technology, and metrics and measurement.

260. **To remain relevant, ADB must continue to evolve.** The evaluation found many examples of ADB successfully creating knowledge solutions. Many of these were highlighted in ADB’s recent first Innovation Fair (January 2020). While the demand for infrastructure investment will remain high, DMCs’ lack of financing and engineering expertise is not the constraint it once was. Most countries now have access to domestic resources and many to external funding. Simply providing consultants and finance to build infrastructure is no longer sufficient; ADB must blend its lending with knowledge in a more systematic manner.

261. **ADB needs to change how it treats knowledge.** Traditionally ADB has seen knowledge as a value addition within its financing model (Finance++). Strategy 2030 gives ADB an opportunity to rethink this. The evaluation found that DMCs have to deal with complex challenges that require solutions to be created across sectors. This is not an issue confined to upper middle income DMCs; it affects all DMCs. While ADB should not treat all countries in the same way or assume that “one size fits” all, it will clearly have to continue its internal transformation as countries are all evolving to a higher status in their income. Individual projects must be brought into larger systems. This is in line with the objectives of Strategy 2030. Discussions with government officials were clear; while financing remains important, DMCs require that ADB adds innovation.

262. **ADB is first and foremost a development bank and needs to make sound investments consistent with its role and responsibilities within the international capital market.** ADB is committed to the development of Asia and the Pacific primarily as a development finance institution. It cannot be expected to be fully dedicated to research and knowledge as some international organizations created for such purpose, such as the Organisation for Economic Co-Operation and Development and the International Rice Research Institute. Yet in today’s context, finance is not enough to fulfill its mission, therefore, ADB will have to carefully balance the need to operate as a development bank with being innovative and providing meaningful knowledge solutions.
A. Key Institutional Strengths

1. ADB has a Strong Presence in Asia and the Pacific

ADB has a long experience with a large and varied program in most countries, has wide expertise and a growing local footprint through its resident missions. It is widely respected in the region and considered a leader in the development community in Asia and the Pacific. ADB management and staff see the organization’s position in the region as one of its greatest assets; this point of view was reflected in interviews with ADB management and staff, surveys, interviews with DMC officials, and meetings with other members of the development community. While such goodwill is intangible, it is highly valuable. ADB uses its privileged position to engage with DMCs on difficult issues. Implementing Strategy 2030 will require more of this, as ADB engages in increasingly complex issues.

2. ADB has Good Access to Resources for Knowledge Solutions

DMCs and other development partners highlighted the importance of TA resources to the ADB program and its role in the production of ADB knowledge products. As a development bank with a strong balance sheet, ADB has a predictable budget that funds its staff and operations. The evaluation estimated that ADB dedicates about $800 million a year to its human resources from various sources. The evaluation showed that consultants make up a substantial portion of these human resources, particularly in knowledge departments and sovereign operations. In ADB, consultants play an important role in filling gaps and in providing experience and expertise. DMC officials appreciate the level of support that they receive from ADB and identified with ADB’s commitment to efficiency. The evaluation found that, while the allocation of TA resources may not be growing in real terms, TA continues to be a crucial source of resources for knowledge solutions.

3. ADB Leadership is Committed to Strategy 2030 and is Supporting Several Reform Initiatives

ADB leadership has shown a commitment to reform and many knowledge management initiatives are already underway. Since the previous IED special evaluation study of KPS in 2012, ADB has embarked on a large number of initiatives to strengthen the role of knowledge solutions (footnote 12). These have included major initiatives such as the creation of STGs, the introduction of the knowledge expert pool, the addition of country knowledge plans, new arrangements for partnerships, and the creation of lessons databases. The approval of Strategy 2030 has increased the pace and ADB is making further efforts to support innovation, transform its culture, and review many aspects of its structure. The new modes of collaboration required by the COVID-19 pandemic have provided ADB with a major opportunity to gain experience with long-distance cross-departmental collaboration, virtual and paperless communication, and decentralized working. The forthcoming KMAP, which will be finalized after this evaluation, will be another opportunity to advance the knowledge agenda.

4. ADB is Strengthening its Information Technology to improve Knowledge Management

Recent reforms and investments have accelerated the bank’s readiness for the digital age and have helped the adoption of new knowledge management tools. ADB in 2016 embarked on a significant investment program as well as IT reforms to strengthen its corporate IT resilience, cybersecurity across many locations, choice of devices, and data governance. When the COVID-19 pandemic hit the bank in March 2020, and ADB needed to work entirely through work from home arrangements, this paid off well, as ADB was able to do so relatively smoothly. At a lower level, ADB is improving many internal systems to improve the processing of its operations.
B. Key Institutional Issues

267. Despite ADB’s inherent strengths, it faces many challenges in fully implementing Strategy 2030. After extensive interviews and document reviews, the evaluation identified several constraints that ADB will need to address to implement the knowledge-related goals in Strategy 2030. In general, ADB has a corporate culture, a series of processes, and an organization that do not necessarily always facilitate significant progress in effective reform in this area. While ADB has attempted numerous reforms in the past 2 decades, evaluations, assessments, and reviews continue to point to the same limitations. These are well-known and commonly discussed in ADB, both formally and informally. IED has documented them and has put them largely in the context of knowledge management and the commitments implicit in Strategy 2030.

1. Silos Hinder the Flow of Knowledge, Limiting Collaboration

268. ADB’s division into silos brings several efficiencies but can also be problematic for horizontal knowledge flow between operational departments. As discussed in Chapter 2, a knowledge organization needs to bring people together so they can share ideas and collaborate on solutions. Interviews and survey results show that ADB has difficulty in sharing knowledge, in large part because of the inward efficiency-oriented production model of each regional department. This hampers the flow of both tacit and documented knowledge across the organization and between regions. Related to this is that a wide range of DMC officials and ADB staff raised concerns about departments’ heavy use of consultants; instead of building teams across ADB, teams rely on short-term consultants and this recreates the department’s hierarchical structure at the team level. At present, there is virtually no sharing of resources across regional departments, which are all organized to be self-sufficient in terms of technical expertise. In effect, ADB has seven operating units, some of which may not always have the critical mass or breadth to produce the integrated solutions that ADB’s partners are increasingly seeking. ADB invests significant resources in its knowledge units (ADB, ERCD, and SDCC), so they can provide sector, economic, and thematic expertise, but in practice it lacks the structure and special measures to use this efficiently. Sector and thematic groups with core units seated in SDCC are insufficiently staffed or resourced to provide a high level of support systematically to all operations departments, i.e., support that goes significantly beyond commenting. The recent outbreak of COVID-19 shows that ADB does not need to maintain a high degree of centralization and hierarchy; teams can operate directly and intensively across the globe. ADB’s silo culture also means that it can be difficult to find ADB documents and knowledge resources, which are typically hidden in department-specific databases; the amount of sharing depends primarily on the willingness of the department or individual. Strategy 2030 is quite clear that ADB needs to focus on collaboration and sustained engagement solutions rather than document outputs and box-ticking.

269. Underlying these silos appears to be a culture that leads to interdepartmental competition for resources rather than interdepartmental collaboration. ADB’s structure is built on each department producing outputs. In such a structure, operational resources are in a zero-sum game; with each department focusing on its own targets and business, it may not always be advantageous to share resources. The logic is the same within departments; divisions have their own targets, sometimes competing for resources and business, and a concomitant reluctance to collaborate. Even teams replicate this, with each team leader managing a group of consultants. Yet teamwork is needed now more than ever, given that the seven operational priorities of Strategy 2030 are thematic rather than sectoral. By contrast, non-operations departments tend to have set a series of incentives and targets that encourage collaboration with other departments. To some degree, knowledge departments have also worked to promote collaboration. The sudden outbreak of COVID-19 has highlighted the best and worst features of this structure. Finance, administrative, and knowledge departments have been very active in supporting operations. However, there has been almost no collaboration across operations departments; even within departments, core team members are overwhelming drawn from one or two units. While it is too early to pass any judgement on ADB’s operations during the pandemic, it should be clear that silos remain.
2. ADB Does not Take Sufficient Advantage of Tacit Knowledge and Experience

270. **While ADB has accumulated a great deal of tacit knowledge, it does not share it efficiently throughout the organization.** ADB’s heavy reliance on short-term consultants means that tacit knowledge is often not left in the organization and cannot be converted into more easily accessible codified knowledge. The use of the consultant model for project and knowledge work is intended to provide expert support, under the assumption that a high loan-to-staff ratio is an indicator of efficiency. While the heavy use of consultants can work efficiently for a knowledge organization if it is tied into a robust existing knowledge system, it does not seem to be working well for ADB or for its DMC partners. The general perception among respondents was that ADB staff are often absent from the equation, which means that ADB loses an opportunity to cement its relationships with clients and make visible the added value of ADB’s knowledge. Greater engagement by staff would also ensure that any problems are dealt with effectively at the time, avoiding bottlenecks and other down-the-line delays, errors, and omissions. Consultants’ written work is rarely shared; much of it is never placed online or is held in locked SharePoint sites. In the opinion of many DMC officials, ADB’s heavy use of consultants reduces ADB’s greatest asset—the trust and respect that governments have for ADB as an organization. ADB’s response to COVID-19 was done mainly by ADB staff.

271. **The level of collaboration among staff is less than optimal.** Staff build up an institutional memory over time that consultants cannot. Several departments have pioneered different approaches to capture this tacit knowledge, but there is currently no way to replicate this across the organization. The tacit knowledge remains with individual staff members. Without an operating skills directory, the main way to connect people across the organization is through word-of-mouth and participation in STGs.

3. ADB’s Processes Can Hinder Knowledge Solutions

272. **ADB’s processes are built around speed and disbursement, rather than thoughtful knowledge solution development, partnerships, or innovation.** While ADB has always valued the knowledge, it provides as part of its services to DMCs, it has primarily focused on physical outputs such as documents or workshops. The evaluation’s interviews with DMCs delivered a consistent message: countries are looking not just for financing but also for deep relationships and policy dialogues that address complex challenges. The evaluation found evidence of how this is changing countries’ relations with other members of the development community; however, their relationships with ADB have not developed in the same way. Although IED found many examples of internal innovation, these exist as islands and are not systematically supported by the institution. They often occur despite processes and systems which slow innovation. Lastly, ADB is relatively late in adopting practices that are already commonplace in many other public and private organizations. It still lacks a functioning staff directory, relies heavily on paper and signatures, uses a non-workflow-based e-operations system, and relies on numerous, unconnected databases. As a result, ADB is often unaware of the work done by others and the location of expertise within the organization. Many elements of a functional knowledge flow in ADB are controlled by the content authors.

4. ADB’s Culture Is Not Ideal for Innovative Knowledge Solutions

273. **ADB has a consensus-based and risk-averse culture that appears resistant to change.** Many staff noted that they and their colleagues are reluctant to rock the boat or to challenge the status quo. Interviewees referenced the hierarchical nature of interactions as a factor that limits the flow and exchange of knowledge. While global trends are moving away from strict hierarchies and towards more flexible teams, ADB is falling behind; it has introduced many reforms, but these have often become bureaucratic and hence ineffective. For example, the previous attempt to introduce a skills directory seemed to have become mired in bureaucratic delays and approvals. Likewise, ADB’s approach to restricting consultant access to ADB internal documents seems to be based on high risk aversion. ADB is focused on a concern that a consultant could cause harm, without balancing the benefits of having a
consultant who is able to access documents and work as an efficient team member. The current restrictions reflect a high level of need to control who has access to proprietary documents. Nevertheless, as discussed in Chapter 3, ADB is by no means alone in finding it difficult to change its processes.

5. ADB Can Improve the Measurement of and Quality Reviews for Knowledge Solutions

274. Despite changes in the corporate results framework, still need greater focus on measuring knowledge management and knowledge solutions. Prioritization of hard numbers, including disbursement and approvals, is well established in ADB’s culture, which places a premium on numbers and amounts of loan projects or published books. ADB’s measurement system reinforces this—in general, what gets measured gets done, and ADB currently measures what is produced. It does not track knowledge management processes and has avoided common types of external assessments and benchmarking with other organizations. ADB has been reluctant to enter into a formal benchmarking process; instead it has been using parts of an older methodology—the Most Admired Knowledge Enterprise Award methodology—as an internal check of progress. This may reflect concerns that ADB will be criticized as well as a reluctance to use qualitative measures.

275. While the Department of Communications and others are experimenting with alternative ways of measuring the impact of ADB’s knowledge products, the results framework still relies on quantitative indicators. Downloads or numerical counts alone are insufficient to determine the effectiveness of ADB knowledge products. The completion of a report or its launch is regarded as the final output, for which staff are rewarded. ADB makes a significant investment in producing reports but has little concept of their impact or use. ADB management often perceives producing a knowledge product as enough.

276. ADB relies largely on formal quality mechanisms that emphasize compliance over adding value. Interdepartmental circulation and commenting remains the primary mandatory quality review mechanism for ADB projects and changes in processes. For most ADB documents, approval requires a signature from someone higher up in the organization. A consultant’s work is done if the team leaders sign off on it. A paper or a book can be published with the approval of a director or a director general. There is no ADB-wide requirement for peer reviews of knowledge products and each department is free to introduce its own requirements. The role of the sector groups in supporting the preparation of projects and knowledge products varies, largely depending on individual initiatives.

C. Recommendations

277. Since knowledge touches on all aspects of ADB operations and structures, the evaluation calls first for an institutional high-level strategic decision that should guide the adoption of subsequent recommendations. Rather than focusing on accountability and the efficacy of past ADB support, the evaluation aims to support ADB to address the changing economy and needs of Asia and the Pacific. As a development bank, while relying on project financing to support its operations, ADB has always, to varying degrees, bundled knowledge as a component of its support. However, given the multiple changes in the region (markets, economic transformation, development needs) moving forward, ADB should make a strategic decision about the scope and magnitude of the knowledge component it wants to add to development finance in the future and therefore about the depth of its continuous transformation. This includes making critical choices regarding the growth of its budget in this area and the most optimal organizational structure.

278. To this end, IED offers a set of recommendations that follow from the possible strategic paths that ADB can take in the future; these paths do not represent a discrete binary choice. Instead, they serve as parameters reflecting the varying degrees of effort that ADB will have to make about additional resources and changes to its structure, processes, and incentives. Thus, given the strategic nature of the subject of this evaluation, the usual IED practice of offering one set of recommendations is not
appropriate. Instead, this evaluation offers the following sequence of decision making and recommendations to advance ADB’s knowledge agenda. ADB should:

1. Make a clear, high-level decision about the desired depth and scope of the institutional transformation needed to implement Strategy 2030’s knowledge ambitions.

279. **Strategy 2030 has major implications for ADB’s future operations.** While being a financial institution, ADB can choose to base its competitive advantage on the provision of a blend of complex knowledge solutions and advice to enhance its financial support or, alternatively, it can focus on the provision of low-cost development finance services complemented with a best effort approach on knowledge.

280. **Either boundary choice has its merits and rationale, depending on the strategic intentions of the institution.** The first boundary path would seek a wider transformation of the institution towards a full knowledge bank, a choice that would be neither budget- nor effort-neutral. The second path would be more consistent with ADB’s current efforts to review its operations and introduce gradual reforms. This approach would imply a lower degree of new investment and effort and could likely be carried out within the broad terms of the current ADB structure. Overall, the Board and senior management must choose between or within the boundaries of two strategic paths:

(i) **Pursue a radical transformation, adopting a Knowledge++ Bank model (knowledge plus finance and partnerships).** In order to fully implement Strategy 2030’s knowledge ambitions, ADB can make major changes to strengthen its knowledge base and ability to deliver tailored and complex knowledge solutions, in addition to providing finance. This fundamental change would not be budget-neutral; adopting a Knowledge++ model would require significant additional investment in human resources along with changes in the organizational structure.

or

(ii) **Continue with incremental approach to transformation and reform, under the existing Finance++ Bank model (finance plus knowledge and partnerships).** ADB is currently carrying out several important related but separate initiatives to support Strategy 2030 and improve its development effectiveness; these are strongly supported and include ongoing projects such as the Digital 2030 Strategy, the review of the Resident Mission Policy as well as the Cultural Transformation project, the CPS Review, a TA review, and upcoming reviews of human resource policies (job architecture, agility of the work force) among many others. The costs associated with these initiatives and reforms are largely budgeted, and the proposals generally assume that ADB retains the same underlying structure. ADB would continue as a development bank that is focused on delivering low-cost development finance solutions, together with knowledge support when appropriate and available.

281. **Both boundary choices are consistent with ADB’s role as a development bank, that is, with its primary role as a financial institution mandated to support the development of DMCs.** Both boundary choices are also built around the assumption that ADB will increasingly provide tailored solutions to its DMCs and will continue to move away from a one size fits all approach to country needs. Again, each boundary choice has its merits and justifications, subject to the strategic intentions of the institution. Finally, both boundary options will also require additional effort and resources but in significantly different orders of magnitude.
2. If the Board and senior management favor a path closer to the Knowledge++ Bank model, ADB will need to adopt a comprehensive approach to fully implementing Strategy 2030’s knowledge ambitions.

282. This would require a decision to invest in staff and significantly deepen reforms of ADB’s culture, structure, and human resource management. This must include the following actions:

(i) **Strengthen efforts to change and modernize ADB’s culture.** Any initiative will require a significant rethinking of policies, procedures, and protocols, along with expanded training and coaching at all levels to model appropriate behavior. ADB will need to conduct a detailed analysis of the knowledge-related cultural elements within the organization, building on the ongoing review of ADB culture. The process needs to be both independent and credible, with the visible support of senior management and the Board.

(ii) **Review the structure of ADB to align it with the ambition to become a Knowledge++ Bank.** Any new structure will have to ensure staff can work together in multidisciplinary teams within departments that are aligned with the priorities of Strategy 2030 and that can be quickly mobilized to collaborate with other departments across ADB. The last significant reorganization of ADB was in 2002 and, while ADB has made several adjustments over the years, the fundamental structure has remained the same since that point.

(iii) **Review human resource needs, updating the roles of staff, members of the expert pool, and consultants.** Recent experience with the COVID-19 pandemic has shown that it is possible for staff to work flexibly, as part of changing teams defined by need, despite being geographically dispersed. The current non-renewable 3-year contracts for members of the expert pool could be expanded. The role of long-term staff consultants may also need to be reviewed, and staff consultants may need to be converted into expert pool staff, with ADB identities. ADB should also explore more framework contracts and long-term consultant involvement, reducing the need for short-term consultants who pose a higher risk of experience and expertise being lost.

3. If the Board and senior management favor the pursuit of a path closer to the Finance++ Bank model, ADB can maintain the current pace of incremental reform, but should undertake a number of actions to strengthen the knowledge solutions it provides:

(i) **Continue modernizing ADB’s culture.** Building on the on-going Cultural Transformation initiative, ADB should consider the changes in processes, incentives, and structures that will be necessary to promote a value-based culture. Job descriptions and terms of reference should clearly indicate the staff member’s knowledge role, including his or her responsibility to transfer knowledge upon changing roles or retiring. ADB should develop guidance on knowledge management, clarifying its principles on document sharing, formation of ADB-wide teams, documenting and sharing experience, and other common knowledge practices. In line with existing plans to address culture change, ADB should expand training and coaching at all levels.

(ii) **Increase cooperation across operational silos.** While maintaining its current structure, ADB should consider how it can improve the sharing of resources across operational units. Options include the creation of hard incentives for staff to collaborate with other divisions and departments. Rather than relying on short-term assignments to other departments, which can be bureaucratic and burdensome, targets could be established for operations and knowledge units to exchange staff so they can become members of teams outside their own departments. For operations and knowledge staff, a track record of cross-
departmental teamwork could be a condition of promotion. Managers should be expected to show evidence of active collaboration across the organization and their commitment to organization-wide goals. The current system of exchanging staff on short-term full-time or part-time assignments based on need could be simplified. The One ADB approach expected by Strategy 2030 should be applied to the preparation of knowledge work, with many departments participating, rather than merely commenting, building on examples like the Asian Development Outlook.

(iii) **Adjust the role of knowledge units in order to strengthen relationships with operations departments.** The terms of reference of STGs and their discretionary budgets could be adjusted to ensure they make a more direct contribution to projects. Under the guidance provided by Strategy 2030, knowledge units should continue to support operations both directly and through their research. In particular, these groups should play an active role in the development of projects, through support in early phases of preparation, with teams formed well before the first formal approval meetings, such as the staff review meeting of the concept paper. Staff from SDCC, ERCD, and other units should provide more direct support for preparing economic analysis, sector assessments, and participation in policy dialogue. Staff from these departments should participate actively as team members in missions, project planning, and the preparation of documents. ADBI has a different role but it should increase its collaboration with other units in the organization.

(iv) **Review the role of consultants in the technical design of ADB operations and in TA.** ADB should take a more flexible approach to contracting consultants. In particular, it should step up the use of framework contracts with leading knowledge firms and organizations to allow flexible draw-down contracts for technical experts. In all cases, terms of references for consultants should include the transfer of knowledge to ADB. Likewise, ADB should explore the concerns that both staff and DMC officials raised about ADB’s dependence on consultants and the loss of knowledge this entails. ADB should take steps to reduce this dependence.

(v) **Continue to develop tools to strengthen knowledge sharing and collaboration as part of Digital Agenda 2030.** Building on the success of the Digital Agenda to adapt to the needs created by the COVID-19 pandemic, ADB should continue to expand the range of digital tools it offers for collaboration and communication. A meaningful skills directory for staff and consultants needs to be developed, using a combination of human resources data and user-entered information. This should be preceded by a study of why previous attempts were not fully implemented. Rules associated with access to information (Administrative Order 4.17) need to be clarified to ensure that as many ADB documents as possible are open by default internally, including free access to back-to-office reports, aide mémoire, project documents, and consultant reports. Exceptions should only be made for sensitive private sector operations. ADB should make a greater effort to ensure reports, documents, and presentations prepared by ADB TA are quickly available to the public, particularly those arising out of knowledge and support TA. To ensure compliance, ADB should establish an independent and proactive review of its policy on access to information. Efforts should be made to increase the use of digital documents and approvals, with the use of paper documents and physical signatures being phased out. Building on the data dictionary, and as part of the KMAP, a taxonomy should be developed to classify ADB documents and integrate this taxonomy with new search tools, including SharePoint search. Staff consultants should be provided with open access to internal reports and in-house staff when they work for ADB.
4. Whichever model ADB selects, it should take ownership and adopt a long-term commitment to its choice at all levels, develop benchmarks, targets, and metrics and periodically report the implementation progress to the Board.

283. Regardless of its decision, ADB needs to develop new tools to benchmark its knowledge solutions and to update knowledge management procedures. ADB should:

(i) Add a detailed results framework to the new knowledge management action plan to measure the production and contribution of knowledge, and report progress to the Board regularly. ADB should adopt industry-standard approaches in order to benchmark its knowledge management practices. Specific actions include replacing the outdated Most Admired Knowledge Enterprise (MAKE) award methodology as an indicator with a series of robust indicators that have been externally validated. ADB could enter into a formal process to test its compliance with ISO 30401:2018. ADB could establish an independent, external panel to rigorously review candidates for top innovation and knowledge solution awards. ADB could also explore regional level (level 1) indicators for its corporate results framework as well as developing national and regional indicators of the knowledge economy.

(ii) Review the role of TA with respect to its contribution to knowledge solutions. The new review of its TA policy that ADB is undertaking should include a review of the quality and relevance of the TA program. The independent validation of TA completion reports, which is starting in 2020, can support this review. This review should explore the role of KSTA, including the causes and consequences of the declining share of this form of TA, as well as the changing focus of regional TA.

(iii) Separate the quality review function from that of compliance and ensure that quality feedback has sufficient time to have an impact on the project. Sector groups or their equivalent should organize internal quality review meetings well before the concept review meeting. Likewise, participation in interdepartmental review should be optional for most departments. The review should focus on fundamental comments that were not addressed in the sector group review. Independent peer review should be introduced for a wide range of ADB outputs, including project documents and knowledge documents, using a pool of external reviewers as well as reviewers from other peer departments. An external committee of experts should review knowledge projects to provide retrospective feedback on their quality.
APPENDIX 1: DETAILED DESCRIPTION OF METHODOLOGY

A. Overview: Evaluation Approach, Principles, and Theory of Change

1. The evaluation was designed to support the implementation of Strategy 2030. To this end, its overarching objective was: to develop recommendations that will support ADB to improve the quality of its knowledge solutions for development in Asia and the Pacific.

2. The evaluation assessed the relevance and efficiency of ADB’s production of knowledge solutions. It evaluated the quality and efficiency of processes to generate and store knowledge solutions, and the efficiency of the delivery of these solutions. The evaluation reflected on developing member countries’ (DMCs’) appreciation and utilization of knowledge solutions and assessed the Asian Development Bank’s (ADB’s) capacity to meet the demands for knowledge solutions as outlined in Strategy 2030. The Independent Evaluation Department’s (IED) previous evaluation of knowledge products and services (KPS) in 2012 had a focus on ADB’s knowledge management processes as well as review of a selection of knowledge products. The current evaluation largely focused on the period between 2013 to 2019.

3. A knowledge solution is the application of knowledge to address a specific problem. Developing a knowledge solution requires the application of general and technical knowledge to address a particular problem in a particular context. The concept of a knowledge solution is common in many ADB documents going back at least one decade. Although “knowledge solution” is a commonly used term in ADB, it is not a term used widely outside. This evaluation applied the term to other organizations when appropriate.

4. The overarching evaluation question was:
   (i) 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?

5. The overarching question was answered through the exploration of four, more specific, evaluation questions
   (i) How well does ADB identify regional and country needs for knowledge solutions?
   (ii) To what extent does ADB tailor knowledge solutions to meet these needs?
   (iii) Does ADB have the necessary processes and culture to harness its resources efficiently to deliver knowledge solutions?
   (iv) To what extent does ADB measure and share knowledge solutions efficiently?

6. The overall approach to the evaluation (design, data collection, and analysis) was underpinned by the following principles: theory-based evaluation, mixed methods, and participatory evaluation processes:
   (i) The evaluation was grounded in the theory of change shown in Figure A1.1. This identified the processes through which knowledge is both generated and managed within the organization and ultimately utilized in favor of clients. The evaluation questions were closely aligned with these processes that, in turn, formed the core organizing mechanisms for the evaluation and provided filters for the analysis and interpretation of all data types.
   (ii) The evaluation adopted a mixed methods approach to generate and gather data relevant to the evaluation. Using the processes identified in the theory of change and the evaluation questions as an organizing mechanism, data from the various sources were
subjected to systematic triangulation to underpin the robustness and credibility of findings and associated recommendations.

(iii) The evaluation adopted a participatory, human and client-centered approach that reflected its formative, learning-oriented purpose.

Figure A1.1: Theory of Change

ADB = Asian Development Bank, DMC = developing member countries, KS = knowledge solutions.
Source: Independent Evaluation Department.

7. Identifying regional and country needs. The first step was to understand the needs and priorities of DMCs. This involved using existing ADB knowledge—documented and tacit—to develop a set of priorities for ADB operations. These priorities were identified in the country partnership strategy and its programming cycle. Some knowledge solutions were in the form of stand-alone knowledge products, while others were incorporated in ADB’s dialogue and its operations.

8. Mobilizing resources and knowledge. After identifying priorities, the next step was to organize available resources. ADB has substantial resources, including more than 50 years of operational experience across a wide range of sectors and countries in Asia and the Pacific. Some of this knowledge is captured formally in corporate documents or publications. Another, more elusive, part of this knowledge is held by staff, DMC counterparts, consultants, and partners. In addition to its staff, ADB has a substantial grant-based budget available for technical assistance (TA). This is funded from partner contributions and from ADB’s net income. These resources can be used to hire experts and organize activities. ADB also has formal and informal knowledge partnerships with academia, international organizations, and other institutions. Secondments and professional development for staff are additional mechanisms through which ADB can introduce external knowledge.

9. Tailoring knowledge solutions. Using its resources, ADB generates and shares knowledge solutions. To be effective, ADB has to tailor knowledge solutions to meet the specific needs of its partners. Depending on the partner’s needs, a knowledge solution can be packaged in many forms. Knowledge can be delivered through an investment project, a policy-based loan, or a results-based loan. It can also be part of activities, such as policy dialogue, a feasibility study or other preparatory project work, an advisory
service, a training event, conference, seminar or workshop. It can be prepared as a formal knowledge product, such as a country diagnostic report or a working paper.

10. **Sharing knowledge solutions.** For knowledge to become a solution, ADB needs to have the means to share its knowledge. Externally, this may take the form of the traditional dissemination of KPS through publications, websites, and conferences. It can share knowledge by embedding in operations, brokering knowledge from others, through dialogue at the country, sector, and project levels, and through many other arrangements.

B. **Data Collection**

11. **The evaluation adopted a multi-level, mixed methods approach.** The mixed methods deployed for the evaluation are summarized in Table A1.1 which outlines the associated evaluation questions that relate to the components of the theory of change.

<table>
<thead>
<tr>
<th>Evaluation Question</th>
<th>Information Required</th>
<th>Information Sources</th>
<th>Data Collection and Analysis Methods</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>How well does ADB identify regional and country needs for knowledge solutions?</td>
<td>Thematic analysis of internal literature Identification of key opportunities to identify needs Views of internal stakeholders Views of external stakeholders</td>
<td>Review of internal literature Review of ADB processes Portfolio review Staff interviews Staff group discussions Country-level assessments to include DMC and other perspectives.</td>
<td>Review of corporate strategies and IED evaluations Process mapping Qualitative analysis of interviews, group discussion, and country-level assessments to identify themes and associated patterns Review of TA portfolio Review of CPS and CDS for case countries Review of sector assessments of selected projects in case countries</td>
<td>Limited documentation on how well ADB identifies regional and country needs for knowledge solutions. Variability across regional department processes relative to the DMC may not align to a unified process Heterogeneity of DMCs and their needs with reference, for example, to their stage of development</td>
</tr>
<tr>
<td>To what extent does ADB tailor knowledge solutions to meet these needs?</td>
<td>Thematic analysis of internal literature Identification of key opportunities to tailor knowledge solutions Views of internal stakeholders Views of external stakeholders</td>
<td>Review of ADB documents Review of ADB processes Portfolio review Staff interviews Staff group discussions Country-level assessments to include DMC and other perspectives.</td>
<td>Review of corporate strategies and IED evaluations Process mapping Qualitative analysis of interviews, group discussion, and country-level assessments to identify themes and associated patterns of response Review of TA portfolio Review of CPS and CDS for case countries Analysis of a sample of RETA projects</td>
<td>Limited documentation on how well ADB tailors its knowledge solutions. Significant variability in context Significant variability among staff Heterogeneity of DMCs and their needs with reference, for example, to their stage of development</td>
</tr>
</tbody>
</table>
1. Literature Reviews

12. The evaluation was supported by three literature reviews:

(i) The first was a review of internal documentation, including corporate strategies and plans as well as major IED evaluations and other internal documents such as staff engagement surveys and ADB’s corporate scorecard. This review appraised the existing corporate understanding of the strengths and weakness of ADB’s knowledge management and engagement.

(ii) The second was a review of knowledge-related literature and evaluation in broadly comparable multilateral organizations that are also pursuing the knowledge agenda. This review evaluated how similar challenges and solutions had been addressed by
Appendix 1: Detailed Description of Methodology

comparable organizations, particularly those involved in the application of knowledge to the broad development agenda.

(iii) The third was a combined review of the broad literature on knowledge management, and knowledge organizations. This ensured that the evaluation was grounded on up-to-date theory of knowledge management and knowledge organizations and helped identify related good practices and other characteristics of high-performing knowledge organizations, such as organizational cultures, incentives, processes, supporting technology and structure.

13. The literature reviews were shared with all evaluation team members to ensure a common understanding of (i) formally documented strengths and weaknesses of knowledge processes in ADB and (ii) core concepts associated with knowledge management and knowledge organizations as well as related good practices. This informed other aspect of the evaluation process including interviews, group sessions and country level assessments.

2. Process Mapping

14. The team reviewed ADB processes associated with engagement at country strategy and project levels. IED identified key points in standard processes at which knowledge engagement and the opportunity for the introduction and application of knowledge solutions was high and also identified principal organizational actors and units involved at these key junctures. Process mapping supported the broader understanding of the evaluation team in its engagement with staff and stakeholders during interviews. The mapped process was also used as a tool during group interviews (see below) to help participants identify and discuss points in the processes that offer optimal opportunity for knowledge engagement, and to identify points in the processes where the potential for knowledge engagement may be inhibited.

3. Secondary Data

15. The evaluation drew on relevant secondary data to include, for example, a portfolio review, data on staff education and experience, staff engagement surveys, and information technology resources available for knowledge support. These reviews allowed for greater appreciation of the de facto supports for, and investment in, knowledge generation, knowledge exchange, and knowledge use.

16. IED conducted a basic portfolio review of ADB TA projects, 2008–2019. This provided a general understanding of trends in the number and value of knowledge and support TA (KSTA) projects and an identification of the ADB vice presidencies responsible for the production of relevant product.

17. The evaluation drew on human resource data to establish educational qualifications among ADB staff as well as their experience, including that gained prior to joining ADB. In addition, the evaluation drew on human resource records to describe the extent of training engaged in by ADB staff as well as the cost of that training over time. The evaluation also drew on data to identify the intensity in the use of consultants in various parts of the organization with a view to exploring the role of consultants in the generation and application of knowledge solutions.

4. ADB Interviews

18. Table A1.2 details the number of respondents engaged with through one-on-one and group-level interviews over the course of the evaluation. All interviews were semi-structured, guided by a common set of questions.
Table A1.2: Number of Respondents Interviewed by Evaluation Team

<table>
<thead>
<tr>
<th>Organization</th>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>Senior headquarters-based staff and management</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>International staff</td>
<td>122</td>
</tr>
<tr>
<td></td>
<td>National staff</td>
<td>65</td>
</tr>
<tr>
<td>Consultant</td>
<td>International</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>National</td>
<td>17</td>
</tr>
<tr>
<td>ADB Institute</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>269</td>
</tr>
<tr>
<td>Cambodia</td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>People’s Republic of</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Pacific Countries</td>
<td></td>
<td>26</td>
</tr>
<tr>
<td>Government total</td>
<td></td>
<td>76</td>
</tr>
<tr>
<td>Development partners</td>
<td></td>
<td>28</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>402</td>
</tr>
</tbody>
</table>

a 110 were based at headquarters and 12 at resident missions.
b 42 were based at headquarters and 23 at resident missions.

Source: Independent Evaluation Department.

19. All internal (headquarters and resident mission) interviews followed a standard interview protocol and questions (see Appendix 1, Annex). The evaluation team sought to identify perceptions of relative strengths and weaknesses within ADB’s processes for knowledge management and applications, and to identify the factors that may hamper or facilitate ADB’S knowledge agenda.

20. Interviews with key external informants were largely guided by the same set of questions. In this case there was a particular emphasis on perceptions of ADB’s relative strengths and weaknesses as a knowledge provider for development.

21. The evaluation team conducted in-depth, semi-structured, one-on-one and group interviews with 269 management and staff at ADB headquarters and in resident missions. As above, the interviews were designed with reference to the evaluation questions and the theory of change to identify strengths and weaknesses in ADB’s overall approach to knowledge management and utilization, as well as touchpoints, and processes in the country strategy and project cycles that are of critical importance to ADB’s engagement with clients regarding the knowledge agenda, and knowledge solutions. Table A1.3 outlines the types of ADB interviews.

Table A1.3: Type of Interview

<table>
<thead>
<tr>
<th>Type of Interview</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-on-one senior level staff and management</td>
<td>46</td>
</tr>
<tr>
<td>One-on-one staff interviews (headquarters)</td>
<td>137</td>
</tr>
<tr>
<td>One-on-one staff interviews (resident mission)</td>
<td>35</td>
</tr>
<tr>
<td>Group interviews (headquarters)</td>
<td>51</td>
</tr>
</tbody>
</table>

Source: Independent Evaluation Department.

22. An initial limited round of one-on-one interviews was conducted with staff to check the key informants using a “snowballing approach,” which involves starting with a small number of handpicked informants and using them to identify other interviewees during the process. The purpose of these interviews was to test the relevance and efficacy of the interview questions, and to bring any major themes to the surface to familiarize the evaluators with potentially important issues that might arise in group discussion.
23. **Twelve group interviews were held with 51 staff from across 12 departments.** The group interviews sought to identify strengths and weaknesses in ADB’s approach to knowledge management and the provision of knowledge solutions, and to identify (as above) touchpoints and processes in the country strategy and project cycles that are of critical importance to ADB’s engagement with clients regarding the knowledge agenda, and knowledge solutions.

5. **Interviews: Knowledge Organizations**

24. The evaluation team conducted interviews with key informants from what the team broadly referred to as knowledge organizations, both public and private. These were organizations known for their excellence in knowledge management and knowledge utilization and/or engaged in ongoing efforts to address the knowledge agenda. The evaluation interviewed staff from a number of development organizations, including the World Bank Group, Inter-American Development Bank, the European Investment Bank, the Brookings Institution, the Global Development Network, USAID, and the Millennium Challenge Corporation. In addition, the evaluation team interviewed a number of staff in private and non-profit organizations.

25. The purpose of these interviews was to identify how such organizations implemented their knowledge agenda, what worked and what did not work, and good practices. The interviews aimed to identify challenges and solutions in implementing a knowledge agenda in a context not dissimilar to that of ADB. The interviews also sought perspectives on how ADB was viewed as a provider of knowledge solutions in the development arena.

6. **Country-Level Assessments**

26. **Country-level assessments were focused reviews of ADB activities in client countries.** They served as sources of data, from the perspectives of ADB staff, DMC governments, private sector clients, and other relevant stakeholders to understand how ADB operates. The evaluation identified four DMCs based on two primary criteria: (i) the country’s position in the global knowledge economy (above average or below average), and (ii) a measure of the role of budget support and knowledge products in ADB’s support (Figure A1.2).

27. **Country participation in the knowledge economy.** Using the United Nations Development Programme’s Global Knowledge Index, the evaluation ranked all of the countries for which there were data. The index used a wide range of criteria, including quality and quantity of higher education, expenditure on research and development, openness to trade, among others. The values are expressed in a per capita term or at the national level, so rankings do not reflect the country’s total production of knowledge. For example, Czechia has a higher overall index score than India, but India produces substantially more knowledge in an absolute sense.

28. **The index excludes most small island countries, including the Maldives and all small Pacific island DMCs.** Several other countries are excluded due to the lack of data, including four DMCs (Papua New Guinea, Timor-Leste, Turkmenistan, and Uzbekistan). The evaluation divided DMCs into those above and below the global median. It excluded DMCs that had not borrowed recently and those unlikely to become borrowers in the future.

29. **ADB’s provision of budget support.** In addition to traditional investment lending, ADB offers untied budget support, known as policy-based lending (PBL). As the name suggests, ADB provides financing to support DMC policy reforms. By its nature, this type of lending should be accompanied by ADB policy dialogue and, potentially, a significant number of knowledge solutions. The evaluation used the percentage of PBL in the total lending. Using data from 2008–2017, countries were grouped by their relation to the median amount of lending—12.5% of total commitment—which was the level of Kazakhstan.
30. **Secondary criteria.** Using the criteria presented in Figure A1.2, the evaluation then divided DMCs into secondary categories. These included: (i) regional representation (ADB regional department); (ii) income level of the DMC (ADB country classification); and (iii) size of the economy (large: >$200 billion; small <$10 billion). Based on this, the evaluation proposed carrying out country-level assessments for the countries included in Figure A1.3.

31. **Pacific developing member countries.** Including small island developing countries presents a special challenge for the country-level assessments. These DMCs have only a small number of projects and travelling is time-consuming and expensive. To address this, the evaluation organized an evaluation learning event in Fiji with representatives from Fiji, Cook Islands, Kiribati, Samoa, Solomon Islands, Timor-Leste, Tonga, and Vanuatu.

32. Due to time and logistical constraints associated with ensuring the availability of key informants, the evaluation was not able to carry out the planned country-level assessment for India.

33. **Before the start of each country-level assessment, the evaluation team reviewed documents to produce a knowledge profile with reference to each DMC’s engagement with ADB, to include, at a minimum, the current country strategy, projects evaluated (2017–2019), and knowledge products (2017–2019).**

34. **The evaluation team organized interviews and workshops in each DMC.** Subject to the DMC and level of ADB engagement, this involved: one-on-one and/or group interviews with (i) representatives of the core clients and/or counterparts in government (i.e., executing and implementing agencies of ADB projects); (ii) representatives of private sector clients; and (iii) other stakeholders, such as development
organizations, civil society organizations and think tanks. These engagements sought to elicit the participants’ perspectives on ADB’s support for knowledge solutions and to identify strengths and weaknesses in that regard.

C. Data Analysis

35. A comprehensive protocol governed the evaluation design, drawing the various components together. The protocol provided focus and discipline and facilitated triangulation of findings derived from disparate data sources (for example, literature, interviews, country-level assessments, surveys).

36. The protocol was derived from the theory of change and key evaluation questions. It therefore directly reflected the logic of the evaluation design. Because all data collection was filtered through the protocol, the tool supported team focus, discussion and analysis and provided a common frame of reference for comparative discussion and analysis.

1. Approach

37. To support the generalization of the evaluation findings, the evaluation assessed the extent of convergence across multiple sources of evidence. The sources of evidence were cross-checked. For example, country assessments were supplemented by interviews that validated or identified emerging themes within the country assessment. These were integrated with and triangulated against sources of evidence from other elements of the protocol and the evaluation questions. Findings were established where the evaluation found convergence supported by multiple sources. Where there were areas of divergence, these were also noted and discussed to illustrate the dynamic and evolving nature of ADB progress towards realizing the ambitions of Strategy 2030.

38. Most one-on-one staff interviews were recorded with interviewee consent and a verbatim transcript for each interview was produced. The interviews were then analyzed using MAXQDA software. In preparing the documents for MAXQDA, the analyst checked the format of each transcript. Respondent text was entered into the program with textual data associated with the facilitator removed. The analyst did not modify any content within texts (i.e., words, syntax, grammar and punctuation). Each transcript contained the following features: (i) demographic profile of each participant including number of years with ADB, department, and other information; (ii) information on the interviewer, date and time of interview, and other notations; (iii) unique identifier assigned for each participant; and (iv) full conversations between the facilitator and the participant.

39. Once the documents were cleaned, a project database was created in MAXQDA. The documents were imported and organized according to the batch (11 batches) by which they were sent to the analyst, which allowed for ease of identification.

40. The approach adopted the coding standard of qualitative research methodology, which involves an iterative process of identifying, searching, and labelling concepts in the data sources (in this case, transcripts) and, at the same time, finding the relations between these texts. Coding organized these bits of information and facilitated the building up of themes and concepts emerging from the codes.

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1 A total of 119 interviews involved the recording of interviews (with interviewee consent) and the generation of a verbatim transcript. The other 18 interviews included 10 initial interviews to test the instrument and/or questions and to generate the “snowballing” effect. Other interviews included those with technical staff regarding, for example, the information technology system.

2 MAXQDA is an all-in-one software used for qualitative and mixed methods. It can analyze all kinds of data, including text, images, audio and/or video files, websites, tweets, and surveys. ADB purchased three stand-alone licenses of MAXQDA that allowed for its use in this study.
(i) **Line-by-line open coding.** Using MAXQDA, each document was analyzed by generating level-1 codes through a rigorous line-by-line mode of open coding. Open coding refers to the first step towards generating codes by segmenting the texts, especially when answering the question of “what is happening in this case?” This step was repeated for all transcripts, generating about 25,000 codes.

(ii) **Focused coding.** Focus coding was conducted after all the transcripts had been examined through line-by-line open coding. Focused coding allowed the analyst to search for the most frequent and significant codes to answer the evaluation questions. The results of the focused coding were summarized and presented in tables associated with the four evaluation questions. These were presented as categories consisting of evaluative codes; for example, the responses for evaluation question 1 were summarized into “very well”, “mixed answers” and “poor” categories to facilitate the frequency counting of responses for evaluation question 1.

(iii) **Autocoding.** To expedite the generation of the frequency tables per evaluation question, autocoding was applied using the lexical search feature of MAXQDA. This step involved the generation of frequencies of key words that were further segregated by staff category, sex, and department affiliation. The frequency runs generated the following information regarding the documents: (a) most frequently used words; (b) most frequently used word combinations; and (c) type-token ratio or the ratio between the total number of unique words (types) and the total number of words (tokens) where the nearer the ratio to, the richer the words used in the documents.

(iv) **Axial coding: construction of themes and conceptual statements.** Axial coding was used to facilitate the construction of themes and conceptual statements. These conceptual statements were presented with the following features: (a) components, aspects or dimensions that characterize further the conceptual statements and themes, (b) source codes to determine the number and classification of the staff who gave similar responses, and (c) supporting quotes with coded sources. Codes that emerged from the data but not necessarily directly answering the evaluation questions were highlighted in this report.

41. **In constructing themes and conceptual statements, the following analytical procedures were conducted following a mixed method of combining both the qualitative and quantitative evaluation of the responses provided by the study participants.**

   (i) **Identifying the most relevant codes.** The analysis focused on the codes most relevant to the evaluation questions noting, as per the interview protocol, the literal evaluation questions were not directly put to the interviewees

   (ii) **Examining the segmented texts.** Once codes were identified, the analyst examined the segmented texts to: (a) determine the categories that emerged from the texts, (b) characterize the features and dimensions of these categories, and, (c) label these categories as direct responses to the evaluation questions.

42. **These categories were then used to classify and count the responses provided by respondents.** Most of the responses were recoded from the open coding conducted at the onset of the analytical process. The results were summarized and presented in tables and graphs per evaluation question to present the descriptive statistics that these response categories per evaluation question had generated.

(i) **Construction of conceptual statements and other emerging concepts.** Conceptual statements were constructed from the codes generated in the open and focused coding. As above, this procedure was part of the axial coding, which facilitated the interpretation of the segmented texts labeled under the codes. The analyst identified the most frequent and relevant codes from which the analyst consolidated by joining together similar or related codes and creating concepts that captured the responses of the study
Appendix 1: Detailed Description of Methodology

43. Twelve group interviews were conducted using a human-centered design approach. As with the one-on-one interviews subject to MAXQDA analysis, a full report of the group interviews was produced. That report was drawn on, triangulated with other evidence sources, for the presentation of evaluation findings in Chapter 4. Group interviews were conducted, and results analyzed as follows:

(i) Consent and explanation. Participants were briefed on the background of the IED evaluation, consent was given, and audio recording began.

(ii) Individual reflection. Participants were asked to reflect on their own key positive and negative experiences relative to the four primary evaluation questions. Participants individually recorded reflections on sticky notes prior to discussion to control for social conformity and groupthink cognitive biases.

(iii) Individual ranking. Participants then posted their notes on a larger wall map of evaluation questions and were asked to place each post-it along a vertical axis according to how strongly or negatively the individual felt about his or her answer. This was effectively a Likert scale as follows: strongly positive (+3), positive (+2), and weakly positive (+1), weakly negative (-1), negative (-2), and strongly negative (-3).

(iv) Discussion. Facilitators led discussions as participants discussed common themes according to the written responses, although other themes could be brought into the discussion, as necessary.

(v) Post-workshop coding and synthesis: Facilitators used the technique of affinity mapping to evaluate themes participants expressed according to the four evaluation questions. Clusters were then coded by the number of times a theme was highlighted across each of the group discussions, how many times the item was brought up, and the degree of aggregate intensity. In most cases, clusters were clearly either positive or negative. In some cases, they spanned the two.

(vi) Technical. The Otter.ai tool was used to create audio transcriptions of the conversation for clarity. Miro.com, an online tool for affinity mapping, was used for affinity diagramming. Excel was used for tracking, and graphs were done in SketchApp.

2. Limitations

44. Time and timing. This complex, process evaluation was designed and timed to inform the forthcoming Knowledge Management Action Plan, which will, in turn, seek to action Strategy 2030. This provided a limited timeframe for the completion of this complex evaluation exercise, elements of which are intangible. Ultimately this limited the number of country-level assessments possible; however, all other planned elements of the methodology were completed.

45. Evaluation scope. The evaluation focused on ADB’s readiness to deliver relevant knowledge solutions to stakeholders in the context of Strategy 2030 and evolving needs. This presupposed the availability of relevant knowledge (including about tacit knowledge) and omitted reference to the quality of knowledge production. The evaluation addressed this through (i) identifying and working with available data (for example, human data on staff qualifications, staff surveys) and (ii) taking on board

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4 Conformity desirability and group think are cognitive biases in which individuals go along with the group in an attempt to get along: S. Asch.1951. Effects of Group Pressure upon the Modification and Distortion of Judgements. In H. S. Guetzkow. Ed. Groups, Leadership, and Man: Research in Human Relations. Pittsburgh, PA: Carnegie Press. pp 177-190.

multiple perspectives on ADB’s readiness, generating a 360° take on the subject that was tightly analyzed through the lens of the evaluation questions.

46. **Selection of country cases.** It was not possible to examine all the countries in which ADB is engaged in the provision of knowledge products. The evaluation team had a robust methodology for the selection of country level assessments, but it remained conscious that the full diversity of ADB’s engagement was likely to be more complex and highly context-specific. As mentioned above, time constraints meant that the evaluation could not undertake the planned country case in India.

47. **Available evaluative evidence.** The evaluation engaged in extensive work to unearth knowledge-related data (formal and informal) within the organization and perceptions of readiness both within and outside the organization. However, given the heterogeneity and complexity of the subject, particularly tacit knowledge, the evaluation is conscious of the extent of the material that may remain to be illuminated through further evaluation and research. That said, the evaluation design and execution made every effort to be as comprehensive as possible within existing time and resource constraints.
ANNEX 1: INTERVIEW PROTOCOL: KNOWLEDGE SOLUTIONS FOR DEVELOPMENT

A. Introduction for The Interviewee

(i) Thank you for your time and willingness to engage with IED in its evaluation, Knowledge Solutions for Development (KS4D), which aims to assesses to what extent ADB can deliver knowledge solutions to meet the changing development needs of Asia and the Pacific. Your participation is appreciated and will add real value to the evaluation.

(ii) The main evaluation question posed is: What is ADB’s readiness to deliver relevant knowledge solutions to stakeholders in the context of Strategy 2030 and evolving needs?

1. For the purposes of the evaluation, knowledge is defined as “an intangible individual or organizational asset comprising facts, information, and skills acquired through experience or education.”

2. For the purposes of the evaluation, a knowledge solution refers to a tailored package that integrates knowledge from a variety of sources including publications, expert advice, education, training, and practical experience. Knowledge solution can be provided on a standalone basis or it can add value by complementing other interventions, such as investment projects, technical assistance projects, and partnerships.

(i) We are interested in learning how ADB develops, consolidates, retains, shares, adapts, and applies knowledge to support effective decision making and problem solving, both internally and in favor of its clients.

(ii) We understand that no individual is likely to know everything about the entire process of ADB’s knowledge management or engagement; however, we are interested in learning about what you know about the process, how you assess ADB’s readiness to deliver on Strategy 2030 etc.

(iii) Please be assured that your responses will be treated as confidential. All responses will be anonymized, and nothing you share with us will be attributed to you.

1. Interview Questions

3. Please highlight your key points of engagement with ADB’s work on knowledge solutions. Please refer us to (or forward):
   (i) Relevant documents (ADB or other);
   (ii) Interventions, including good practice interventions and interventions where ADB learned from failure.

4. What are ADB’s key organizational enablers or strengths (e.g., duration of relationships, regional expertise, staff skills, etc.) that enable it to identify and respond to client needs regarding knowledge solutions? How have these helped?

5. What are the specific areas of comparative advantage of ADB in the provision of knowledge solutions to its clients? What specific role should ADB play?

6. Which key organizational constraints or weaknesses within ADB have reduced its preparedness with regard to knowledge solutions? How have these impacted ADB’s preparedness?
7. Stepping back, what would the features of an organization that is a world leader in “knowledge solutions” be (e.g., with regard to incentives, staff-skill mix, processes, organizational structure, technology etc.)?

8. Which organizations (public and/or private) do you consider to be world leaders in “knowledge solutions”? Where does ADB rank relative to them (at the top, near the middle, at the bottom)?

9. What approaches or lessons relating to the provision of knowledge solutions as operated by other organizations or the private sector that you are familiar with could be applicable for ADB to enhance its effectiveness? Please explain why.

10. Overall, how well-prepared is ADB to deliver knowledge solutions to its clients?
   (i) Very well-prepared
   (ii) Well-prepared
   (iii) Somewhat prepared
   (iv) Ill prepared

11. What recommendations do you have for ADB to enhance its organizational effectiveness in helping clients to enhance development effectiveness through knowledge solutions.
APPENDIX 2: REVIEW OF KNOWLEDGE EVALUATIONS

A. Review of Major IED Evaluations

1. The evaluation team reviewed corporate and thematic evaluations of the Independent Evaluation Department to identify findings relevant to the evaluation of knowledge solutions for development. The key findings of these evaluations are presented below.


   ADB’s project self-evaluation system generates information that could boost learning and knowledge, but it is not fully optimized because tacit knowledge is largely untapped. The report argued that interim self-evaluation products such as back-to-office reports and midterm reviews are an opportunity to capture and synthesize lessons during implementation and to make them available before the physical or financial closure of the project. However, the report found that the templates used for back-to-office reports and midterm review reports had not been fully exploited to capture, synthesize and disseminate lessons. Appropriate incentives to improve the documentation from missions, including interim reports, may help harness the potential to synthesize lessons by tapping into tacit knowledge and increasing the usefulness of the project self-evaluation system.


   The review found that effective learning from the depth and breadth of operational experience was a valuable source of comparative advantage for ADB. Learning from lessons is an important factor in the success of ADB projects and previous evaluations had shown that the ability to learn from past lessons and incorporate these lessons in project design contributed to the quality at entry of ADB projects.

   4. **Learning from operations required careful attention to the lessons from each stage of the project cycle—design, implementation, monitoring, and evaluation.** The review found that basic steps of the learning cycle—lesson identification, documentation, storage, curation, synthesis, retrieval, and reuse—were in place. However, each step remained weak because ADB had generally not given a high priority implementing them. Much of the knowledge on project processing and implementation was tacit and held by staff, consultants, and counterpart agencies.

   5. **ADB learned lessons slowly from implementation, despite the frequency with which the same issues occurred.** The potential of documented lessons to influence projects positively remained strong. However, this was contingent on the delivery of high-quality and easily accessible lessons and their incorporation into sector guidance documents. Learning will not happen automatically. An enabling environment for effective and efficient learning must be created by strengthening governance and the learning culture, clarifying roles and accountabilities, inculcating established processes, and providing better technology that promotes learning from lessons.

   3. **Corporate Evaluation Study: Asian Development Bank’s Engagement with Middle Income Countries, 2016**

   Middle-income country stakeholders valued ADB’s guidance and inputs in project design and project management, capacity development, the seal of approval associated with a private sector project that ADB supports, and ADB’s convening power in promoting regional cooperation and integration. However, these countries also expected greater support from ADB in addressing development challenges. ADB’s continued relevance in middle-income countries would depend on its ability to apply international
best practices and to learn from the experience of other countries and private sector organizations (within and outside the region) that had already addressed similar challenges.


7. **ADB’s partnerships with well-funded and self-motivated partners were beneficial.** In effective knowledge partnerships such as that with the Organisation for Economic Co-Operation and Development and the World Wide Fund for Nature, collaboration on specific initiatives paved the way for a more systematic relationship, resulting in joint project preparation or implementation. This led to the participation of high-level persons in conferences and policy dialogue, the completion of a series of publications or events, and, in some instances, joint financing of activities. Partnerships with UN-affiliated and other agencies functioned less efficiently because ADB relied on technical assistance (TA) funding and competitive consultant procurement arrangements.

5. **Corporate Evaluation Study on Asian Development Fund X and XI Operations, 2015**

8. **For countries eligible for financing from the Asian Development Fund (ADF), ADB’s role went beyond financing.** Countries expected ADB to maintain its role as an honest broker, a hub for knowledge transfer and sharing, a supporter of stronger institutional capacity, and a coordinator for development efforts within and across regions and subregions. The extent and effect to which ADB can carry out these roles has an important bearing on ADF countries and the region.

9. **ADB’s engagement in knowledge generation and transfer was a priority for ADF countries.** ADB had the opportunity to support more systematic and operationally relevant diagnostic studies to inform governments and strengthen public and private investments in ADF countries. This knowledge-first approach could have especially high payoffs if it was set up to feed into country strategies. In addition to inclusive and sustainable growth, strategic areas of concern included fragility and conflict, private sector development, financial sector management, disaster risk reduction and adaptive capacity.

6. **Corporate Evaluation: Role of Technical Assistance in ADB Operations, 2014**

10. **ADB TA projects support ADB in a number of different areas.** The most prevalent knowledge products of TA projects were specific technical reports, including a project preparatory TA, or publications, such as books, manuals, guidelines, and feasibility studies. Regional TA projects, which were often administered by knowledge departments, were the least aligned with country programs and were often absent from a country partnership strategy or regional cooperation strategy.

11. **The current model of outsourcing most TA implementation to consultants with limited involvement of ADB staff might not be the best way to deliver large or complex TA projects.** The costs were high, knowledge losses after the consultants leave were significant, and consultants were often taken less seriously by clients than ADB staff. ADB needed to develop pools of certified or well-regarded consultants for particular assignments, such as for safeguards and due diligence.

B. **Review of IED Country Evaluations**

12. **IED prepared a synthesis of lessons from evaluations of country programs, and some perspectives on the usefulness of the country partnership strategy (CPS).** The paper reviewed CPSs, country assistance program evaluations, and CPS final review validations from 2010 to 2017 and synthesized lessons on project selection, donor coordination, implementation of ADB’s corporate strategic agendas and drivers of change, and factors influencing program performance. Some of the key findings included:
Appendix 2: Review of Knowledge Evaluations

(i) The formulation of a CPS helps ADB to ensure it is strategically well-positioned and that it focuses on the right sectors and themes. The document needs to be grounded in a sound analysis of country development challenges and a good policy dialogue with the country of concern.

(ii) Flexibility in CPS implementation enables ADB to stay relevant to country needs under changing circumstances, such as crises and fragile situations.

(iii) Very detailed programming of sector allocations over the duration of the CPS is difficult and often ineffective.

(iv) Defining a clear and measurable country results framework for the ADB-supported program is important to assess its progress and success.

(v) Effective delivery of strategic agendas through implementation of the CPS requires careful attention to the key strategic constraints facing countries.

(vi) The effective delivery of ADB’s drivers of change through CPSs requires deep understanding and rigorous analysis of the sectoral and country context.

(vii) CPSs should articulate and integrate clear strategies for promoting private sector development, identifying key private sector areas of intervention, and synergies with sovereign operations.

(viii) CPSs need to take advantage of the opportunities that upper middle-income countries offer to foster South–South learning.

(ix) Country program performance continues to be a concern to be addressed by CPSs and country operational business plans.

(x) Anticipation of potential future financing issues is needed to improve the sustainability of outcomes.

2. Findings from IED Evaluations of ADB Country Strategies

The evaluation reviewed four country assistance program evaluations and 18 country partnership strategy (CPS) final review validations carried out by during 2016–2020 to identify pertinent findings on knowledge. Table A2.1 presents key findings. IED does not provide a separate rating for knowledge in a country strategy. Nearly all country partnership strategies recognized the importance of knowledge solutions or knowledge products and services (KPS), having identified it as a thematic priority. However, the extent to which ADB’s contribution to knowledge solutions was discussed in country evaluations varied, depending on the depth of discussion in the underlying CPS Final Review (Table A2.1).

Table A2.1: Findings from Country Partnership Strategy Evaluations, 2017–2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Knowledge Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Assistance Program Evaluations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia, 2005–2018</td>
<td>2019</td>
<td>ADB could have provided more and stronger analytical work to buttress the design and conditionality of the performance-based operations.</td>
</tr>
<tr>
<td>Azerbaijan, 2011–2017</td>
<td>2019</td>
<td>The PSM program provided important knowledge solutions in response to the complexity and diversity of the reform. In the energy sector, counterparts commended the quality of the capacity building during project implementation and acknowledged the usefulness of the knowledge transfer for better operations, maintenance, and operational and financial management. Similarly, water utility companies appreciated ADB's transferred knowledge and project implementation skill.</td>
</tr>
<tr>
<td>India, 2007–2015a</td>
<td>2017</td>
<td>ADB was responsive to the need to support capacity development. It strengthened both its support for and tracking of knowledge work, and demonstrated examples of innovation and best practices, although this could have been strengthened and made more systematic. The lack of effort to monitor the implementation and results of the country's knowledge management action plan suggested limited ADB responsiveness to this agenda and to the high expectations set out in the Finance++ approach.</td>
</tr>
<tr>
<td>Country</td>
<td>Year</td>
<td>Knowledge Finding</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sri Lanka, 2006–2015</td>
<td>2016</td>
<td>No pertinent finding was made on knowledge. Although it was recommended that ADB intensify its policy reform work in the infrastructure sectors, including in the reform of state-owned enterprises.</td>
</tr>
<tr>
<td><strong>Validations of Country Partnership Strategy Final Reviews</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People’s Republic of China (PRC), 2016–2020</td>
<td>2020</td>
<td>ADB TA projects were successful in contributing to knowledge cooperation and sharing. During meetings with recipient agencies, it was confirmed that ADB knowledge TA projects were appreciated and successful. Efforts to systematically document and disseminate knowledge and lessons from ADB projects in the PRC were weak. Although knowledge sharing activities were helpful in promoting the replication of successful projects, they covered general knowledge from many different sources and were not focused on experiences of ADB demonstration projects in the PRC.</td>
</tr>
<tr>
<td>Papua New Guinea (PNG), 2016–2020 a</td>
<td>2020</td>
<td>ADB’s operations in PNG mainstreamed knowledge solutions, including through publications and events, and through regional initiatives. Knowledge transfer took place during capacity building components of projects and through interactions between ADB staff, government officials, and other stakeholders.</td>
</tr>
<tr>
<td>Cambodia, 2014–2018 a</td>
<td>2019</td>
<td>The knowledge products were of good quality and relevant to the development issues facing Cambodia and ADB’s operations at the sector levels. The government was satisfied with the analytical work undertaken by ADB and wanted ADB to intensify its support for knowledge products, including evidence-based policy formulation and reform. The validation did not find any knowledge products which stood out for their innovative approach to Cambodia’s development challenges.</td>
</tr>
<tr>
<td>Nepal, 2013–2018 a</td>
<td>2019</td>
<td>The government appeared to regard ADB as primarily focused on infrastructure development, and not as a provider of knowledge. ADB should align existing and planned programming to reflect new institutional arrangements, produce relevant analyses and other knowledge products.</td>
</tr>
<tr>
<td>Thailand, 2013–2016 a</td>
<td>2019</td>
<td>Thailand was able to capitalize on ADB TA knowledge sharing, policy advice, and capacity building.</td>
</tr>
<tr>
<td>Armenia, 2014-2018 a</td>
<td>2019</td>
<td>While the growth in knowledge products for Armenia was welcomed, the vision of the CPS in moving ADB to a more knowledge-based relationship with Armenia, in line with its Group C status, was still in the early stages of development. ADB should build on the evolving knowledge-based relationship in the next CPS.</td>
</tr>
<tr>
<td>Bhutan, 2014–2018 a</td>
<td>2019</td>
<td>ADB made efforts to underpin the CPS and specific operations with strong technical analysis.</td>
</tr>
<tr>
<td>Fiji, 2014-2018</td>
<td>2019</td>
<td>Expectations of project implementation should be adjusted to account for limited experience, expertise, and technical capacity. Accurate acknowledgment of in-country capacity development requirements is necessary to ensure that projects do not exceed the capacity of the country’s agencies, in both expertise and institutional capacity.</td>
</tr>
<tr>
<td>Georgia, 2014–2018 a</td>
<td>2019</td>
<td>ADB prepared knowledge products such as sector assessments for the urban, transport and energy sectors. It prepared a policy brief on gender-related transport policy.</td>
</tr>
<tr>
<td>Kyrgyz Republic, 2013–2017 a</td>
<td>2018</td>
<td>ADB provided significant support for knowledge solutions, especially in ICT. ADB also supported analytical work on special economic zones, economic corridor development, and the regional growth impact of accession to the Eurasian Economic Union.</td>
</tr>
<tr>
<td>Uzbekistan, 2012–2016</td>
<td>2018</td>
<td>Some useful knowledge products were prepared during the CPS period. A knowledge strategy could have guided the CPS and facilitated a prioritized and timely delivery of knowledge products for project design and dialogue purposes.</td>
</tr>
<tr>
<td>Solomon Islands, 2012–2016</td>
<td>2017</td>
<td>A knowledge strategy would have guided the CPS and prioritized the timely delivery of knowledge products for project design and dialogue purposes. Many studies undertaken through TA and regional TA projects helped to improve knowledge sharing and to enhance capacity building efforts.</td>
</tr>
<tr>
<td>Philippines, 2011–2016</td>
<td>2017</td>
<td>There was only a loose connection between lending and technical assistance, which could be attributed in part to the late preparation of the country knowledge plan (in 2016). Increased knowledge sharing was noted during the last half of the CPS period.</td>
</tr>
<tr>
<td>Kazakhstan, 2012–2016 a</td>
<td>2017</td>
<td>Knowledge was the only cross-cutting theme considered satisfactory. Four studies were completed under Phrase 1 of the Knowledge and Experience Exchange Program, which was jointly financed by ADB and the government. ADB organized workshops for</td>
</tr>
</tbody>
</table>
improving government capacity. Recommendations from ADB studies have been used in government policies and will likely help increase the government’s level of knowledge-based policy making into the near future. However, the knowledge products were not widely shared.

Mongolia, 2012–2016

2017 Many TA projects and activities contributed to knowledge development: 80% of TA approved after 2012 was for either capacity development or for policy and advice. ADB’s efforts to update sector strategies and master plans for transport in 2015, energy in 2013, and education in 2009 were valuable. Even if none of these was adopted formally by the government, they have been actively used by the government and by ADB’s development partners.

Viet Nam, 2012–2015

2016 ADB used knowledge solutions to explore areas of ADB support through a country knowledge plan in 2013. Some of the knowledge products supported dialogue and collaboration between the government and development partners.

Lao PDR, 2012–2016

2016 ADB’s knowledge products were effective and were used to support the government’s preparation of the seventh and eighth National Socio-Economic Development Plans. The resident mission and ERCD updates provided useful analysis for the national macroeconomic sector working group.

Bangladesh, 2011–2015

2016 The evidence for thematic achievements, including knowledge management, suggests partial success.

ADB = Asian Development Bank, CPS = country partnership strategy, ERCD = Economic Research and Regional Cooperation Department, ICT = information and communication technology, PNG = Papua New Guinea, PRC = People’s Republic of China, PSM = public sector management, TA = technical assistance.

Source: Independent Evaluation Department

C. IED Special Evaluation Study on Knowledge Products and Services

14. In 2012, IED provided a mixed review of ADB’s accomplishments in meeting the expectations in the Knowledge Management Framework, 2004. The report found that ADB had recognized developing member countries’ demands for more than financial support and had taken some steps, strategically and organizationally, to address this growing demand. Identification of country-level knowledge needs remained a vital gap, especially considering rapid changes in many ADB DMCS.

15. An external review of publications conducted by a panel of experts found that the quality of publications showed room for improvement. To review the quality of ADB knowledge products, IED organized an independent external review panel of nine distinguished members to evaluate the quality of a sample of 85 ADB knowledge publications of various types and topics published during 2008–2011. Publications were reviewed and assessed according to five major criteria: relevance, policy applicability, clarity and focus of analysis, quality of analysis and level of knowledge, and value-addition of flagship s. Of the 85 publications reviewed just under one-third (29%) were rated generally good- to high-quality, i.e., 4.5 or higher); about one-tenth were rated poor-quality (below 3.0). The majority were rated generally satisfactory.

16. In recent years, ADB has increased the number of knowledge products it produces. The results of the external review panel suggested that, while the relevance of the publications had generally been high, characteristics such as policy applicability and quality of analysis could be significantly improved. Overall, much more could be done to reduce the number of poor-quality publications. The panel further advised ADB to sharpen the policy guidance and advice of knowledge publications and to follow good practices for policy advice, including clearly laying out options and discussing the advantages and disadvantages of each.
While ADB’s KPS have grown substantially, there was widespread concern about the multiplicity of approaches without sufficient coherence, coordination, or consideration of whether they fulfilled the priority needs of the region. ADB’s approach was not systematic and there were shortcomings in its approach to knowledge management:

(i) gaps in the identification of country-level knowledge needs, impeding ADB’s response to changes in the physical and financial environment;
(ii) varied performance and effectiveness of the communities of practice, with some taking a leading role in providing knowledge leadership while others were inactive; ¹
(iii) an inadequate system for assessing the quality and impacts of formal KPS;
(iv) limited dissemination of tacit knowledge, preventing ADB from taking advantage of its existing stock of knowledge;
(v) weak coordination across departments, and between headquarters and field operations; and
(vi) an absence of high-level strategic guidance, direction, and ownership, particularly on prioritization.

A summary of the evaluation’s recommendations, management’s response, and IED’s assessment of actions taken to address the recommendations of the evaluation is presented in Table A2.2.

Table A2.2: Summary of Recommendations, Management Response, and IED Assessment

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Management Response</th>
<th>IED’s Assessment of Implementation of Recommendations</th>
</tr>
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<tbody>
<tr>
<td>Improve the incentive structures to better reward staff doing knowledge work, i.e., learning, and knowledge identification, generation, sharing, and use. Create a culture that embraces knowledge work through the endorsement of knowledge agenda and priorities at the highest level through a policy or a strategy.</td>
<td>At ADB, both the operational departments and specialized knowledge units are knowledge centers within the organization. Starting in 2013, all departments and offices will define a knowledge-related agenda/program in their unit-wide and relevant staff annual work plans.</td>
<td>Fully Implemented. IED concurred with Management’s self-assessment that the 2004 Knowledge Management Framework and knowledge management action plan, 2009–2011 sufficiently addressed the evaluation’s recommendation that ADB should create a culture that embraces knowledge work. The subsequent knowledge management action plan, 2013-2015 confirmed that the action plans were being sustained. IED also noted that knowledge sharing had been included as one of the categories in the rewards and recognition program.</td>
</tr>
<tr>
<td>Improve enabling technologies, particularly for knowledge storage, retrieval, and sharing. This could take the form of a direct knowledge hotline or help desk or more policy briefs with quick take-away messages.</td>
<td>Under the draft Information Systems and Technology Strategy III, the Knowledge Solutions Program would codify ADB’s explicit knowledge including economic, sector, and thematic information, as well as enable collaboration platforms for free flow of ideas, both within ADB as well as with DMCs.</td>
<td>Largely implemented. IED concurred with Management’s self-assessment and noted that a number of databases had been put in place (such as Development Asia, K-Nexus, implementation of O365 and use of SharePoint, cloud technology, conversion of publications to e-reader friendly format) while other were ongoing. It noted that ADB’s ICT architecture was being upgraded.</td>
</tr>
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</table>

¹ Communities of practice were informal networks of ADB staff recognized as technical leaders in their sectors or thematic areas. In 2012, ADB had 15 communities of practice. Communities of practice were replaced by STGs in 2015.
<table>
<thead>
<tr>
<th>Recommendations</th>
<th>Management Response</th>
<th>IED’s Assessment of Implementation of Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthen knowledge needs identification by expanding successful approaches undertaken by regional departments, preparing country-specific knowledge plans, and coordinating effectively with key partners to avoid duplication of knowledge efforts.</td>
<td>ADB’s knowledge solutions must be client-led. Under the new action plan, ADB’s operations cycle in DMCs will be the principal context and basis for planning and implementing ADB’s knowledge solutions.</td>
<td>Partly implemented. IED found that country knowledge plans were adequate in providing information on the gaps, scope, collaboration and allocations, among others, but observed that it was unclear how the country knowledge plans cover the knowledge work of knowledge departments and progress on proposed action on adaptation and use of global knowledge.</td>
</tr>
<tr>
<td>Strengthen knowledge sharing by better capturing and sharing tacit knowledge across DMCs through South–South cooperation, and through increased use of social interaction processes, through CoPs, training, and social media.</td>
<td>Strengthening of knowledge sharing is the key mandate of the ADB’s Knowledge Sharing and Services Center (KSSC). The KSSC supports the operations departments and communities of practice to distill and synthesize ADB’s explicit and tacit knowledge with knowledge solutions and other operations in the region as well as from development partners and other external sources. The KSSC also assists the operations departments to strengthen knowledge management in DMCs.</td>
<td>Largely implemented. IED noted that good progress had been made on most actions (such as on South–South knowledge sharing and engaging with centers of excellence) but noted insufficient information on strengthening engagement with other development partners.</td>
</tr>
<tr>
<td>Strengthen knowledge use through dissemination of knowledge products and services providing easy-to-access on-time information and using specific feedback mechanisms to gauge client satisfaction.</td>
<td>The ADB KSSC will help develop an information and communications technology-based knowledge platform for recording, storing, retrieving, and sharing knowledge within and outside ADB and co-create knowledge with external peers, including the preparation of knowledge briefs on specific development topics.</td>
<td>Largely implemented. IED noted the approval in 2014 of TA to establish the K-Portal as knowledge sharing platform, completion of a feedback loop in the form of a top task survey, and the Department of External Relations launch of an open access repository in February 2015 containing ADB scholarly publications. The K-Portal was a pilot version of the current DevAsia website.</td>
</tr>
<tr>
<td>Prepare a knowledge management strategic directions document building on ongoing work in this respect and incorporating the recommendations in the evaluation and prioritize key areas of focus. Linked to this recommendation is the need for a medium-term knowledge management action plan, addressing the gaps and constraints identified in this evaluation</td>
<td>ADB is already well advanced on this recommendation. Under the knowledge management action plan, 2009–2011, ADB established a comparatively advanced architecture for evolving ADB’s knowledge solutions. Since 2012, ADB has been formulating a new knowledge management strategic directions and action Plan. Management foresees ADB to work closely with DMCs to develop, implement, and evaluate knowledge solutions; to combine or relate ADB’s knowledge solutions to its investment operations; and to build “signature” knowledge areas.</td>
<td>Fully implemented. IED noted that the knowledge management action plan, 2013-2015 has been approved and implemented, but that the knowledge results framework that had been developed was not used.</td>
</tr>
</tbody>
</table>

ADB = Asian Development Bank, CKP = country knowledge plans, DMCs = developing member countries, IED = Independent Evaluation Department, KSSC - Knowledge Sharing and Services Center, TA – technical assistance.

Source: Independent Evaluation Department.
APPENDIX 3: TOWARDS A TAXONOMY OF KNOWLEDGE SOLUTIONS

1. The concept of knowledge solutions is broad, which complicates efforts to create a taxonomy. Given the many different forms that a knowledge solution can take, it is not straightforward to develop a single list of ADB’s knowledge offerings. Nevertheless, a knowledge taxonomy is a useful way of identifying the relationships among a wide range of items, both to organize what is known and to identify knowledge gaps. The taxonomy presented here aims to answer three questions. (i) What is the purpose of the knowledge solution? (ii) How is it delivered to the beneficiary? and (iii) Who is the beneficiary? These questions reflect the general approach that ADB uses to classify its products and services. Figure A3.1 identifies the likely responses to these questions in the ADB context. These are not the only way to organize knowledge solutions; alternative taxonomies may focus more on knowledge management aspects, such as where knowledge is stored and how easy it is to find it.

![Figure A3.1: Characteristics of a Knowledge Solution](image)

2. ADB offers a wide range of formal knowledge products and services (KPS). ADB has developed several different classifications of its formal KPS, focusing on those that are reported to the Board of Directors. These products and services are considered official corporate products of ADB. Table A3.1 details the official KPS that are reported to the ADB Board. ADB only reports a knowledge solution to the Board if ADB has formal participation in it and some form of editorial control. In other words, ADB staff collaboration with other organizations is generally not reported to the Board.

![Table A3.1: Knowledge Products and Services Reported to the Board](table)

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1 A taxonomy is a classification scheme that groups related items together.

3. **ADB’s range of knowledge solutions cover a wide range of products and activities.** Within ADB, most classifications of knowledge solutions are based on how the solution is delivered to its beneficiary. Table A3.2 presents a proposed taxonomy of ADB and ADBI knowledge solutions. The table was compiled from a list of official KPS as well as from other guidelines and common ADB practices. The classification includes the contribution of ADB staff to the products and activities of other organizations; for example, when an ADB staff member participates in an external conference or writes an article in an external journal.

4. **Tacit knowledge plays a major role in producing ADB knowledge solutions.** While most of the knowledge solutions in Table A3.2 are explicit, tacit knowledge plays a major role in their preparation. For example, blogs and workshops are important ways to document and share knowledge. Even the tacit knowledge contained in policy dialogue can be captured in aide mémoire or similar. At the same time, it takes effort to document tacit knowledge. For example, a public sector loan may be built upon the tacit knowledge of staff and consultants. However, without a system to capture this tacit knowledge, it will be lost.

### Table A3.2: Taxonomy of ADB Knowledge Solutions

<table>
<thead>
<tr>
<th>Categories</th>
<th>Major Types</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Publications</strong></td>
<td>• Flagships studiesa</td>
<td>Traditional forms of publications, in the form of books, papers, and articles. ADB has editorial control for products reported to the Board and provides quality assurance. ADB does not officially report its contributions by its staff to the publications of other organizations. However, staff generally require permission from a manager to make such a contribution. While many of these documents are available online, their layout follows that of traditional publications.</td>
</tr>
<tr>
<td></td>
<td>• Signature productsa</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Technical studies and special reportsa</td>
<td></td>
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<td></td>
<td>• Working papersa</td>
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<td></td>
<td>• Policy briefsa</td>
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<td></td>
<td>• ADB journals</td>
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<td></td>
<td>• Journal articles</td>
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<td></td>
<td>• Evaluation documents</td>
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<tr>
<td><strong>Events</strong></td>
<td>• Flagships eventsa</td>
<td>ADB-organized events and other events where ADB participates. Many of these are organized as part of official operations missions.</td>
</tr>
<tr>
<td></td>
<td>• Signature eventsa</td>
<td></td>
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<tr>
<td></td>
<td>• Conferences and forums</td>
<td></td>
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<tr>
<td></td>
<td>• Seminars and workshops</td>
<td></td>
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<tr>
<td><strong>Web content</strong></td>
<td>• Blogs</td>
<td>Many such products are available only online, typically with a design that takes advantage of the digital format.</td>
</tr>
<tr>
<td></td>
<td>• Social media content</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Web content</td>
<td></td>
</tr>
<tr>
<td><strong>Traditional media</strong></td>
<td>• Editorialsa</td>
<td>ADB distinguishes traditional media, such as newspapers and magazines, from online media.</td>
</tr>
<tr>
<td></td>
<td>• Articles</td>
<td></td>
</tr>
<tr>
<td><strong>Training and capacity building</strong></td>
<td>• Operations training</td>
<td>ADB carries out capacity building and training for DMC counterparts and stakeholders, its own staff, and the general public.</td>
</tr>
<tr>
<td></td>
<td>• Technical training</td>
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<td></td>
<td>• General skills training</td>
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<tr>
<td></td>
<td>• Scholarships</td>
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<tr>
<td><strong>Tools</strong></td>
<td>• Databases</td>
<td>ADB generates useful materials for a variety of users and purposes.</td>
</tr>
<tr>
<td></td>
<td>• Toolkits</td>
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<tr>
<td></td>
<td>• Training materials</td>
<td></td>
</tr>
<tr>
<td><strong>Meetings</strong></td>
<td>• “Brownbag” and informal discussions</td>
<td>Internally, ADB organizes informal meetings to share knowledge and experience. The primary audience is staff and consultants.</td>
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<td>• Sector and thematic group meetings</td>
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<td></td>
<td>• Formal or informal meetings and discussions with DMCs</td>
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<tr>
<td><strong>Corporate process and documents</strong></td>
<td>• Back-to-office reports and note-to-file</td>
<td>ADB generates and stores internal documents to inform ADB and to fulfill administrative requirements. These documents are important means of recording and codifying tacit knowledge.</td>
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<tr>
<td></td>
<td>• Aide memoire</td>
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<tr>
<td></td>
<td>• Project documents (consultant reports, feasibility studies)</td>
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<tr>
<td><strong>Embedded knowledge solutions</strong></td>
<td>• Policy dialogue</td>
<td>ADB delivers much of its knowledge through its other products. Knowledge increases the value addition of ADB’s support.</td>
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<tr>
<td></td>
<td>• Policy-based loans</td>
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<td>• Investment loans</td>
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<td></td>
<td>• Private sector operations</td>
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</table>

ADB = Asian Development Bank, DMC = developing member country.  

a Reported to the Board.  

Sources: Asian Development Bank internal memos and Independent Evaluation Department.