



Completion Report

Project Number: 48210-001
Technical Assistance Number: 8664
June 2016

Regional Cooperation and Integration Knowledge Platform on Economic Productivity

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TA Number, Country, and Name: TA 8664-REG: Regional Cooperation and Integration Knowledge Platform on Economic Productivity			Amount Approved: \$225,000 Revised Amount: N/A	
Executing Agency: Asian Development Bank (ADB)		Sources of Funding: TASF V	Amount Undisbursed: \$61,558.05	Amount Utilized: \$163,441.95
TA Approval Date: 9 June 2014	TA Signing Date: N/A	Fielding of First Consultant: 9 August 2014	TA Completion Date Original: 31 May 2015 Actual: 30 April 2016	
			Account Closing Date Original: 31 May 2015 Actual: 31 May 2016	
Description				
<p>At the Asia-Europe Meeting in 2012, the German Finance Minister requested ADB to undertake a comparative study on Asia-Europe experience in regional cooperation and financial integration—one of ADB’s key strategic pillar, as indicated in ADB’s midterm review of Strategy 2020.¹ This technical assistance (TA) project was implemented in response to the request to generate knowledge products on regional cooperation and integration (RCI) initiatives which are more responsive to the structural reform challenges of productivity, inequality and vulnerability faced by developing member countries.</p>				
Expected Impact, Outcome, and Outputs				
<p>The TA was expected to contribute to the delivery of RCI strategy by spurring trade- and productivity-driven growth via increased awareness of contribution of RCI knowledge platforms and instruments (such as skill development for innovation) to productivity growth and welfare distribution.</p> <p>The TA envisioned to (i) review the existing literature and available regional experiences in Asia and Europe to complement existing knowledge; (ii) conduct comparative study on the emergence and evolution of RCI in Asia (focused on ASEAN) and Europe, and evaluate how lessons from the buildup of European knowledge platforms to strengthen RCI-driven structural reforms may be relevant to Asia’s bottom-up process of RCI; (iii) review different RCI knowledge platforms and tools in Asia and those in Europe which may be relevant to Asia to develop best practices designed to reap productivity gains in regionally integrated markets through innovation and related skills development, and maximize resultant welfare benefits; (iv) develop benchmark indicators for RCI knowledge platforms to promote trade driven productivity gains based on dialogue with think tanks in the region and European Union policy makers; and (v) draft a final publication to serve as a background paper for the 2014 Asian RCI roundtable conference in November 2014, to be finalized based on consultations by December 2014.</p>				
Delivery of Inputs and Conduct of Activities				
<p>Selection and engagement of consulting services under the TA have been carried out in accordance with ADB’s guidelines on the procurement and the use of consulting services.² Actual consulting services inputs were about 8.5 person-months for international consultants, and about 3 person-months for national consultants. The Project officer has successfully rated all the consultants engaged. Two minor changes in implementation arrangements were made to increase the consultants’ inputs mainly to conduct additional econometric exercises and further in-depth analyses, and to strengthen the initiative of developing the benchmarks and indicators. The TA was extended twice to accommodate the publication process and preparation of activities for the 2016 ADB Annual Meeting in Frankfurt in May.</p> <p>The inception seminar was held in June 2014 in Brussels. With its theme, Decentralized Knowledge Platform and Tools for Smart Specialization and Skill-based Innovation, the seminar provided a venue to present the current state of theoretical and applied research on the theme. To examine skill-based innovation and knowledge platforms in Europe and Asia, field investigations and interviews in Latvia and Lithuania for the Europe region; and Bangkok, Ho Chi Minh City, Urumqi and Kunming for Asia region, were conducted and completed by early November 2014. Also, two workshops were held to study the emergence and evolution of RCI in Europe and Asia—with focus on ASEAN.</p> <p>To study the RCI in Asia (ASEAN), ADB and the Institute of Southeast Asian Studies (ISEAS) convened a High-Level Workshop on “The Evolving Nature of ASEAN’s Economic Cooperation: Original Vision and Current Practice”. Well-known academics and policymakers from ASEAN were invited to write papers on the original motivations for ASEAN, its evolution over time, and options for moving forward. The workshop consisted of two separate events: (i) a kick-off meeting on 14–15 August 2014 at ADB headquarters, to discuss the outline of the papers; and (ii) a final workshop at ISEAS in Singapore on 9–10 October 2014, where the final papers were presented and discussed. A</p>				

¹ ADB. 2008. Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020. Manila.

² Engagements of consultants were done in a timely manner using the consultants' qualification selection (CQS) and single-source selection (SSS) methods.

book consisting of the papers will be published by ADB-ISEAS.

Another workshop was held at ADB headquarters on Computational General Equilibrium modeling of value-added based trade flows between the Greater Mekong Subregion (GMS) countries and the rest of the world. Based on the dialogue with think tanks, government, and private sector representatives in the GMS region and in the Baltic Sea Region in Europe, a set of indicators were identified to benchmark indicators for RCI knowledge platform development to promote trade driven productivity gains. In April 2016, the TA's study on "Innovation Networks and the New Asian Regionalism—A Knowledge Platform on Economic Productivity" was co-published with Edward Elgar Publishing. The said study was used as background paper and disseminated during the May 2016 ADB Annual Meeting in Frankfurt. To record all the literature reviewed, a digital database was also established.

Evaluation of Outputs and Achievement of Outcome

The book on RCI knowledge platforms was published as planned.³ In addition, a background study on "Trade and Investment (FDI) Cooperation between Asia and Europe" was prepared for the 2016 ADB Annual Meeting. Although the TA's study was not completed in time for the RCI roundtable conference in November 2014, the key findings of the studies were disseminated and discussed in a wider audience during the 2016 ADB Annual Meeting in Frankfurt.

Overall Assessment and Rating

Overall, the TA was successful in achieving the expected outcomes and delivering expected outputs. Despite delays in the delivery of the TA's outputs, the TA was able to efficiently use its funds and was ultimately successful in achieving the key objectives and activities. The TA produced a research study that contributed to stimulating robust discussions within and outside the region. The TA identified the key drivers of integration of national markets, describes relevant sub-regional experiences, and delivered a roadmap together with benchmark indicators for implementation of regional knowledge platforms and tools.

Major Lessons

There are two major lessons from this TA. The first highlights the importance of working with experts who not only have the technical expertise necessary to produce quality research work, but also the stature to provide high-level policy and strategic advice to policymakers. The second lesson underscores the importance of finding appropriate avenues for disseminating research findings and reaching policymakers.

Recommendations and Follow-Up Actions

Benchmarking for indicators for RCI knowledge platforms in Asia need sustainable updating in regional comparisons and fora. This may be operationalized in the new RCI operational plan.

TA = technical assistance.

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³ <http://www.e-elgar.com/shop/innovation-networks-and-the-new-asian-regionalism>