# **Regional: Unlocking Innovation for Development**

| Project Name   | Unlocking Innovation for Development   |  |  |  |  |  |
|--|--|--|--|--|--|--|
| Project Number   | 49242-001  |  |  |  |  |  |
| Country  | Regional   |  |  |  |  |  |
| Project Status   | Active   |  |  |  |  |  |
| Project Type / Modality of<br>Assistance                         | Technical Assistance   |  |  |  |  |  |
| Source of Funding /<br>Amount                                    | TA 9017-REG: Unlocking Innovation for Development  |  |  |  |  |  |
| Amount   | Technical Assistance Special Fund US\$ 5.00 million  |  |  |  |  |  |
| Strategic Agendas  | Inclusive economic growth  |  |  |  |  |  |
| Drivers of Change  | Knowledge solutions<br>Partnerships  |  |  |  |  |  |
| Sector / Subsector   | Education - Pre-primary and primary<br>Finance - Inclusive finance<br>Health - Health care finance<br>Transport - Road transport (non-urban)<br>Water and other urban infrastructure and services - Other urban services - Urban sanitation  |  |  |  |  |  |
| Gender Equity and<br>Mainstreaming                               | Some gender elements   |  |  |  |  |  |
| Description  | The midterm review of the Asian Development Bank's (ADB) long-term strategic framework<br>acknowledges that to maintain and sustain growth in Asia and the Pacific, regional economies need<br>greater innovation and inclusiveness. In ADB's context, innovation is finding new ways for ADB to serve<br>and address development challenges in its developng member countries. ADB has undertaken<br>innovations in several areas including climate proofing for transport, bus rapid transport system,<br>inclusive financial solutions, unified multi-purpose identification system for government, community<br>eCenters, and building greener cities among others. In various instances, innovations tended to be one-<br>off interventions and very few have attempted to replicate these on a broader scale. In this context, the<br>proposed cluster regional research and development technical assistance (RDTA) with an<br>implementation period of 5 years, will catalyze and establish a bank-wide mechanism for ADB's regional<br>departments and private sector operations department to implement grant and loan financed pilot<br>initiatives more flexibly. Through selected proposals the RDTA will demonstrate mechanisms for piloting<br>replicating, and scaling up innovation, and ways to measure how these deliver results. |  |  |  |  |  |
| Project Rationale and<br>Linkage to<br>Country/Regional Strategy | The RDTA draws on ADB's previous experience and that of its development partners such as Australia, Canada, USAID, and World Bank, to develop a robust mechanism for providing small grants that demonstrate path breaking solutions to development challenges. It also attempts to respond to the demand from development partners, using ADB-supported projects to catalyze the ability of ADB to replicate, scale up, and mainstream innovation. These efforts align further with ADB's midterm strategie focus to unlock innovation in project, process and human resource practices. The RDTA will support cross cross-sector knowledge activities in the work programs of the ABD's Sector and Thematic groups that would stimulate innovative knowledge solutions that could deliver smarter outcomes through ADB operations departments in the DMCs.   |  |  |  |  |  |
| Impact   | The TA is aligned with capacity of DMCs to solve development problems using innovative solutions strengthened.   |  |  |  |  |  |

# **Project Outcome**

| Implementation Progress  |  |  |  |  |
|--|--|--|--|--|
| Progress Toward Outcome  |  |  |  |  |
| Description of Outcome ADB loans and grants supporting scaled-up innovative solutions in DMCs incr |  |  |  |  |

| Status of Implementation Progress       Status of Implementation:         (Outputs, Activities, and Issues)       Status of Implementation of the five activities towards achievement of the outputs are ongoing with no major issues, except with PAK component of Activity 4 which has not started yet as it is struggling to get buy-in from counterpart government agency. <ul> <li>Activity 1 road safety operations. Achievement of the output 'implementation of at least two road safety projects supported ' is in progress. Consultant (IRAP) activities are ongoing. No major issues.             <ul></ul></li></ul> | Description of Project Outputs | <ol> <li>Cross-sector innovative solutions to address DMC development problems implemented</li> <li>Crowdsourcing platform for pilot-testing development solutions and business models<br/>implemented</li> </ol>  |
|--|--------------------------------|--|
|  |                                | <ul> <li>Output 1</li> <li>Implementation of the five activities towards achievement of the outputs are ongoing with no major issues, except with PAK component of Activity 4 which has not started yet as it is struggling to get buy-in from counterpart government agency.</li> <li>Activity 1 road safety operations. Achievement of the output 'implementation of at least two road safety projects supported ' is in progress. Consultant (iRAP) activities are ongoing. No major issues.</li> <li>Activity 2 urban transport operations. Achievement of the output 'design of at least three urban transport projects prepared ' is in progress. Consultant (ITDP) activities are ongoing. No major issues.</li> <li>Activity 3 INO basic delivery practices. Achievement of the output 'implementation cycle of supply-and-demand side innovations in at six districts consolidated ' is in progress. Consultant (RTI) activities are ongoing. No major issues.</li> <li>Activity 4 PHI graduation program. Achievement of the output 'graduation program in PHI to end poverty' is in progress. Consultant (BRAC US) activities are ongoing. No major issues.</li> <li>Activity 4 PAK graduation program. Achievement of the output 'graduation program in PHI to end poverty' has not started. No implementation activities yet. No buy-in yet from counterpart government agency.</li> <li>Activity 5 digital financial service systems. Achievement of the output 'roadmap developed to pilot a digital financial services system' on cloud-based technology is expected to commence with the engagement of Cantilan Bank. Activities of national and international consultants on non-cash payment activities are ongoing. No major issues.</li> <li>Output 2</li> <li>Achievement of the output 'database of potential innovation partners and good practices developed is in progress. Sector and thematic groups have been consulted on developer has been engaged to design the crowd sourcing platform for innovative solutions. No major issues.</li> </ul> |

**Geographical Location** 

#### Summary of Environmental and Social Aspects

| Environmental Aspects         |   |
|-------------------------------|---|
| Involuntary Resettlement      |   |
| Indigenous Peoples            |   |
| Stakeholder Communication     | , Participation, and Consultation   |
| During Project Design         |   |
| During Project Implementation | Output 1. Three activity team meetings have been held to date (Oct 2016; Jan 2017; and Mar 2017). Stakeholder communication and consultations have been held for Activity 1, Activity 2, Activity 3, Activity 4 PHI, and Activity 5. Output 2. Consultations have been conducted with SGs/TGs Technical Advisors; DG SDCC; OPR; and |
|                               | Youth for Asia. Several meetings have been held with the Output 2 innovation team.  |

#### **Business Opportunities**

Consulting ADB's Procurement Guidelines (2013, as amended from time to time) and Consulting Guidelines (2013, as amended from time to time) will be followed for all procurement and engagement of services financed by the TA. This requirement applies to pilot projects that include civil works, goods, consulting services, etc. Disbursements under the TA will be done in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time). The TA is expected to be implemented from November 2015 to December 2020.

Procurement The TA Executing Agency will be ADB through SDCC (specifically the Knowledge Sharing and Services Center) in close collaboration with all departments. It is possible that the pilot projects will be granted to knowledge partners who may operate as Implementing Agency, in which ADB will do due diligence, as per OSFMD Guidelines and the Integrity Due Diligence Guidelines. Indicative TOR will be developed for the centers of excellence, civil society organizations, and the private sector (research and development) who will be engaged to implement the pilots.

### **Responsible Staff**

| Responsible ADB Officer    | Edes, Bartlet W. |  |  |
|----------------------------|------------------|--|--|
| Responsible ADB Department | SDOD             |  |  |

| Responsible ADB Division | SDCC-KS   |
|--------------------------|---|
| Executing Agencies       | Asian Development Bank<br>6 ADB Avenue,<br>Mandaluyong City 1550, Philippines |

## Timetable

| Concept Clearance   | 30 Jun 2015                |
|---------------------|----------------------------|
| Fact Finding        | 28 Sep 2015 to 09 Oct 2015 |
| MRM                 | -                          |
| Approval            | 09 Dec 2015                |
| Last Review Mission | -                          |
| Last PDS Update     | 19 Apr 2017                |

### TA 9017-REG

| Milestones            |              |                  |             |         |        |  |
|-----------------------|--------------|------------------|-------------|---------|--------|--|
| Annyoval Signing Data |              | Effectivity Date | Closing     |         |        |  |
| Approval              | Signing Date | Effectivity Date | Original    | Revised | Actual |  |
| 09 Dec 2015           | -            | 09 Dec 2015      | 31 Dec 2019 | -       | -      |  |

| Financing Plan/TA Utilization |             |       |               |                 |        | Cumulative Dist | oursements  |              |
|-------------------------------|-------------|-------|---------------|-----------------|--------|-----------------|-------------|--------------|
| ADB                           | Cofinancing | Count | Counterpart   |                 |        | Total           | Date        | Amount       |
|                               |             | Gov   | Beneficiaries | Project Sponsor | Others |                 |             |              |
| 5,000,000.00                  | 0.00        | 0.00  | 0.00          | 0.00            | 0.00   | 5,000,000.00    | 09 Dec 2015 | 1,277,200.49 |

| Project Page            | https://www.adb.org/projects/49242-001/main                         |  |  |
|-------------------------|---|--|--|
| Request for Information | http://www.adb.org/forms/request-information-form?subject=49242-001 |  |  |
| Date Generated          | 06 July 2017  |  |  |

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