



Technical Assistance Report

Project Number: 51303-001
Knowledge and Support Technical Assistance (KSTA)
December 2017

Supporting Policy Research and Knowledge Exchange

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
PRC	–	People’s Republic of China
CPS	–	country partnership strategy
DMC	–	developing member country
KPS	–	knowledge products and services
TA	–	technical assistance

NOTE

In this report, “\$” refers to United States dollars.

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KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 51303-001	
Project Name	Supporting Policy Research and Knowledge Exchange	Department /Division	EARD/EAOD
Nature of Activity	Capacity Development, Policy Advice, Research and Development	Executing Agency	Asian Development Bank
Modality	Regular		
Country	REG (MON, PRC)		
2. Sector		ADB Financing (\$ million)	
✓ Public sector management	Public administration		0.20
Agriculture, natural resources and rural development	Agricultural policy, institutional and capacity development		0.06
Education	Education sector development		0.06
Energy	Energy sector development and institutional reform		0.06
Transport	Transport policies and institutional development		0.06
Water and other urban infrastructure and services	Urban policy, institutional and capacity development		0.06
	Total		0.50
3. Strategic Agenda		Climate Change Information	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
Environmentally sustainable growth (ESG)	Environmental policy and legislation		
Regional integration (RCI)	Pillar 2: Trade and investment		
4. Drivers of Change		Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development	No gender elements (NGE)	✓
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas		
Partnerships (PAR)	Knowledge sharing activities Civil society organizations Implementation Private Sector Regional organizations		
Private sector development (PSD)	Conducive policy and institutional environment		
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	No	Regional	High
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG17		
6. Risk Categorization		Low	
7. Safeguard Categorization			
Safeguard Policy Statement does not apply			
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.50	
Knowledge and Support technical assistance: Technical Assistance Special Fund		0.50	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		0.50	

I. INTRODUCTION

1. The knowledge and support technical assistance (TA) will serve as a facility for the Asian Development Bank (ADB) to respond expeditiously and efficiently to support the knowledge needs of Asia and the Pacific region (particularly East Asia) by developing strategic knowledge products focusing on policy development and policy advisory support.¹ Knowledge and advisory products will be developed in core sectors where ADB has lending operations and other essential areas where there is a demand and/or potential for ADB strategic policy assistance, and where ADB exhibits a comparative advantage. The policy development work under the TA may serve as inputs to overall policymaking and coordination, project development, sector development, and regional cooperation in issues and sectors consistent with ADB's country partnership strategies (CPSs) for the People's Republic of China (PRC) and Mongolia, especially those that align with the Sustainable Development Goals (e.g., Sustainable Development Goal 17: "Revitalize the global partnership for sustainable development").

2. The TA examines regional issues in core sectors in the PRC and Mongolia that align with the priorities identified in the CPSs for the PRC, 2016–2020 and Mongolia, 2017–2020. "Fostering knowledge cooperation" and "supporting institutional and governance reform" are ADB's strategic priorities in supporting the reform agenda of the Government of the PRC.² By recognizing knowledge solutions as powerful catalysts for propelling development in the PRC and enhancing this effect, ADB continues to support a more sustainable trajectory for the PRC's economy through knowledge-based solutions. The TA also aligns with ADB's country operations business plan for the PRC, 2017–2019, which encourages greater synergies between the lending program, TA program, and knowledge work to maximize the development impact of ADB initiatives in the PRC.³

3. On the other hand, the CPS for Mongolia, 2017–2020 supports investments, policy reforms, capacity building, and knowledge sharing to sustain inclusive growth in periods of economic difficulty.⁴ To achieve this, ADB hinges its operations on three strategic pillars: (i) promoting economic and social stability, (ii) developing infrastructure for economic diversification, and (iii) strengthening environmental sustainability. The CPS for Mongolia also identifies knowledge and innovation as a cross-cutting theme, with knowledge as an integral part of ADB operations and innovations in projects and business procedures. ADB's country operations business plan for Mongolia, 2017–2019 likewise reiterates the importance of knowledge operations on issues that relate to these three strategic pillars and cross-cutting themes.⁵

II. ISSUES

4. Policy research remains important for both the Government of the PRC and the Government of Mongolia. In the PRC, policy research is recognized as a priority requiring (i) a better appreciation of lessons from the experience of developed economies and other middle-income developing member countries (DMCs), and (ii) a deeper understanding of the constraints and conditions unique to the PRC. In Mongolia, the need for a forum in which government and nongovernment research institutes can discuss development constraints is evident. A deeper

¹ The TA first appeared in the business opportunities section of ADB's website on 16 November 2017.

² ADB. 2016. *Transforming Partnership: People's Republic of China and Asian Development Bank, 2016–2020*. Manila.

³ ADB. 2017. *Country Operations Business Plan: People's Republic of China, 2017–2019*. Manila.

⁴ ADB. 2017. *Mongolia, 2017–2020—Sustaining Inclusive Growth in a Period of Economic Difficulty*. Manila.

⁵ ADB. 2017. *Country Operations Business Plan: Mongolia, 2017–2019*. Manila.

appreciation of applied research methodologies could strengthen these institutes' contribution to policy analysis, which is in high demand.

5. Recognizing these knowledge needs, ADB approved regional TA (RETA) 6428 on 12 December 2007.⁶ Since then, this TA has served as a facility for ADB to respond quickly to requests from Mongolia and the PRC for knowledge products and services (KPS). The regional TA helped inform decisionmakers proactively on emerging strategic policy issues and disseminate research findings and knowledge more widely.⁷ The PRC's Ministry of Finance was particularly satisfied with the implementation of the requested core KPS, and expressed appreciation to ADB during the country programming missions and ADB knowledge management missions. Mongolia's Ministry of Finance also expressed its satisfaction with the policy research and the logistical support given to capacity-building projects. They noted that policymakers in the Office of the President and the Office of the Prime Minister were using KPS outputs.

6. While the regional TA was implemented well in general, and the majority of the KPS subprojects were rated *satisfactory*, its potential has not been fully taken advantage of. Lessons from the earlier knowledge-oriented facility-type TA indicate the need for more systematic logistics support in knowledge production to (i) coordinate and communicate better both internally and externally to ensure the quality of knowledge products, (ii) focus on value added and impacts, and (iii) disseminate knowledge effectively as it is generated.⁸

7. The PRC and Mongolia will need continued support for policy response from lessons learned in other economies. Knowledge production, discussion, and dissemination involving relevant sector experts from academia, governments, and policy institutions will cross-fertilize ideas across groups and disciplines, and help disseminate outcomes to broader audiences.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

8. The TA is aligned with the following impact: effective economic policies, investment decisions, and project design in ADB's DMCs increased. The TA will have the following outcome: the quality of policy advisory and coordination in the PRC and Mongolia improved.⁹

B. Outputs, Methods, and Activities

9. **Output 1: Strategic, high-quality policy studies and publications on key regional development issues produced.** The TA will produce knowledge products to formulate effective policy options and disseminate these in various forms to maximize the impacts of the knowledge products. At least five strategic policy studies on key regional development issues will be published, and one regional workshop will be held. The TA will encourage close consultation with

⁶ ADB. 2007. Technical Assistance for Supporting Strategic Knowledge Products and Research Networking. Manila.

⁷ The TA completed seven knowledge products. Three more products are being processed, and will be published in 2017. In addition, the TA financed various reports and logistic services, such as the translation, typesetting, and printing of various knowledge products.

⁸ ADB. 2013. *People's Republic of China: Facility-Type Technical Assistance*. Manila. This study notes that "introducing facility-type TA in middle-income country contexts increases goodwill for the wider ADB country portfolio. In the PRC, the view of knowledge as a product, and the consciousness of the costs embedded in knowledge production, enhance the prospects for the further development. ADB should consider formalizing a discussion on knowledge products and services strategy in the annual country programming review exercises."

⁹ The design and monitoring framework is in Appendix 1.

the governments of the PRC and Mongolia, as well as other stakeholders in ADB's DMCs, and will be flexible in selecting topics for policy development and advisory work during TA implementation. The criteria for considering KPS proposals will include (i) a sound understanding of existing knowledge in the area, ideally supported by actual achievement in the field; (ii) feasibility analyses of data and material availability; (iii) clear ideas of expected impacts and dissemination activities; and (iv) assurance that the proposed topic is relevant and has implications in more than one country in the region.

10. Output 2: Awareness of the findings of policy studies enhanced and disseminated.

Completed KPS will be uploaded to the ADB website, and launched and disseminated through ADB events, high-level strategic policy dialogues, and conferences, in both English and local languages. The primary mode of dissemination is digital publication, although printed publications can also be used for targeted audiences (workshop participants, stakeholders with limited internet access, and as requested by the governments for inputs for consultations with stakeholders and policy inputs). The specific number of printed publications will be determined on a case-to-case basis. The TA will (i) build research capacity and knowledge base on issues relevant to Mongolia and the PRC by organizing learning forums with frontier experts; and (ii) will provide logistics support for high-level, knowledge-sharing events that facilitate strategic discussions of regional issues and policy matters facing the PRC and Mongolia, including these issues' impact on neighboring countries. These high-level strategic discussions will disseminate the KPS findings to targeted stakeholders, with the aim of contributing to policy discussions on emerging and important issues in Mongolia and the PRC. The TA will also provide logistics support to departmental knowledge products such as the East Asia Department Working Paper Series, Observations and Suggestions Policy Briefing Note series, and Quarterly Dialogue and Update. The TA will also work with ADB's Regional Knowledge Sharing Initiative program in the PRC by disseminating the publications and organizing the high-level discussions.

C. Cost and Financing

11. The TA is estimated to cost \$625,000, of which \$500,000 will be financed by ADB's Technical Assistance Special Fund (TASF 6). The key expenditure items are listed in Appendix 2. The governments will provide counterpart support in the form of counterpart staff, policy documents and guidelines, statistical data, information, office space, and other in-kind contributions.

D. Implementation Arrangements

12. ADB will administer the TA. The East Asia Department, Office of the Director General will select, supervise, and evaluate consultants; organize meetings; and provide staff to act as resource persons in the meetings. In consultation with the governments, the office, as executing and implementing agency, will review the proposed KPS initiatives, select KPS topics, advise on policy issues and research requirements, and help identify prominent scholars to carry out research in close consultation with experts from ADB's relevant departments.

13. A working group will be established for each subproject consisting of experts from both ADB and relevant external institutions. The working group members will prepare research products, peer review to ensure quality of the product, and disseminate the publications. The East Asia Department sector divisions will be consulted on the composition of the working group and identification of KPS topics.

14. **Consulting services.** As the TA will be designed to respond and support the knowledge needs of the PRC and Mongolia flexibly over a 5-year period (January 2018–December 2022), consulting services will be determined on a case-by-case basis for each activity.¹⁰ All consultants will be engaged in accordance with ADB’s Procurement Policy (2017, as amended from time to time) and the associated project administration and TA staff instructions.¹¹ Resource persons may be engaged to act as speakers and reviewers in conferences, workshops, and seminars. Proposals that provide honoraria to experts for KPS activities will use a competitive selection process acceptable to ADB whereby at least three individuals are evaluated according to their educational background and relevant experience. TA activities will be monitored, and reports will be made available through the ADB website.

Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	January 2018–December 2022		
Executing agency	Asian Development Bank—East Asia Department, Office of the Director General		
Implementing agencies	Asian Development Bank—East Asia Department, Office of the Director General		
Consultants	To be selected and engaged by the Asian Development Bank		
	Individual consultants selection (international)	13 person-months	\$155,000
	Individual consultants selection (national)	61 person-months	\$120,000
Disbursement	The technical assistance resources will be disbursed following ADB’s <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		

Source: Asian Development Bank.

IV. THE PRESIDENT’S DECISION

15. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$500,000 on a grant basis for Supporting Policy Research and Knowledge Exchange, and hereby reports this action to the Board.

¹⁰ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3). Consultants could be individuals or firms, and could include think tanks, academic institutions, research institutes, nongovernment organizations, and government research facilities.

¹¹ Lump-sum payments and/or output-based contracts for consulting services will be considered in line with the Midterm Review Action Plan Nos. 2.9.2. and 2.10.2.

DESIGN AND MONITORING FRAMEWORK

Impact the TA is Aligned with Effective economic policies, investment decisions, and project design in ADB's DMCs increased (project-defined).			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Outcome Quality of policy advisory and coordination in the PRC and Mongolia improved	By 2023 a. At least one policy recommendation using policy study findings adopted in Mongolia (2017 baseline: not applicable) b. At least two policy recommendations using policy study findings adopted in the PRC (2017 baseline: not applicable)	a. ADB TA semiannual progress reports b. ADB TA semiannual progress reports	Knowledge sharing among key stakeholders is not sustained due to shifting priorities.
Outputs 1. Strategic high-quality policy studies and publications on key regional development issues produced	By 2022 1a. At least five strategic policy studies on key regional development issues published (2017 baseline: not applicable)	1a. Annual progress reports	Data for some identified topics are limited. Experts in identified topics for policy studies are not available to be engaged as consultants.
2. Awareness of the findings of policy studies enhanced and disseminated	By 2022 2a. At least 100 downloads of EARD-produced policy studies in social media occur each year (2017 baseline: 55 downloads yearly) 2b. At least 30 participants from DMCs in a regional workshop have an improved understanding of policy findings (2017 baseline: not applicable)	2a. Annual ADB website statistics 2b. Evaluation and feedback questionnaires answered by participants	
Key Activities with Milestones 1. Strategic policy studies and publications on key emerging development issues 1.1 Identify topics for policy studies by Q2 2018. 1.2 Engage consultants to prepare the policy studies by Q3 2018. 1.3 Drafts being discussed by Q2 2019. 1.4 One regional workshop held by Q2 2022. 2. Awareness of the findings of the policy studies enhanced and disseminated 2.1 Upload completed knowledge products to the ADB website by Q3 2019. 2.2 Launch and disseminate knowledge products through ADB events, high-level strategic policy dialogues and conferences, and learning forums by Q4 2019.			
Inputs ADB: \$500,000 (TASF-6)			
Assumptions for Partner Financing Not applicable			

ADB = Asian Development Bank, DMC = developing member country, EARD = East Asia Department, TA = technical assistance.

Source: ADB.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	155.0
ii. National consultants	120.0
b. Out-of-pocket expenditures	
i. International and local travel	45.0
2. Printed external publications ^b	120.0
3. Training, seminars, workshops, forums, and conferences ^c	
a. Venue rental and related facilities	20.0
b. Participants	20.0
4. Contingencies	20.0
Total	500.0

Note: The technical assistance (TA) is estimated to cost \$625,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The governments will provide counterpart support in the form of counterpart staff, policy documents and guidelines, statistical data, information, office space, office supplies, and other in-kind contributions. The value of government contribution is estimated to account for 20% of the total TA cost.

^a Financed by ADB's Technical Assistance Special Fund (TASF 6).

^b Includes translation and editing costs, and other publication production process-related expenses.

^c Includes translation and interpretation costs.

Source: ADB estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=51303-001-TARreport>

1. Terms of Reference for Consultants