

**REVISED BANK KNOWLEDGE MANAGEMENT AND
DEVELOPMENT STRATEGY 2008–2012**

Summary of the Informal Board Discussion of the Knowledge Management and Development Strategy

I. General Comments

1.1 Board members welcomed the revised strategy, which addressed most of the issues raised in the previous discussion. In particular, Board members noted that knowledge management and development is a critical component of the Bank's activities. In this context, corporate ownership and responsibility in the implementation of the strategy was critical.

1.2 The Board members endorsed the four knowledge pillars and the three thematic areas that accompanied the pillars.

II. Detailed comments

2.1 In the revised submission, the document should address the disconnect between the log-frame in the Appendix and the work programme contained in Section 7 of the current document. [Section 7 and Annex I revised]

2.2 The log-frame requires further work, and should include time-bound, monitorable indicators and targets. This will make it easier to assess progress during the mid-term review. [*Time-bound quantitative indicators included in Annex I*]

2.3 To make the log-frame easier to read, the column showing the Risks and mitigating measure should be put as the last row. [*Annex I updated*]

2.4 The strategy should be clear on the resource requirements. It is not likely that the proposed work programme could be achieved with modest resources. The document should indicate alternative sources of financing. [*Section 10 updated*]

2.5 Maintaining a balance between operational relevance and visionary activities is critical. The document should show how we shall deepen sector knowledge within the Bank. It should also show how the dialogue with Field Offices feed back into the work of the institution. [*see sub-section 6.2*]

2.6 The document should show the link between the medium-term strategy (MTS) and the High Level Panel (HPL) report, especially with regards to the thematic areas. The KMD strategy should cover the same period as the MTS, while the ECON Work Programme should cover three years.

2.8 Figure II should reflect the broad areas that will be studied under each thematic priority.

2.9 Figure I, showing Bank staff participation in internal networks was also added.

African Development Bank African Development Fund



BANK KNOWLEDGE MANAGEMENT AND DEVELOPMENT STRATEGY 2008–2012

CHIEF ECONOMIST COMPLEX (ECON)

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ACRONYMS AND ABBREVIATIONS

ACR	African Competitiveness Report
ADB	African Development Bank
ADF	African Development Fund
ADR	African Development Report
ADRV	African Development Review
AEC	African Economic Conference
AEO	African Economic Outlook
AERC	African Economic Research Consortium
AFD	Agence Française de Développement
APPR	Annual Performance Portfolio Review
ASJ	African Statistical Journal
CHRM	Human Resources Management Department (CSVP)
CSPs	Country Strategy Papers
CSVP	Corporate Services Complex (ADB)
DP	Data Platform
EADI	African Development Institute (ECON)
ECON	Chief Economist Complex (ADB)
EDRE	Development Research Department (ECON)
ESTA	Statistics Department (ECON)
ESW	Economic and Sector Work
FNVP	Finance Complex (ADB)
FO	Field Offices
HR	Human Resources
IMF	International Monetary Fund
INWENT	Capacity Building International, Germany
JAI	Joint Africa Institute
KMD	Knowledge Management and Development
KMTF	Knowledge Management Trust Fund
KPI	Key Performance Indicator
KVRC	Knowledge and Virtual Resources Centre
MDGs	Millennium Development Goals
MIC	Middle Income Countries
NGO	Nongovernmental Organization
OECD	Organization for Economic Cooperation and Development
OIVP	Infrastructure, Private Sector and Regional Integration Complex (ADB)
OPEV	Operations Evaluation Complex (ADB)
ORPC	Operations Policy and Compliance Department (ORVP)
ORVP	Country and Regional Operations and Policy Complex (ADB)
OSVP	Sector Operations Complex (ADB)
RMC	Regional Member Countries (ADB/ADF)
RO	Regional Office
TFIR	Task Force for Institutional Reform
UNECA	United Nations Economic Commission for Africa
WB	World Bank
WEF	World Economic Forum

Executive Summary

1. Introduction and Rationale

1.1 Knowledge management is integral to the African Development Bank's mission and mandate as Africa's Premier Development Bank. To fulfil this key role, the Bank recognizes the importance of generating, mobilizing, sharing and applying knowledge. This is even more important, given the unique position where the Bank can combine knowledge and financial resources towards developing innovative solutions to complex development challenges.

1.2 An initial strategy for strengthening the Bank's role as a 'knowledge bank' was approved by the Board in March 2005, and covered the period until the end of 2007. The implementation of the strategy gained momentum following the 2006 institutional reforms that established a strengthened Office of the Chief Economist (ECON) charged with the responsibility of improving knowledge management and initiating a process to make the ADB a knowledge bank

1.3 The current strategy has been developed after taking into account the lessons learnt from the previous strategy, the resurgence of the African economy and the Bank's evolving priorities in view of the medium to long term outlook.

2. The ADB's Knowledge Vision and Goal

2.1 **The ADB's knowledge vision** is to be the '*Premier Knowledge Bank for Africa*', and as such, cement its role as a leading change agent for sustainable socio-economic development on the continent.

2.2 The overarching goal of the strategy is to enhance the development effectiveness of the Bank's operations and to establish the Bank as the leading knowledge bank on the continent.

2.3 The implementation of the knowledge management and development (KMD) strategy will seek to achieve two key strategic purposes and outcomes. The first is to *establish and entrench a "knowledge culture" within the Bank*, and the second is to *enhance the operational effectiveness of Bank interventions*. The former requires that the Bank takes steps to transform into an institution where knowledge can be effectively produced and used for purposes of improving quality at entry and achieving results on the ground. Enhanced operational effectiveness is expected to yield better designed and implemented CSPs and other projects identified via improved quality of entry ratings.

The strategy is anchored on four principles, namely, selectivity, relevance to the Bank's main business and to RMCs, value additions, and building strong partnerships.

3. Strategic Knowledge Pillars

3.1 Four strategic knowledge pillars have been identified.

3.2 The first pillar relates to *Knowledge generation for development effectiveness*, which is central to the operations of the Bank. The Bank will deepen its analytical capacity to bring to bear the insights of evolving development thinking on the specific challenges that African countries face. Therefore, the KMD strategy emphasizes the need for conducting selective studies intended to contribute towards improving the quality of Bank strategies and operations in RMCs. Also, a results measurement system is being put in place to ensure that Bank interventions benefit from reliable and timely data.

3.3 The second pillar relates to *Leveraging Knowledge through partnerships*. Noting that the Bank can not and does not need to conduct all the relevant research and knowledge generation in house, the KMD strategy will put emphasis on building partnerships and increasing collaboration with relevant external institutions, universities and think-tanks in Africa. Partnerships will be selected and rationalised on the basis of a shared common vision. A set of criteria will also be developed to support the regional research and capacity building institutions producing knowledge based regional public goods.

3.4 Third, the strategy seeks to *enhance knowledge dissemination and sharing* to ensure that knowledge created and leveraged through partners reaches end users. There are diverse users of knowledge and these include executive directors, vice presidents, staff and professionals in RMCs. Each group of these knowledge users will be reached by specific and well targeted products that satisfy different needs using a variety of communication media.

3.5 The fourth pillar is premised on *enhancing the application of knowledge* to strengthen operational and development effectiveness. A framework for a more systematic and pragmatic approach to assessing the likely or expected impact of Bank projects will be established.

4. Themes and Areas of Strategic Focus

4.1 The KDM strategy proposes three interrelated areas of focus for the next five years to support the four pillars. These thematic areas include poverty reduction and equity, enhancing the competitiveness and productivity of African economies, and improving the quality of institutions and economic management. Key activities and products generated from the focus areas include the Bank's flagship publications, Economic and Sector Work, data bases, analytical tools, training workshops, and technical assistance/support to research and capacity building institutions. These products and activities respond to the operational needs of the Bank, the Field Offices and the RMCs.

5. Expected Outputs

5.1 Through the implementation of the KDM strategy, it is expected that a knowledge culture will be established and entrenched within the Bank. Such a culture will result in operational effectiveness as knowledge is effectively applied. Moreover, the KDM strategy supports Bank operations by enhancing and implementing the management framework approved by the Board in 2006. This includes support for (i) diagnostics for improving quality at entry; (ii) ex-ante development impact assessments; (iii) measurement of results to ensure that Bank and RMC policies, strategies, and development programs are effective and informed by timely and reliable data; and (iv) capacity building to ensure improved project and program implementation.

6. Recommendation

6.1 ECON recommends that the Board approves this Knowledge Management and Development Strategy for the period 2008-2012.

Bank Knowledge Management and Development Strategy 2008–2012

1. Introduction and Context

1.1 The African Development Bank recognizes the critical role that knowledge plays in the development of Africa. Knowledge, among other things, empowers institutions, communities and individuals to plan and implement interventions and sustain the development process. Development finance institutions like the Bank generate, mobilize, share and apply knowledge. Indeed, this ability to combine knowledge and financial resources to solve complex development challenges gives these institutions a comparative advantage over others in providing development assistance. Knowledge and expertise also empower development finance institutions to be a ‘voice’ in providing intellectual leadership on key issues such as poverty, inequality and other development challenges and to serve as catalyst in mobilizing resources to developing regions.

1.2 Knowledge management is integral to the Bank’s mission and mandate as Africa’s premier development bank.¹ Knowledge includes strategic and applied research, statistical and data work, operational and field experiences, and networking and partnerships. It thus encompasses Bank activities that generate and share information and expertise within and outside the institution, and can be explicit (recorded) or tacit (unrecorded). Because most knowledge generated through experience (from operational activities, for example) tends to be tacit, the challenge for the Bank is to ensure that such knowledge is recorded, analyzed and shared.

1.3 This submission presents a Knowledge Management and Development (KMD) Strategy for the period 2008–2012 that builds on the 2005–2007 strategy and seeks to achieve the Bank’s knowledge vision. Cross-cutting and multidimensional, the strategy (i) institutionalizes a knowledge culture within the Bank; (ii) builds the Bank’s internal knowledge capacity to enhance its development effectiveness; (iii) strengthens the Bank’s presence and effectiveness as a voice in the development discourse; and (iv) mobilizes, shares and applies knowledge to empower RMCs.

2. The Bank’s Knowledge Vision

2.1 The Bank’s knowledge vision is to be the ‘premier knowledge bank for Africa’, and as such, cement its role as a leading change agent for sustainable socioeconomic development on the continent.

3. Rationale for a Knowledge Management Strategy

3.1 A critical component of the Bank’s lending function is the need to also act as the African voice on social and economic development issues. The requirement that the Bank maintain an ‘African character’ goes beyond the ownership and governance structure to include the manner in which the Bank speaks, takes positions on and responds to African challenges. Among pan-African institutions, the Bank occupies a unique position to speak

¹ See *The African Development Bank: A Knowledge Based Institution in the Service of Africa* (March 2006), the report of the Task Force for Institutional Reform (TFIR).

for Africa on issues of poverty, inequality and other development challenges. A strong African voice depends on improved knowledge management and use by the Bank.

3.2 The Bank's mandate is Africa, and because it is an African institution located on the continent and has staff with both a technical and indigenous knowledge of Africa, it is in a unique position to understand the region and its problems. The Bank has accumulated a wealth of information on what works and what does not work in Africa, although most of this knowledge has yet to be recorded, processed and shared.

3.3 This proposed KMD strategy reflects Africa's economic resurgence (the economic context) and the Bank's evolving priorities (the operations context). Its implementation will result in a deeper understanding of development challenges and enhance the effectiveness of Bank interventions. Also, as the Bank expands its private sector operations, it must clearly demonstrate the development impact of these projects on individual RMCs. This requires linking research, statistics and capacity-building activities to the Bank's mandate.

4. Past Experiences and Lessons Learned

4.1 Strategy Implementation Following the 2006 Institutional Reforms²

4.1.1 The implementation of the 2005–2007 knowledge strategy gained momentum following the 2006 institutional reforms that established a strengthened Office of the Chief Economist (ECON) charged with improving knowledge management and initiating a process to make the Bank a knowledge bank. The 2005–2007 knowledge activities were organized around five clusters: (i) poverty reduction and the Millennium Development Goals (MDGs); (ii) macroeconomic dynamics and growth; (iii) governance, institutions and public sector management; (iv) investment climate and competitiveness of African economies; and (v) regional integration and trade.³

4.1.2 The Development Research Department (EDRE) has been responsible for research disseminated through the Economic Research Working Papers series and four flagship publications, including the African Development Report (ADR), African Economic Outlook (AEO, in collaboration with the Organization for Economic Cooperation and Development [OECD] Development Centre), African Development Review (ADRv) and Africa Competitiveness Report (ACR, in collaboration with the World Economic Forum [WEF] and World Bank [WB]).

4.1.3 The Statistics Department (ESTA) has focused mainly on capacity building in response to the need for reliable and timely data. A data platform (DP), a web-based tool for analyzing and disseminating time-series information, including web-based tables, reports, charts and maps, was launched in 2007 to provide online access to current databases on African countries. Updated on a regular basis, the DP can be accessed and used by all bank staff to obtain current statistics. Statistical flagship publications include the African Statistical Journal (ASJ); Compendium of Statistics; Gender, Poverty and Environmental Indicators on African Countries; Selected Statistics on African Countries; and Comparative Outputs, Incomes & Price Levels in RMCs. These publications provide valuable statistical data and tools for enhancing development effectiveness.

² A comprehensive review of the Bank's knowledge activities was submitted as a Board information note on 14 July 2006.

³ See the *Strategy for Strengthening Research Capacity of the Bank Group and for Expanding Its Research Program*, approved by the Board in March 2005 and the *TFIR report The African Development Bank: A Knowledge Based Institution in the Service of Africa* (March 2006).

4.1.4 The African Development Institute (EADI) rolled out programs that focused on strengthening the capacity of RMCs to implement Bank projects. This was achieved through project implementation workshops and staff training workshops. In addition, the Bank regularly invites persons of high standing to participate in forums through the Eminent Speakers' Programme.

4.1.5 To reinforce its knowledge leadership role in Africa, the Bank launched an annual international African Economic Conference (AEC) in 2006 in collaboration with African Economic Research Consortium (AERC). The 2007 conference was organized with the United Nations Economic Commission for Africa (UNECA). The conference brings together participants from government institutions, academia, the private sector and nongovernmental organizations (NGOs) from Africa, Asia, Europe and the Americas to deliberate on topics related to Africa's growth and development challenges.

4.2 Lessons Learned from the 2005–2007 Strategy

4.2.1 Initial assessments of the 2005–2007 strategy provided valuable insights and input to the substance and focus of the 2008–2012 KMD strategy. Institutionalizing knowledge management and a knowledge culture throughout the Bank is crucial to realizing the organization's vision and its broader strategic objectives. Knowledge management is not the sole domain of any particular organizational unit—it cuts across all of them.

4.2.2 The 2005–07 strategy narrowly focused on research activities rather than knowledge and did not provide a framework for capturing knowledge generated outside the Bank. Dissemination of outputs was also weak and ad hoc. The Bank must build effective networks, both internally and externally, to better integrate knowledge into the organization's operations.

4.2.3 The Bank cannot be 'all things to all people'. It must be selective and focused in its KMD activities and build smart partnerships to leverage knowledge resources. The 2008–2012 KMD strategy seeks to build on the foundations of the past and align them for the future by focusing the Bank's knowledge management activities and strengthening partnerships through complementary activities.

4.2.4 To be successful, the KMD strategy must integrate research work and statistical data in all Bank interventions in RMCs. This effort requires ECON's participation in country teams and input into the preparation of Bank project and policy documents.

4.2.5 The 2005–2007 strategy was only partially implemented. This was partly due to lack of human and financial resources and mission creep. The strategy was also overtaken by the institutional reforms which put more emphasis on client-focused and results-oriented interventions in RMCs. Building a knowledge-based institution requires investments in skills, time and financial resources. As such, ECON will be proposing a Knowledge Management Trust Fund (KMTF) to strengthen research and capacity building within the Bank (see section 10.3).

5. The Knowledge Management and Development Strategy

5.1 KMD Strategic Goal and Objectives

5.1.1 The overarching goal of the KMD strategy is to enhance the development effectiveness of the Bank's operations and to establish the Bank as the leading knowledge bank on the continent.

5.1.2 In pursuing this goal, the KMD strategy aims to (i) conduct quality research on developmental challenges facing Africa; (ii) develop an efficient mechanism for sharing and using knowledge to enhance the Bank's operations and programs; (iii) emphasize the measurement of results in the Bank's operations and maintain relevant databases to monitor and evaluate the Bank's effectiveness; and (iv) create and leverage resources to support the generation, dissemination and use of knowledge in Bank policies and programs and RMCs. Included in this strategy is the need to create a strong voice for Africa, which requires improving the understanding of African development challenges and positioning the Bank as an advocate on those issues within Africa and internationally.

5.2 Purpose and Outcomes

5.2.1 The KMD strategy seeks to achieve the following:

5.2.2 *Establish and entrench a knowledge culture within the Bank.* Steps will be taken to transform the Bank into an institution in which knowledge can be effectively produced and used to improve quality at entry and achieve results on the ground. The Bank will encourage staff to use information technology to mainstream knowledge management and development, such as creating web-based knowledge portals and using the intranet to capture and share tacit knowledge.

5.2.3 *Enhance operational effectiveness.* Bank operations will be strengthened by enhancing and implementing the management framework approved by the Board in 2006. This includes support for (i) diagnostics for improving quality at entry; (ii) ex-ante development impact assessments; (iii) measurement of results to ensure that Bank and RMC policies, strategies and development programs are effective and informed by timely and reliable data; and (iv) capacity building to ensure improved project and program implementation. Enhanced operational effectiveness will yield better-designed and implemented country strategy papers (CSPs) and other projects identified via improved quality-at-entry ratings. ECON will work with country teams to identify and define further relevant indicators for assessing Bank interventions during and after implementation and provide baseline data to inform the design, implementation, monitoring and evaluation of future operations. Increased innovation and instruments for development will also enhance operational effectiveness. The magnitude and complexity of development challenges confronting the continent require the Bank to develop and package innovative solutions and products to assist its clients and stakeholders.

5.2.4 *Rationalize and expand external networks and partnerships through knowledge sharing.* Knowledge is one of the few assets that grow almost exponentially when shared. Through partnerships and networks, the Bank will discover and incorporate new ideas on development policy and practice. Therefore, the Bank will support internal networks and strengthen partnerships with external organizations based on shared vision and value addition. The strategy expects existing partnerships to result in the production of an

increased number of joint documents and events. The Bank will catalogue existing partnerships, develop a framework for assessing partnerships and create a database of external networks and partnerships.

5.2.5 A summary of the knowledge management results framework, which includes principal outputs and initiatives of the KMD strategy is provided in Annex 1.

5.3 Guiding Principles

5.3.1 The following principles will anchor Bank's knowledge activities:

Selectivity: Knowledge must be anchored on the Bank's strategic operational priorities and the development challenges facing its RMCs. Selectivity ensures that knowledge activities serve the priorities of the Bank and the RMCs.

Relevance: Knowledge must be responsive, policy-oriented and relevant, and inform decision making in RMCs and Bank operations. Relevance ensures that knowledge activities focus on issues and challenges faced by the RMCs.

Value addition: Knowledge must show innovation and add value to the Bank's work. Value addition ensures that research, statistical data and training are relevant for the Bank and enhance its development effectiveness.

Partnerships and cost-effectiveness: Knowledge generation and dissemination must explore opportunities for synergy and partnerships; be cost-effective and useful; be shared and disseminated through existing institutions and frameworks; and facilitate monitoring, evaluation, and assessment of development impacts.

5.4 Strategic Knowledge Pillars

Strategic Pillar I: Strengthen the generation of knowledge

5.4.1 Effective operations in the Bank depend upon the generation of research and data capture. The Bank enhances its financial assistance to RMCs through a thorough understanding of the critical challenges that African countries face, the main policy and structural constraints that impede their development and the internal and external factors that influence their economies. The Bank must deepen its analytical capacity to incorporate the insights of evolving development thinking on the challenges that African countries face.

5.4.2 The Bank's effectiveness in achieving development and reducing poverty in Africa depends primarily on its ability to improve the quality at entry of its development operations. To achieve optimal effectiveness, the Bank must undertake a thorough analysis of the main constraints, opportunities, challenges, and risks of its intervention options. Therefore, the KMD strategy emphasizes the need for conducting selective economic and social analyses to improve the quality of Bank strategies and operations.

5.4.3 Knowledge generation activities, especially research and capacity building must address the three focus areas discussed in section 5.5. Due to the evolving nature of global and regional challenges, however, KMD activities must also include emerging issues such as climate change and changing international development architecture.

5.4.4 To provide a comprehensive knowledge basis for development effectiveness, the KMD strategy recommends the continued production of knowledge materials such as flagship publications, policy and research studies, economic research papers and journals.

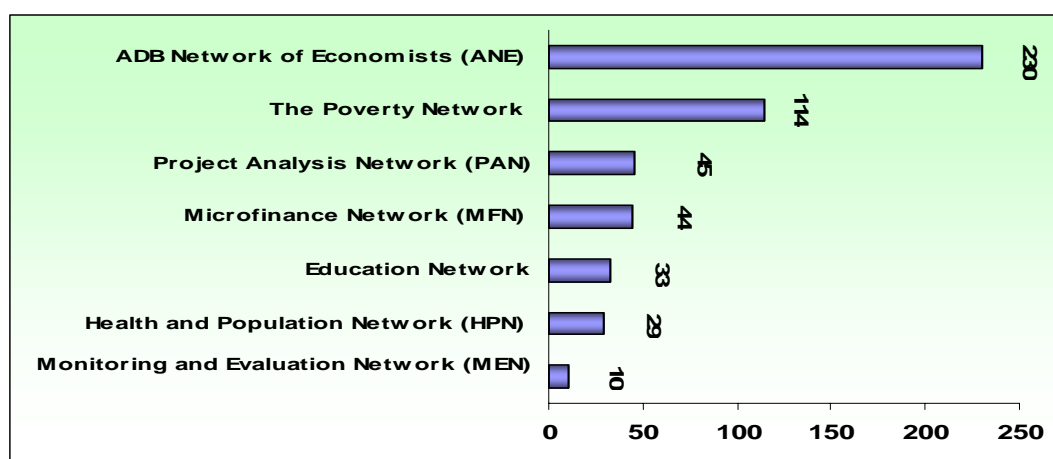
Strategic Pillar 2: Leverage knowledge through partnerships

5.4.5 The Bank cannot, and should not, conduct all relevant research and generate knowledge by itself. It must locate and leverage global knowledge that is available in a variety of forms from different sources. The KMD strategy thus emphasizes building partnerships and increasing collaboration with relevant external institutions, universities and think tanks.

5.4.6 During the next five years, three types of networking and collaboration will be pursued or strengthened: (i) Bank-wide networks or communities of practice; (ii) external networks and research institutions such as the AERC, and (iii) regional and international organizations such as the Economic Commission for Africa, Agence Française de Développement (AFD), WB, and World Trade Organization.

5.4.7 The KMD strategy fosters synergy among departments and collaboration by strengthening existing formal and informal Bank networks, including the Network of Economists, Project Analysis Network, Monitoring and Evaluation Network and Poverty Network.

Figure I: Knowledge Networks in the Bank by number of staff members



5.4.8 The KMD strategy uses the knowledge acquired by operations staff during project design and implementation and translates this into explicit knowledge that can be detailed, shared and copied throughout the Bank. This work is critical in defining the Bank's comparative advantage as it seeks to be selective and client-focused. During the next five years, Bank staff will be encouraged to document and share their experiences through internal networks, communities of practice and the Economic Research Working Papers series. The new human resources (HR) strategy emphasizes the need to give staff incentives for outstanding knowledge-related activities.

5.4.9 The Bank will strengthen collaboration and partnerships with research and policy institutions outside Africa and international development institutions, including universities. Such collaboration will ensure synergy, cost-effectiveness and efficiency, and regional balance in knowledge generation and dissemination. The Bank's knowledge needs, emerging development issues, and training and capacity-building needs will drive the selection of research institutions. Meeting the Bank's knowledge needs will involve joint studies, research networking, a visiting scholar program, research assistance for doctoral students and training of Bank staff.

5.4.10 The Bank has established closer links with several global and regional institutions, as well as bilateral partners (see Annex III for a list of knowledge management partners). The Bank will establish new and strengthen existing links in 2008–2012.

5.4.11 Greater focus will be given to regional research and capacity-building institutions, such as the AERC and the African Capacity Building Foundation, that produce knowledge-based regional public goods. The Bank will support these institutions within the context of assistance for multinational operations. Knowledge-related regional public goods increase the regional knowledge base and enhance the generation and use of production-oriented technologies and innovation. They also reduce risks and facilitate policy and development planning by enhancing forecasting, prediction and database generation and including different kinds of capacity-building goods and services. Support for these activities ensures that the intended results are achieved. A set of criteria defining the operational framework for selecting research and capacity-building institutions appears in Annex II.

Strategic Pillar 3: Enhance knowledge dissemination and sharing

5.4.12 For knowledge to improve and strengthen Bank operations, publications and databases must have deliberate and targeted dissemination. No existing regular mechanism delivers products to key institutions in RMCs, Bank staff, or partners and partner institutions in non-regional member countries.

5.4.13 Ad hoc dissemination leaves products largely underused precisely when RMCs need information to help boost their economies and sustain growth and development. The Bank must, therefore, institute and streamline product dissemination. ECON understands the financial implications of such dissemination, but wide distribution is imperative for the Bank's knowledge products to be used efficiently and for the Bank to evolve into Africa's premier development bank. The KMD strategy recommends dissemination at various levels.

5.4.14 Copies of each new publication and knowledge product will be circulated to executive directorates, vice presidencies, directorates, units, divisions, and field offices (FOs). Interested staff members should receive free copies from the Knowledge and Virtual Resources Centre (KVRC). Board members will receive regular updates on knowledge activities through Board information notes and reports. Informal Board seminars will highlight preliminary findings and final results of research work. ECON will organize regular events each year to introduce reports and research, statistics, and capacity-building products and publications to Bank staff.

5.4.15 All public domain publications should be available electronically. A website should be set up or links should be established to existing systems, including the KVRC information portal and Documents and Records Management System. The recently installed DP will facilitate online access to a wide range of development data on African countries.

5.4.16 The KVRC will serve as an important tool for implementing capacity building, knowledge management and knowledge sharing, with a special emphasis on extending the reach and range of development information. KVRC is more than a traditional library. While it continues to maintain resource-sharing arrangements with the information institutions of several development partners, it will also work with these institutions to establish a consortium to achieve economies of scale in acquiring and sharing information. To ensure optimal use, regular KVRC training sessions will be offered to Bank staff.

5.4.17 To disseminate information (especially of the ADR and AEO) within RMCs, the KMD strategy proposes five regional workshops each year, one in each of the five subregions of Africa (east, west, central, north and south). Workshops will be organized under the auspices of the Bank's field offices (FOs) and regional offices (ROs) and will be attended by ECON staff familiar with the products being disseminated. Workshop participants should include representatives from governmental, NGO, research and academic institutions in the country hosting the event and from neighboring RMCs.

5.4.18 Stakeholders will receive knowledge products by mail, either from the source or via FOs and ROs. The public information centers of selected FOs will be strengthened technically and financially to serve as regional dissemination hubs.

5.4.19 Major Bank conferences and workshops will incorporate policy dialogues to highlight knowledge outputs or the application of knowledge products. The AEC will increasingly become a major forum for sharing primary knowledge, as well leveraging knowledge produced elsewhere. Through research notes and policy briefs, ECON will summarise the results from conference papers that have policy or operational relevance for distribution to Bank staff.

5.4.20 Dissemination of publications and research undertaken jointly will occur at major conferences and workshops jointly organized by the Bank with key institutions such as the OECD, the World Bank, and World Economic Forum.

5.4.21 Capacity building contributes to improved planning, program implementation and monitoring. The Bank will help RMCs acquire certain skills or competence through technical assistance, training and workshops. Training and capacity building must be demand driven and responsive to the needs of Bank operations and RMCs. Therefore, the Bank will review its capacity-building support to RMCs to make it more results and client focused. The KMD strategy also emphasizes internal capacity building within the Bank. For efficiency and to avoid duplication of efforts, all capacity-building activities should be streamlined under EADI.

Strategic Pillar 4: Enhance the application of knowledge

5.4.22 The value of knowledge lies only in its use. For the Bank, value means how well knowledge outputs are used to better design and implement projects, improve internal business processes and review mechanisms, and provide quality policy advice to RMCs.

5.4.23 Assessing the effectiveness of the Bank's development work requires measuring the results of that work. A Bank-wide process of incorporating data and analytical knowledge into country programming and project cycles will be implemented to strengthen the results framework in results-based CSPs and project and program documents. This results measurement system ensures that Bank interventions benefit from reliable and

timely data. It will also streamline the reporting of development results within the context of the ADF-XI Results Measurement Framework.

5.4.24 To strengthen operational development effectiveness, especially in the private sector, the Bank will undertake ex-ante development impact assessments of its projects. During 2008, ECON will establish the framework for a more systematic and pragmatic approach to assessing the likely or expected impact of Bank projects.

5.4.25 The Bank's knowledge activities will help country teams incorporate effective national results-based monitoring and evaluation systems and undertake statistical capacity-building activities when necessary. A key part of this process is the support that the Bank already provides for the preparation of national statistical development strategies in RMCs. These systems help RMCs improve their internal statistical systems and align them to meet the data needs for national poverty reduction strategies, MDGs, and the results agenda.

5.4.26 To help RMCs improve their policy framework through knowledge-based recommendations, the KMD strategy will enhance the Bank's policy advice capacity. The Bank will conduct country-specific policy studies to support policy dialogue and advice in RMCs.

5.5 Themes and Areas of Focus

5.5.1 The KMD strategy proposes three interrelated focus areas in 2008–2012 to support the four strategic pillars: (i) poverty reduction and equity, (ii) enhancing the competitiveness and productivity of African economies, and (iii) improving the quality of institutions and economic management. Corresponding to the Bank's mission, poverty reduction (Focus Area 1) remains the Bank's overarching focus for knowledge activities, while equity and shared growth are central to sustainable growth and development. Improving the investment climate and competitiveness of RMCs (Focus Area 2) results from strengthening the quality of institutions and macroeconomic management (Focus Area 3).

5.5.2 As illustrated in Figure II, the focus areas are derived from the development challenges facing Africa and the strategic orientation of the Bank.

Focus Area 1: Poverty reduction and equity

5.5.3 For most African countries, reducing poverty and inequality and meeting the MDGs are the most critical development challenges. Research shows that the *pattern* of growth, rather than the *rate* of growth *per se*, is crucial for poverty reduction. This finding has operational implications for designing programs and setting priorities. In particular, economic growth can be poverty-eliminating (pro-poor), distribution neutral, or poverty-increasing (anti-poor), depending on the program design. The emphasis on this focus area ensures that knowledge guides the Bank's focus on the overarching goal of reducing poverty in Africa.

5.5.4 During 2008–2012, Bank knowledge activities will focus on (i) understanding growth constraints in Africa and identifying possible solutions and (ii) understanding the nature and determinants of poverty and the links between government actions and poverty outcomes. In collaboration with the operations complexes, ECON will focus on advancing the measurement-for-results framework as well as drawing lessons from Bank projects. In

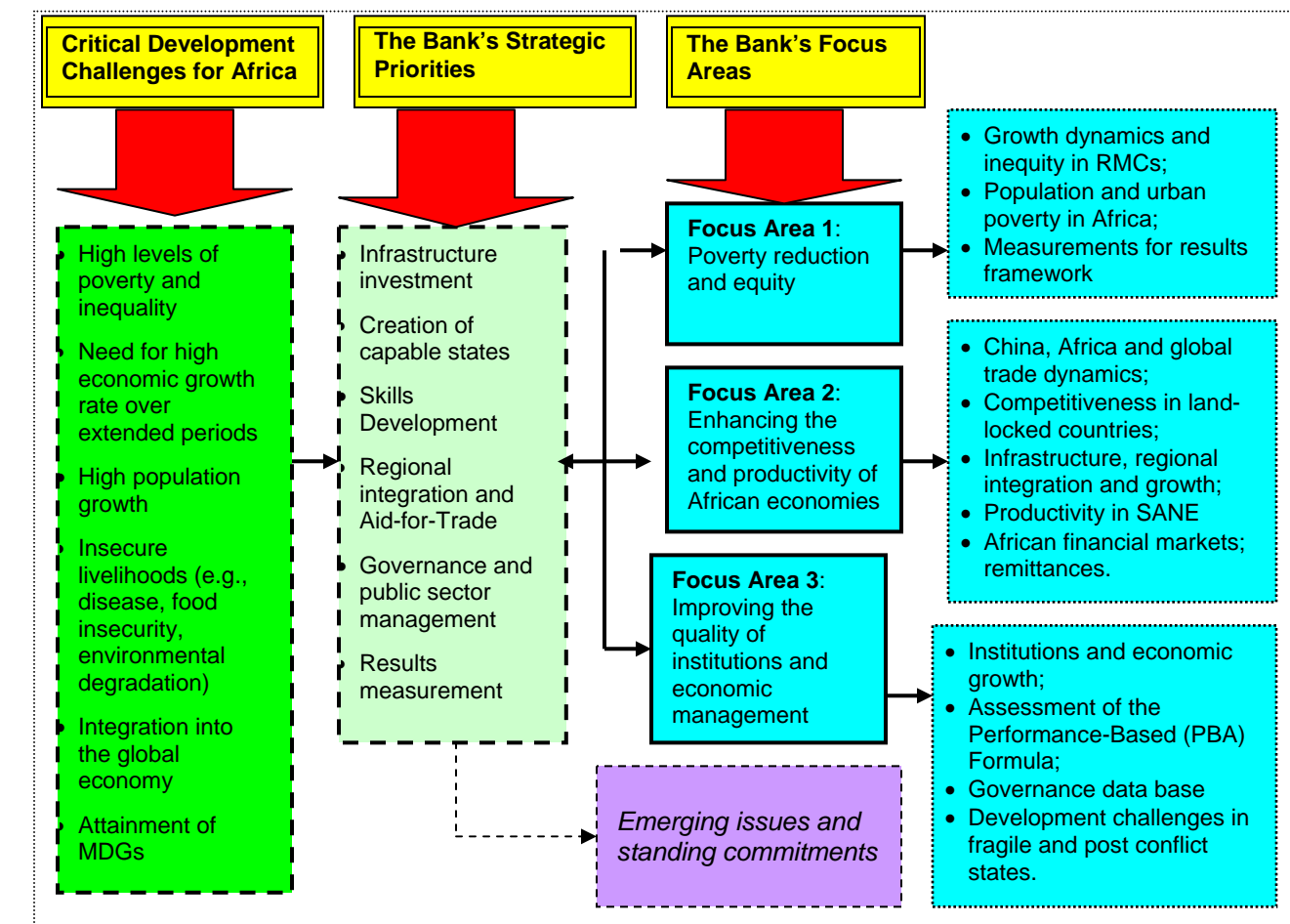
addition, the Complex will conduct joint studies with external partners in line with the Bank's three-year rolling program.

Focus Area 2: Enhancing the competitiveness and productivity of African economies

5.5.5 Among other things, competitiveness is a function of the institutional environment that is largely provided by government and the ability of firms to capture and apply new knowledge and innovation. Recent evidence from investment climate surveys suggests that African firms are crowded out of international markets by huge indirect costs, mainly due to poor soft and hard infrastructure and a weak investment climate. To address some of the ex-factory competitiveness barriers faced by firms, the Bank is broadening its support for private sector development, infrastructure growth, skills development and regional integration.

5.5.6 Focus Area 2 will help improve the quality of the Bank's private and public sector interventions, especially by emphasizing ex-ante development impact assessments. In 2008–2012, public and private sector transactions will be backed by selective research, statistical data and capacity development. Activities will focus on providing a deeper understanding of Africa's perspectives in the global trading environment and generating knowledge that helps the continent overcome its internal and external trade-related constraints.

Figure II: Derivation of the Bank's Knowledge Focus Areas



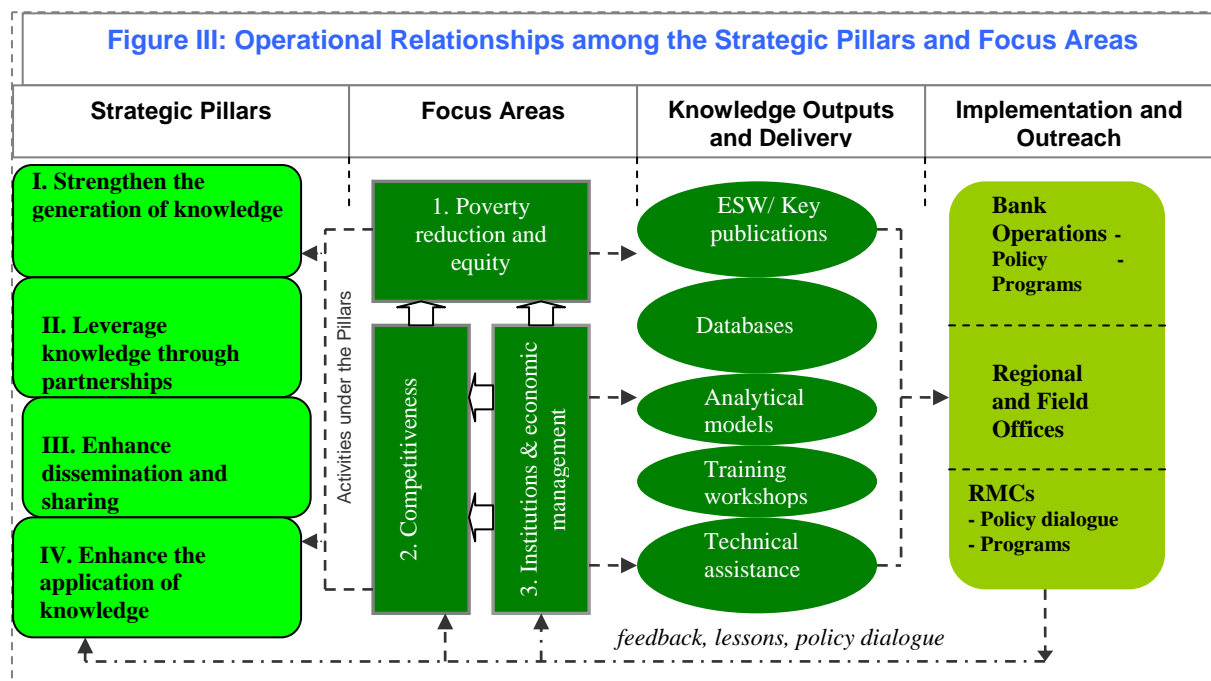
Focus Area 3: Improving the Quality of Institutions and Economic Management

5.5.7 Research shows that policies and institutions play a central role in the divide between rich and poor nations, coastal and land-locked countries, and resource-rich and resource-scarce countries. The Bank and other development partners must understand the role of institutions and knowledge in supporting the multiple factors that determine pro-poor growth and apply that knowledge to designing effective economic management policies. Hence, Focus Area 3 emphasizes that institutions matter for economic growth, including promotion of an enabling policy environment and good governance, and that the role of institutions is enhanced by knowledge and information.

5.5.8 Knowledge activities must focus on how changes in the institutional framework can affect productivity and growth in RMCs. Deriving relevant lessons for improving the impact of Bank interventions is crucial for designing projects to shape the patterns of economic growth in Africa.

Relationship between the Pillars and the Focus/Thematic Areas

5.5.9 The operational relationships among the knowledge strategic pillars and focus areas are depicted in Figure III. Key activities and products generated from the focus areas include the Bank’s flagship publications, economic and sector work (ESW), databases, analytical tools, training workshops and technical assistance, and support to research and capacity-building institutions. These products and activities respond to the operational needs of the Bank, FOs and RMCs.



6. Implementing the KMD Strategy

Corporate ownership of the KMD strategy is critical for its implementation. Strategy implementation requires knowledge management roles and responsibilities that involve every Bank department, with the ECON Complex assuming overall responsibility. The Operations Committee will be a useful platform for ensuring that knowledge gets imbedded in Bank operations.

6.1 ECON Complex

6.1.1 The Bank's knowledge activities should influence policy making, both internally and in RMCs, and thus contribute to economic growth and development. By incorporating knowledge products into Bank-wide interventions and the resulting management systems, ECON enhances the overall effectiveness of development intervention. ECON will coordinate knowledge generation, sharing and use in the Bank and RMCs. In that context, successful implementation of the KMD strategy rests primarily with the three departments of the ECON Complex, working in close collaboration with other Bank complexes and departments.

6.1.2 EDRE is primarily responsible for *diagnostics* to improve quality at entry as well as networking and strengthening partnerships. EDRE will carry out diagnostics within the framework of the three-year rolling work program. The department will also review project and policy documents to assess the extent to which knowledge products have been incorporated and the expected impact of selected projects. ESTA bears the primary responsibility for *knowledge measurement*, particularly statistical knowledge and database management, to support the MDGs and the results agenda. Capacity building rests with EADI.

6.2 Country and Regional Operations and Policy Complex (ORVP)

6.2.1 ORVP departments will play a crucial role in KMD strategy implementation, particularly in streamlining knowledge activities in Bank operations. Roles include (i) strengthening the role of knowledge in key operational instruments and ESW; (ii) mainstreaming and using knowledge products to improve Bank policies, operations manuals and other guidelines; (iii) disseminating and sharing knowledge products, especially in RMCs via ROs and FOs; and (iv) contributing country notes for the Bank's key publications, such as the AEO.

6.2.2 Operational instruments such as CSPs are the main instruments for defining the Bank's assistance to RMCs and thus add knowledge and value to the countries supported by the Bank. In this context, ECON will participate in country team meetings and, where possible, in CSP missions and other ESW. ECON will work with ORVP to provide analytical input and policy lessons from development debates and sister institutions and incorporate experience from knowledge networks and other collaborative processes. It will also provide baseline and other statistical data to improve the prioritization of interventions and fill capacity gaps in national statistical systems.

6.2.3 Country operations departments also will play a crucial role in knowledge dissemination, and country and field offices will serve as dissemination hubs. In addition, country economists will increasingly assume a lead role in preparing background country notes for the AEO and thus assume ownership of both its production and use.

6.3 Infrastructure and Sector Operations Complexes

6.3.1 Bearing primary responsibility for initiating and implementing the Bank's intervention projects and programs, Infrastructure (OIVP) and Sector Operations (OSVP) generate and integrate knowledge products throughout the project cycle. Individual departments undertake sector review, feasibility and project identification studies to analyze constraints, opportunities, and priorities for building a pipeline of Bank projects. ECON will collaborate with OIVP and OSVP to produce and articulate knowledge to improve quality at entry and documentation of operational experiences and lessons. OIVP and OSVP staff will be encouraged to record and share tacit knowledge through internal networks and communities of practice, the ADR, and working papers.

6.3.2 ECON will work with country and project appraisal teams to analyze the development impact of projects prepared for Board presentation. Due to resource constraints, development results tracking will initially focus on private sector projects, but over time all Bank projects should be required to demonstrate ex-ante development impact.

6.3.3 Input from OIVP and OSVP will be increasingly solicited in the preparation of background notes for the Bank's key publications. Several departments in OIVP and OSVP already perform this role.

6.4 The Operations Evaluation Department (OPEV)

6.4.1 OPEV's assessment of the effectiveness of Bank assistance strategies, policies, operations, processes and procedures helps the Bank achieve its development goals. OPEV documents and analyzes the lessons emerging from the Bank's development operations and policy processes. It has a specific relationship with the Boards, underpinned by a mechanism for considering formal recommendations. The Development Effectiveness Report, prepared by OPEV, is a valuable tool in the Bank's knowledge-generation processes, and OPEV will play a key role in the evaluation of the KMD strategy. The implementation of the KMD strategy will create greater synergies between OPEV and ECON. For example, while OPEV focuses mainly on ex post evaluation, ECON will give more attention to ex ante assessment.

6.5 Other Complexes and Departments

6.5.1 Bank staff and RMCs need better skills and orientation to be more responsive and effective in pursuing development objectives. The Finance Complex (FNVP) and Corporate Services Complex (CSVP) have critical roles in meeting this objective. The Human Resources Management Department (CHRM) will work closely with EADI to implement training and other capacity-building activities. The operational needs and staff performance gaps identified by the operations complexes will drive these activities. Collaboration between CHRM and ECON is already ongoing.

6.5.2 The HR strategy identified and emphasized the operational relevance of knowledge. It also highlighted a mechanism for incorporating knowledge activities into the key performance indicators (KPIs) to streamline knowledge in the Bank's operations. This step is critical for implementing the KMD strategy and will provide incentives for operational staff to incorporate knowledge into their activities.

6.5.3 The External Relations and Communications Unit will help improve the dissemination of the Bank's publications and ensure the visibility of the Bank's knowledge products and activities.

6.5.4 FNVP is spearheading the Bank's efforts to develop domestic and regional debt capital markets to increase their efficiency, transparency and international visibility. Most African local credit markets have many drawbacks: (i) the volume of credit is inadequate, and borrowers must often rely on foreign loans, creating currency risks; (ii) long-term savings are not properly channeled and long-term maturities are seldom available; and (iii) pricing is not transparent and has limited flexibility. Hence, the Bank decided to assist in the development of local and regional debt markets. The Bank also will promote financial and capital market integration by enhancing knowledge and raising the awareness of relevant authorities. To this end, the Bank has launched the "African Financial Markets Initiative" (AFMI) to contribute to the development of domestic financial markets in African countries. This initiative is focused around two building blocks: (i) the creation of a "State-of-the-Art" database to provide updated, reliable and comprehensive information on African financial markets to be made available on a website portal; and (ii) in a second stage, the creation of an African domestic bond fund invested in African domestic bond markets that have reached a certain level of development. ECON's close collaboration with FNVP on this venture will comprise a key part of the work program for 2008-2012.

7. *Expected Outputs of the 3-Year Rolling Work Program 2008–2010*

7.1 ECON is charged with the overall responsibility of coordinating the Bank's KMD strategy, especially in the areas of research, data compilation and training. The 2008–2010 3-year rolling ECON work program is based on selectivity, relevance, value addition, partnerships and cost effectiveness. It responds to the Bank's overarching objective of poverty reduction and recognizes the need to identify knowledge gaps that might be filled by ECON and other key stakeholders in the Bank.

7.2 The program focuses on three separate but related areas: (i) research and diagnostics, (ii) measurement for results, and (iii) capacity building in RMCs. As demonstrated in Figure III, the program also links the knowledge strategic pillars to the Bank's corporate strategy and institutional processes. Links to key instruments, such as CSPs, and processes, such as the Performance Based Allocation, as well as links between the Bank's organizational units will be critical to the success of the KMD strategy.

7.3 In 2008–2010, ECON will undertake research on (i) infrastructure and regional integration in collaboration with the New Economic Partnership for Africa's Development, Regional Integration and Trade Department and the Infrastructure Department; (ii) performance-based allocation in collaboration with the Operations Policy and Compliance Department (ORPC) and Centre d'Etudes et de Recherche sur le Développement Internationale; (iii) Africa Vision 2050 in collaboration with AFD; (iv) financial sector development; and (v) remittances with the World Bank, Department for International Development and AFD. These activities will produce research papers, books and journals (including ECON's flagship publications), and policy briefs that are used internally or targeted for the public. ECON will also assume greater responsibility for undertaking ex-ante development impact assessments.

7.4 ECON statistical activities will be structured around support for MDGs and results measurement in RMCs and Bank operations through improved data development and dissemination as well as strengthening statistical capacity in RMCs to effectively support monitoring frameworks and results reporting. To this end, ECON will work as part of the country teams to mainstream results measurement in Bank operations. A statistical framework is being finalized to facilitate effective monitoring and evaluation of the Bank's RB-CSPs and projects as well as the reporting of development results. ECON will also facilitate RMC design of national statistical development strategies (NSDS) aimed at strengthening national statistical systems to support PRSP processes as well as the MDGs and results agenda; it will coordinate and manage the generation of purchasing power parity statistics; help RMCs to improve national accounts and consumer price indices; assist RMCs to strengthen MDG monitoring and use of data for policy purposes; assist and support statistical training centers in Africa; and improve data dissemination through its Data Platform, seminars and publications program.

7.5 The achievement of results in RMCs will largely depend on their capacity to implement programs and projects. As the knowledge-creation arm of the Bank, ECON will lead and coordinate capacity-development programs, including those of the Joint Africa Institute (JAI). For example, through its collaboration with the operations complexes, ECON will provide technical backstopping services to enhance the capacity of RMCs in implementing Bank-supported programs and projects. Targeted areas for capacity building include project implementation, data development and statistics, MDG monitoring, and macroeconomic analysis and management.

7.6 Overall, the work program is designed so that departments and external institutions involved in the KMD process will assume specific, interrelated roles to drive knowledge management in the Bank. The KMD strategy ensures that ECON plays a pivotal role in support of the Bank's knowledge vision. Through the KMD process, ECON will meet expectations and demands from its key clients: Bank operations, RMCs, management and the Board.

8. *Monitoring and Evaluation*

8.1 ECON's outputs must go through the Bank's normal review processes to benefit from comments and suggestions from other Bank complexes. Books and monographs should be subjected to peer review by professionals in sister institutions. Similarly, professionals within and outside the Bank should review economic research working papers and articles for the ADR and ASJ. The processing of standing publications should continue to be accompanied by workshops comprising the preparation teams and various stakeholders, including RMCs. Conferences, seminars and networking sessions should be concluded with evaluation questionnaires, and suggestions should be integrated into future programs.

8.2 Continuous monitoring will keep the KMD framework on track, taking into account existing and new initiatives (see Annex I). In addition, monitoring will provide information required for accountability purposes. To aid in evaluation and reporting, annual reports, biannual review reports and independent reviews of the framework implementation will be prepared and disseminated.

8.3 During implementation of the KMD strategy, outputs and outcome indicators will be more clearly defined. The midterm review of the strategy provides another opportunity to improve the key performance indicators and work program proposed in this document.

9. Risks and Mitigation Measures

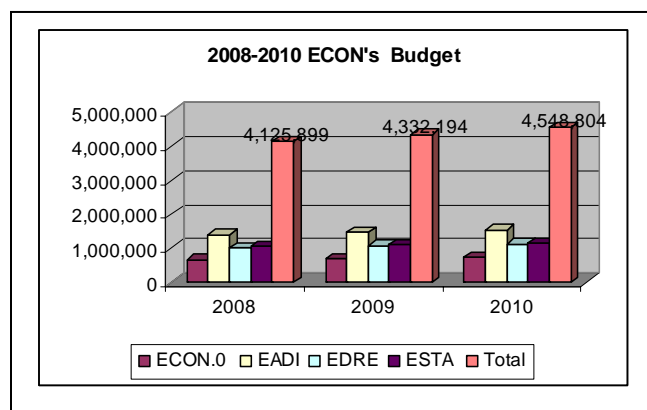
9.1 The KMD strategy recognizes the following risks that may adversely affect its implementation:

<i>Risk Factors</i>	<i>Mitigation Measures</i>
Knowledge management loses focus and fails to integrate into the Bank's business culture.	<ul style="list-style-type: none"> The KMD strategy ensures that knowledge instruments are embedded within the work of all complexes and departments. The KMD strategy provides a framework for aligning knowledge with the Bank's strategic focus, processes and the results framework.
Internal coordination and sharing of knowledge remains weak in the Bank.	<ul style="list-style-type: none"> The KMD strategy proposes a mechanism for a knowledge-sharing culture to develop in the Bank. The KMD strategy proposes a mechanism for recognizing the diversity of knowledge activities in the Bank. The HR strategy proposes a mechanism of incentives and recognition for staff who contribute to, and share, knowledge within the Bank and beyond. The HR strategy proposes the introduction of knowledge activities in staff KPIs and performance assessments.
Knowledge generated and shared remains unused in the Bank.	<ul style="list-style-type: none"> The KMD strategy emphasizes the operational relevance of knowledge. The KMD strategy underscores the need for knowledge products to be easily accessible and in a user-friendly format such as the new DP. KVRC will provide greater accessibility to knowledge products, especially from external sources. Management must ensure that staff use the Bank's knowledge products in daily operations. The KMD strategy emphasizes staff training in using new knowledge and tools.
Tacit knowledge and lessons from Bank operations are not captured, streamlined and shared.	<ul style="list-style-type: none"> The HR strategy proposes recognition and reward, especially to non-ECON staff, for outstanding knowledge activities, such as working papers on operational lessons, concepts and new or innovative approaches. Rewards for innovative mission reports, midterm review projects and completion reports that document lessons or provide valuable data are already in practice in OSVP.
Coordination, leveraging and streamlining of external knowledge remains weak.	<ul style="list-style-type: none"> Strong internal networks exist in the Bank, as does a diverse and appropriate mix of external collaborators and partners. The Eminent Speaker Programme creates a forum for updates on important developmental issues. ECON management regularly monitors the performance of networks and partnerships and reviews focus areas. External partnerships are important for tapping into knowledge generated elsewhere.

9.2 The overall success of the KMD strategy will, to a large extent, depend on cooperation across Bank complexes and departments. The strategy proposes key mechanisms for improving the exchange of knowledge and flow of information and integrating them into the Bank's operations. The realization of the knowledge-related roles and responsibilities across the Bank, however, requires strong support from senior management.

10. Resource Implications

10.1 The KMD strategy and the 2008–2010 3-year rolling ECON work program provide a complete and reliable basis for deriving the 2008–2010 budget. The budget implication of the KMD strategy for the 3-year rolling ECON work program is obtained by adding an adjustment factor of 5 percent to account for inflation and a possible increase in the cost of services. This amounts to administrative cost



estimates of UA 4.13 million, UA 4.33 million, and UA 4.55 million for 2008, 2009, and 2010 respectively⁴.

10.2 Although human resources have been strengthened in ECON, the proposed KMD strategy requires building a critical mass of economists, statisticians and training experts. For EDRE to better support operations, including ex-ante development impact assessments, it must employ research economists with a skills mix that reflects the three focus areas. Thus, four additional staff with training in microeconomics and specialized sectors must be hired to undertake development impact assessment exercises on private sector project proposals from concept stage to Board presentation. ESTA will require two additional staff to provide technical support for development impact assessment and results measurements. Any additional staffing requirements and the appropriate skills mix will be assessed during the midterm review of the KMD strategy.

10.3 The implementation of the KMD strategy, however, has resource implications beyond the financing of the ECON Complex from the Bank's administrative budget. ECON is examining other options for financing, such as bilateral sources for specific activities defined in the strategy and the possibility of establishing a KMTF. The idea of a KMTF appeals to some bilateral donors, with the understanding that the Bank will invest seed money and other donors interested in specific knowledge activities will make long-term commitments. ECON is preparing a separate document on the KMTF and another one on statistical capacity building, data development and results measurement for MDGs.

11. Conclusions and Recommendation

11.1 Conclusions

11.1.1 The KMD strategy plays an important role in realizing the Bank's vision of transforming into Africa's premier development bank. The strategy recommends effective internal and external dissemination of the Bank's knowledge outputs. Improved knowledge dissemination should increase the Bank's visibility and the effectiveness of its development interventions in Africa.

11.1.2 Under the KMD strategy, the Bank's research focus, statistical work and training will continue to emphasize links to operations and provide a knowledge base that guides future Bank operations and feeds into Bank and RMC policy processes.

11.1.3 The KMD strategy strengthens partnerships between the Bank and research and capacity-building institutions on the continent, as well as government and policy makers who would become direct beneficiaries.

11.2 Recommendation

11.2.1 ECON recommends that the Board approves this Knowledge Management and Development Strategy for the period 2008-2012.

⁴ These amounts do not include remuneration for existing and additional staff. They cover only expenses related to the core work program of the Complex

Annex II: Criteria for the Selection of Research & Capacity Building Institutions (RCBI's)

1. **Criteria for Selecting Institutions or Proposals**

Eligibility: The RCBIs that will be eligible for financing under this framework or serve as executing agencies of such grants shall comprise the following: (a) public RCBIs located in the RMCs; (b) private, *not-for-profit* RCBIs legally incorporated in one of the RMCs; and (c) legally incorporated regional or sub-regional organizations whose work is largely carried out in RMCs, and where the application or use of the knowledge product generated also largely takes place; (d) legally incorporated regional or international policy oriented RCBIs like CGIAR Centers and similar organizations such as the African Capacity Building Foundation (ACBF) and African Economic Research Consortium (AERC), whose work is largely carried out in RMCs where the use of the knowledge product generated also largely takes place, and whose work complements national efforts or support other sub-regional institutions engaged in the same or similar fields. Private firms and '*for-profit entities*' are not eligible.

2. **General Selection Criteria**

Eligible research/capacity building institutions will be required to satisfy certain general criteria to be considered for pre-selection and technical evaluation. This would require complying with all three of the following criteria:

- i) **Regional Dimension:** There must be a significant regional dimension to research /capacity building proposal being submitted. At a minimum, the intended 'region of beneficiaries' should incorporate the majority of the countries impacted by the issue or issues addressed by the proposal. The 'regional' criterion is met, if a good number of countries are concerned with the production of the knowledge product (research/statistics/capacity building), or stand to benefit from such products. Although in most cases the countries should be involved in the production, there are other cases where they may not even be involved in the creation of the knowledge products, but stand to benefit from such products, such as agricultural research, social sectors (health, education, demographics, gender), land water and environmental research;
- ii) **Knowledge Product Characteristics:** It must be demonstrated that the proposal corresponds to the properties of regional public goods. That is, once the knowledge product has been produced, its benefits accrue to all participating countries at a relatively minimal additional cost (of production), adaptation or implementation, (e.g. policy documents, training or other capacity building materials, improved seed varieties, livestock breeds, simulation models for planning, water management innovation and technologies, tools and model, etc); and
- iii) **Alignment:** Thirdly, the proposal should not be seen to duplicate efforts or activities that can be effectively carried out by national entities; should be aligned to existing regional efforts and strategies, should be seen to add value to existing efforts for regional integration. They should be seen to complement or pave the way (directly or indirectly) for the production of the Bank or the RMCs, in the short-, medium- or long-term.

Proposals meeting the above criteria will then be selected for technical evaluation to determine their technical soundness, feasibility and sustainability among others, which will determine their consideration for financing or rejection. The technical evaluation will look at the *relevance and feasibility*, regional/public interest in the work/activity, benefits and costs of the proposal, sustainability and track-record of the implementing institution.

3. **Technical Criteria**

- i) **Relevance and Ownership:** This criterion identifies the extent to which the proposal or program of work of the institution is relevant to, and consistent with the operational priorities of the Bank stated in its Vision Statement and Strategy. The proposal should demonstrate that it is clearly in *alignment* with the Banks strategic goals of poverty reduction and improvement of the living standards of households. In appropriate cases, there should be strong *ownership* by RMCs (where applicable), and should be linked to regional strategies **[Weight: 25%]**.
- ii) **Quality of Proposal:** The conditions or circumstances justifying the proposal or institution as RCBIs for the proposed beneficiary countries need to be clearly stated. The reasons, if any, that have prevented the problem or issue from being addressed by the individual countries region on its own need to be stated. The technical evaluation will further entail technical *feasibility, methodology, implementation framework, and monitoring and evaluation*. While it may be difficult to assess the *impact* of a project or proposals *a priori*, the proposal would be expected to articulate expected impacts, with a clear framework for measuring and quantifying impacts as far as possible **[Weight: 25%]**.
- iii) **Benefits and Costs:** This criterion will compare costs of each proposal/project with the benefits, which would be as specified to the extent possible, and quantified where possible (including positive and negative externalities). We note that some benefits may not be quantifiable, but they can be articulated in a rigorous manner that will allow broad comparison to enhance vetting. In some cases, it may be possible to give an order of the magnitude of the benefits, with various assumptions and scenarios. The proposal will

Annex II: Criteria for the Selection of Research & Capacity Building Institutions (RCBI's)

demonstrate the potential that each of the intended beneficiary countries of the proposed funding has to participate in the production and/or utilisation of the benefits (or both, which ever applies). It is noted that this may not be applicable or feasible for some research projects which generate products of more global applicability, such as environmental quality issues, climate change adaptation, long-term visionary economic modeling, and so on **[Weight: 15%]**.

- iv) *Institutional Capacity/Track Record*: The previous performance of the institution submitting the proposal, and its capacity to implement the submitted proposal will be considered in the technical evaluation. Such performance can be measured, for example, by evidence of proper auditing records, evidence of publications in reputable journals, and previous work. Of importance will also be evidence of judicious use of previous grants from the Bank or other donors as attested to by credible audit reports **[Weight: 15%]**.
- v) *Sustainability*: In the context of RCBI proposals, sustainability will be considered as the extent to which the activities proposed in the proposal can be continued by the institution and/or countries requesting for funding, in the event of a decline or non-availability of funding from the Bank (e.g. project or program completion). Sustainability will be reviewed with respect to financial and institutional sustainability, as well as from social dimensions, including gender. Issues such as charging user fees for certain benefit streams could be examined and proposed **[Weight: 20%]**.

Annex III: Networking and Partnerships in Knowledge Management

The Principle of Partnership

Networking and partnerships in the Bank facilitate knowledge generation, dissemination, and sharing among the operations, policy and research areas of the Bank and with external institutions. Effective knowledge management will enhance the Bank's role as the African voice on development issues and make a positive impact on Bank interventions in regional member countries (RMCs). Knowledge management also will help build the research capacity of RMCs and encourage collaboration between Bank staff and external researchers. The mutually reinforcing relationship between research knowledge and development also underscores the Bank's partnerships.

External partnerships result in synergy, cost-effectiveness and efficiency in knowledge generation and dissemination. Partnerships involve joint studies with the Office of the Chief Economist (ECON), research networking, a visiting scholar program, research assistance for graduate students, and training of Bank staff. Within the Bank, internal networks promote the sharing of knowledge and skills among the complexes. A mechanism exists for external collaboration with African universities, African research institutions and international organizations. Knowledge networks provide information to members, helping them become a valuable source of development knowledge and expertise. Networks facilitate dialogue, promote collaboration and mutual support, encourage innovation and new ideas and build the core professional capacity of staff members through seminars, conferences and other interactive forums. The Bank must ensure regional balance in the selection of partners.

Some Existing Partnerships in the Office of the Chief Economist

Development Research Department (EDRE)

Through EDRE, the Bank collaborates with several partners:

- The World Bank (WB) and World Economic Forum on the African Competitiveness Report
- WB and Department for International Development on the Remittances and Immigration Study
- Agence Française de Développement (AFD) on the Vision 2050 Initiative
- Center for African Studies at Oxford University, United Kingdom, and Centre d'Etudes et de Recherche sur le Développement Internationale
- Organization for Economic Cooperation and Development (OECD) and United Nations Economic Commission for Africa (UNECA) for the 2007/2008 African Economic Outlook
- UNECA on the Millennium Development Goals report and the annual African Economic Conference
- African Economic Research Consortium

EDRE is exploring collaboration with the Nordic-African Institute in Sweden, the North-South Institute in Canada, the Center for Global Development in United States, the Council for the Development of Social Science Research in Africa in Senegal, a regionally based economic research institute in North Africa and the African Academy of Sciences.

Statistics Department (ESTA)

Through ESTA, the Bank is strengthening many long-standing partnerships:

- United Nations Fund for Population Activities to improve the Integrated Management Information System
- OECD-Paris 21 and the WB on National Strategies for Development of Statistics work
- UNECA on the coordination of the Reference Regional Strategy Framework
- United Nations Statistics Division on statistical capacity building in the Southern African Development Community and RMCs
- Association of African Central Banks on the harmonization of statistics to monitor economic convergence at the regional level
- International Monetary Fund (IMF) and WB on the implementation of the 1993 revision of the system of national accounts (SNA93)
- Institut de Formation et de Recherches Démographiques on statistical capacity building on social statistics
- United Nations Educational, Scientific and Cultural Organization on education statistics
- Capacity Building International, Germany (INWENT) on governance statistics
- Food and Agriculture Organization on agricultural statistics, statistical training centers and selected universities in Africa for improving RMC statistical training
- AFD on governance statistics and national accounts
- World Health Organization Health Metrics Network on health information systems
- International Labour Organization on labor statistics

Annex III: Networking and Partnerships in Knowledge Management

- Communauté Économique et Monétaire de l'Afrique Centrale and Union Economique et Monétaire Ouest-Africaine on economic statistics for their respective regions

African Development Institute (EADI)

EADI, the International Fund for Agricultural Development, the Scientific, Technical and Research Commission of the Organization of African Unity and the WB jointly undertook the Agricultural Management Training for Africa in 1984. AMTA evolved to incorporate the North African Management Training in Agriculture, a new program for five North African countries, and INWENT joined the partnership in 2003.

EADI, the WB and the IMF launched the Joint Africa Institute in 1999. Other training and capacity-building partners include the Japan International Cooperation Agency, the Tunisian International Cooperation Agency and the Korea Development Institute. Partnerships are being explored with IDEA International Institute in Canada and the African Institute for Economic Development and Planning in Senegal.

AFRICAN DEVELOPMENT BANK
ADB/BD/WP/2007/141/Rev.2/Add.1

AFRICAN DEVELOPMENT FUND
ADF/BD/WP/2007/113/Rev.2/Add.1
23 June 2008
Prepared by: ECON
Original: English

Probable Date of Presentation to the Boards :
2 July 2008

FOR CONSIDERATION

MEMORANDUM

TO : THE BOARDS OF DIRECTORS

FROM : Kordjé BEDOUMRA
Secretary General

SUBJECT : REVISED BANK KNOWLEDGE MANAGEMENT AND
DEVELOPMENT STRATEGY 2008–2012

ADDENDUM (English only)*

Please find attached hereto, as Addendum, the Annex 1 of the above-mentioned document, which was empty in the document dated 29 May 2008.

Attch.

Cc: The President

***Questions on this document should be referred to**

Mr. L. KASEKENDE	Chief Economist	ECON	Ext. 2062
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Mr. K. MLAMBO	Lead Economist	ECON	Ext. 2706

Annex I: Results Framework for Knowledge Management for Development, 2008-2010

Hierarchy of Results (Objectives)	Expected Results	Reach	Performance Indicators	Indicative Targets & Timeframe				
Goal	Impact			Baseline (2007)	2008	2009	2010	
1) Enhance development effectiveness of Bank's operations	Bank's operations enhanced to contribute to reduction of poverty	RMCs	Country Outcome Indicators	Good	Very good	Very good	Very good	1a) Improved indicators by 2010 1b) Improved results by 2010 1c) Better performance by 2010
2) Establish Bank as leading knowledge institution on continent and strong voice for Africa	Bank is consulted and authoritatively speaks for Africa on development issues	RMCs, International community	2a) Number of references to Bank's knowledge outputs 2b) Number of forums where the Bank speaks on behalf of Africa	300	+5%	+5%	+5%	2a) Increased number of references of Bank knowledge outputs 2b) Increased number of forums where the Bank speaks for Africa
				2	2	3	3	
Purpose	Outcomes							
1) Establish a "knowledge culture" within the Bank	1a) Knowledge activities and outputs integrated in Bank operations (CSPs, projects, programmes) enhanced 1b) Enhanced use of the intranet to capture tacit knowledge	ADB (operations)	1a) Number of CSPs, projects and other work supported by knowledge products	6	All new CSPs			1a) Increased number of CSPs, projects and other work backed by knowledge products
			1b) Participation of staff in intranet discussions and networks	4	10	15	18	1b) Increased participation by staff in intranet discussions and networks
			1c) Number of access to knowledge management portals	300	+5%	+5%	+5%	1c) Increased number of access to knowledge management portals
2) Rationalize and expand external partnerships	2a) Existing partnerships rationalised and catalogued		2a) List of existing partnerships catalogued	0	7	9	10	2a) Rationalization of existing partnerships completed in 2008 2b) Increased number of networks and partnerships in the database
3) Improve operational effectiveness	3a) Better designed and implemented CSPs, projects, etc 3b) Business and review processes improved		3a) QAE rating (Bank's QAE exercise)					3a) Improved rating by 2010
			3b) APPR produced by ORPC					3b) Improved rating in APPR Report
Inputs and Activities	Outputs							
1) Provide additional financial resources	Additional financial resources available to ECON	ADB, Partner institutions	Amount of additional financial resources available to ECON		4,125,901 UA	4,332,194 UA	4,548,805 UA	- Allocation of 4,548,805 UA to ECON by 2010
2) Recruit additional ECON staff for development impact assessment	Increased number of staff		Number of additional staff in EDRE for development impact assessment		-	4	-	4 additional staff hired in EDRE in 2009 for development impact assessment
			Number of additional staff in ESTA for development impact measurement		-	2	-	2 additional staff hired in ESTA in 2009 for development impact measurement
3) Strengthen capacity in RMCs	3a) Organize workshops and training centers 3b) Support RMCs for MDG monitoring and statistical literacy 3c) Support RMCs in improving price statistics and national accounts	RMC, ADB staff, Operations	Number of workshops and training sessions implemented	14	19	19	19	19 workshops and training sessions organized per year between 2008 and 2010
			Number of RMCs for MDG monitoring and statistical literacy supported	1	2	2	2	2 RMCs supported per year for MDG monitoring and statistical literacy in 2008-2010
			Number of RMCs in improving price statistics and national accounts supported	48	48	50	51	51 RMCs supported in improving statistics and national accounts in 2008-2010

Annex I: Results Framework for Knowledge Management for Development, 2008-2010

Hierarchy of Results (Objectives)	Expected Results	Reach	Performance Indicators	Indicative Targets & Timeframe				
Goal	Impact			Baseline (2007)	2008	2009	2010	
Inputs and Activities (cont.)	Outputs (cont.)							
3d) Support RMCs in designing and implementing their NSDS	RMCs in designing and implementing their NSDS supported		Number of RMCs in designing and implementing their NSDS supported	10	18	26	30	20 RMCs in designing and implementing their NSDS supported in 2008-2010
3e) Develop and maintain training materials	Training materials developed and maintained		Number of training materials developed and maintained			6		Sets of 6 training materials developed and maintained in 2008-2010
4) Strengthen the generation of knowledge								
4a) Produce flagship publications	Publications produced	ADB,	Number of publications produced	3	3	4	4	11 Reports published in 2008-2010
4b) Undertake policy and research studies	Studies undertaken	International institutions	Number of studies undertaken	2	3	3	4	10 studies completed in 2008-2010
4c) Produce economic research papers	Working papers produced		Number of working papers produced	4	5	5	5	15 working papers published
4d) Produce technical journals	Journals produced		Number of issues produced	5	5	5	5	9 editions of the ADR and 6 ASJ in 2008-2010 produced
5) Enhance application and accounting of knowledge								
5a) Development impact assessment (DIA) of projects	Framework for DIA developed and submitted to the Board	ADB	Number of projects assessed for development impact	0	5	20	25	50 private sector projects and some large public ones assessed for development impact in 2008-2010
5b) Enhance CSPs/project supported	CSPs and project support enhanced		Number of CSPs and projects supported	6	14	15	18	All new CSPs/ and 30 projects supported in 2008 - 2010
5c) Strengthen statistical systems	Statistical systems strengthened		Number of national statistical systems strengthened	48	48	50	51	improved statistical systems in 51 RMCs by 2010
5d) Enhance capacity on policy advice to RMC	Policy advice to RMC enhanced		Number of countries that received policy advice	-	4	8	12	12 countries targeted for policy advice by 2010
6) Enhance product dissemination and sharing externally and internally								
6a) Organize international conferences	International conferences organized	ADB, International institutions	Number of international conferences organized	2	2	2	2	6 international conference (AEC and Annual Meeting Symposium) organized in 2008-2010
6b) Invite Eminent Speakers	Eminent Speakers forum regularly organised		Number of Eminent speakers	4	4	4	4	12 Eminent speakers invited in 2008-2010
6c) Organize internal networks and communities of practice	Networks meet regularly		Number of network meetings organised	8	11	11	11	11 meetings per year organised between 2008-2010
6d) Increase ADB/JAI seminars	ADB/JAI seminars increased		Number ADB/JAI seminars	6	12	12	12	36 ADB/JAI seminars held between 2008-2010
6e) Release statistical publications	Statistical publications released		Number of statistical publications released	5	5	5	5	12 statistical publications released in 2008-2010
6f) Disseminate flagship publications	Workshops organised		Number of workshops organised	6	8	8	10	26 dissemination workshops organised in 2008-2010
7) Leverage knowledge through internal and external partnerships								
7a) Increase programs delivered with partners	Programs delivered with partners increased	Regional institutions, ADB	Number of programs delivered with partners	3	5	6	7	18 programs delivered with partners in 2008-2010
7b) Support regional institutions (regional public goods)	Support for knowledge based regional public goods rationalised		Number of institutions supported	4	6	6	6	Increased production of knowledge-based regional public goods
7c) Strengthen internal networks and communities of practice	Existing networks catalogued and better supported and creation of new ones encouraged		Number of functioning networks and COPs	3	3	4	6	Networks increased from 3 in 2008 to 6 in 2010

Annex I: Results Framework for Knowledge Management for Development, 2008-2010

Assumptions/Risks		
Assumptions	Risks	Mitigating Measures
<p>1) Bank strengthens its knowledge outputs with regard to diagnostics and impacts measurement.</p> <p>2) Bank puts in place an efficient mechanism to disseminate and share knowledge produced in ECON within and outside the Bank.</p>	<p>1) Knowledge management loses focus and fails to integrate into Bank's business culture.</p> <p>2) Internal coordination and sharing knowledge remains weak.</p> <p>3) Knowledge generated and shared remains unused in the Bank.</p> <p>4) Tacit knowledge and lessons from Bank operations are not captured, streamlined and shared.</p> <p>5) Coordination, leveraging and streamlining of external knowledge remains weak.</p>	<p>1) The KMD strategy ensures that knowledge instruments are embedded within the work of all complexes and departments and provides a framework for aligning knowledge with the Bank's strategic focus.</p> <p>2) The KMD strategy proposes a mechanism to develop a culture of knowledge sharing, recognising the diversity of knowledge activities in the Bank. HR strategy proposes a mechanism of incentives and recognition for staff who contribute to, and share, knowledge within the Bank and beyond, and introduces knowledge activities in staff KPIs and performance assessments.</p> <p>3) The KMD strategy emphasizes the operational relevance of knowledge and underscores the need for knowledge products (e.g., new DP). KVRC will provide greater accessibility to knowledge products. Management will ensure that staff use the Bank's knowledge products in daily operations. The KMD strategy emphasizes staff training in using new knowledge and tools.</p> <p>4) HR strategy proposes recognition and reward for outstanding knowledge activities.</p> <p>5) Strong internal networks exist in the Bank, as does a diverse and appropriate mix of external collaborators and partners. ECON will use the Eminent Speaker Programme to create a forum for updates. ECON management to regularly monitor the performance of networks and partnerships and reviews focus areas.</p>