# Knowledge Management in International Financial Institutions

*Evidence from Evaluation: A Synthesis Paper for the Evaluation Cooperation Group*

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## About the Evaluation Cooperation Group

The Evaluation Cooperation Group is dedicated to setting standards for evaluation work among multilateral development banks. Its members are the evaluation departments of the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, International Fund for Agricultural Development, International Monetary Fund, Islamic Development Bank, the World Bank Group, and the Black Sea Trade and Development Bank. Observers are the Evaluation Network of the Development Assistance Committee of the Organisation for Economic Co-operation and Development, the United Nations Evaluation Group and the evaluation offices of the Council of Europe Development Bank and Global Environment Facility.

Other evaluations and more information about the ECG can be found at: http://www.ecgnet.org.

## About this Publication

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ECG

Evaluation Cooperation Group

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# Abbreviations

| | |
|---|---|
| AAA | analytical and advisory activities |
| AfDB | African Development Bank |
| ADB | Asian Development Bank |
| ADBI | Asian Development Bank Institute |
| DMC | developing member country |
| EBRD | European Bank for Reconstruction and Development |
| ECG | Evaluation Cooperation Group |
| EIB | European Investment Bank |
| ESW | economic and sector work |
| GDP | gross domestic product |
| IDB | Inter-American Development Bank |
| IBRD | International Bank for Reconstruction and Development |
| IFAD | International Fund for Agricultural Development |
| IFC | International Finance Corporation |
| IFI | international financial institution |
| IMF | International Monetary Fund |
| IT | information technology |
| KPS | knowledge products and services |
| MAKE | most admired knowledge enterprises |
| MDB | multilateral development bank |
| M&E | monitoring and evaluation |
| MIC | middle-income countries |
| MOPAN | Multilateral Organisation Performance Assessment Network |
| NGO | nongovernmental organization |
| OECD | Organisation for Economic Co-operation and Development |
| TA | technical assistance |
| UNDP | United Nations Development Programme |
| WBI | World Bank Institute |

In this report the “$” sign signifies US dollars.

# Summary

**This paper synthesizes the findings of 14 recent knowledge management evaluation studies and related reports from the evaluation units of six international financial institutions (IFIs) connected with the Evaluation Cooperation Group: the African Development Bank, the Asian Development Bank (ADB), the Inter-American Development Bank (IDB), the International Fund for Agricultural Development (IFAD), the International Monetary Fund, and the World Bank.** The objective was to identify commonalities in these reports that would provide lessons of more general use to those in IFIs trying to improve knowledge management. The wide range of knowledge management practices in IFIs, and the different nature of the evaluation reports meant that it was not feasible to complete a comprehensive in-depth review. The paper reviews practices that can be used to improve the IFIs' own work, and also to enable them to offer more and better knowledge products and services to clients. It was beyond the scope of this paper to provide a full review of the debates regarding the definitions of knowledge and knowledge management in the context of development assistance. Nevertheless, definitions of key terms have been proposed in this paper and a glossary is included in Appendix 1.

**The concept of knowledge management gained prominence in most IFIs in the mid-1990s.** An influential Organisation for Economic Co-operation and Development (OECD) report in 1996 highlighted the importance of knowledge management as a tool for low-income countries to help their development. At the same time, the concept of a knowledge bank was put forward both as a means to enhance the quality of World Bank lending and to provide a new stream of knowledge services to developing countries. Several other IFIs followed with their own knowledge management initiatives. The spread of networked computers in the 2000s has made it possible for all IFIs to codify, store, and share certain kinds of knowledge more easily and cheaply than ever before. At the same time, the increase in number of middle-income countries serviced by the IFIs has led to more demand for specialized knowledge in addition to financial products. As a result, knowledge management in IFIs has grown in importance and funding.

**Following the World Bank initiative in 1996, most IFIs recognized the importance of improving knowledge management.** The number of international organizations that have developed specific knowledge strategies or frameworks has steadily grown in the early 2000s, a sign of their desire to structure and plan their knowledge products and services (KPS) more systematically. Many reports, including the 2011 World Bank *Knowledge for Development* report, recognized that IFIs have transformed the way they conduct knowledge work, opening data and knowledge to clients, researchers, policy makers, and civil society throughout the world. Drawing on their mandates as producers, customizers, brokers and connectors of knowledge to respond to client needs, these institutions have achieved some tangible results.

**Changes have been made to organizational arrangements to strengthen knowledge management.** Significant efforts have been made to institutionalize knowledge management within IFIs over the years. For instance, a Vice President for Knowledge Management and Sustainable Development has been created at ADB, a Knowledge & Learning Sector has been created under the Vice-Presidency for Sectors and Knowledge at IDB, and a dedicated Knowledge Management Department has been created at IFAD.

**A number of the reports stressed that realizing the potential of IFIs to become more efficient in knowledge management depends on the strategies devoted to it.** There are some advantages to adopting a dedicated knowledge management strategy. Such a strategy would normally go through the following steps: (i) setting objectives for knowledge management, and securing Board and

senior management support at the highest level; (ii) building a business case that demonstrates a deep understanding of critical knowledge needs; (iii) determining what KPS will be created and how will they be quality-controlled, organized, shared and used; and (iv) finding a way to measure the results of the strategy and to track performance over time. However, only a few IFIs have adopted a corporate strategy on knowledge management; others have allowed decision-making and priority-setting for knowledge to remain largely pitched at lower levels.

**Several IFIs have been able to act as knowledge brokers.** The evaluations found IFIs' roles as knowledge brokers to be increasingly important, and noted some achievements in this area. For instance, some IFIs have used South–South knowledge brokering to share good practices among institutions and developing countries. The World Bank Institute's South–South Knowledge Exchange (SSKE) hub is an example of the efforts that have been made to support the transfer of knowledge across southern countries. Nevertheless, many IFIs are grappling with the question of how best to provide KPS for a wide range of audiences, and how to determine the needs of various audiences for public goods.

**IFIs' goal to become better knowledge institutions has been only partly realized.** The case of the World Bank is notable. The institution is now entering the 17th year of the 1996 "knowledge bank" initiative. However, in 2012, an evaluation of knowledge management pointed out that regions and country offices were unable to draw efficiently on knowledge generated inside and outside the bank. The report concluded that "much of the knowledge has limited shelf life and use value." [1] Similar conclusions can be found in several other evaluation reports, underscoring the complexities, difficulties, and pitfalls of transforming IFIs into effective knowledge institutions.

**The reports reviewed for this paper have exposed a number of problems with the way in which IFIs manage and operationalize their knowledge agendas, research work and the production of studies.** First, a lack of definitions, guiding principles and metrics has been identified as a pitfall in a few organizations as this leaves staff with a poor understanding of what role the generation of knowledge solutions plays in the institution, and what constitutes knowledge management. Without such clear definitions, IFI staff are tempted to use their own knowledge concepts and tools. The lack of a common vision as well as insufficient policy guidance on knowledge management prevents staff from integrating knowledge concepts into their routine work programs. Knowledge planning and needs identification were seen as weak in most instances.

**Several reports found that KPS are often created through a supply-driven approach.** Institutions have tended to concentrate their products and services at headquarters, leaving country offices with fewer opportunities and resources to carry out specific knowledge product generation and knowledge sharing. The KPS have thus not helped operations and as a result implicit or explicit knowledge strategies are not always perceived to be operationally-relevant or to respond to clients' needs.

**Several evaluation studies have pointed out the need to capture and codify tacit knowledge so it can be used it beyond the circumstances in which it was gained.** IFIs have been trying to transfer tacit knowledge among staff and partners by codifying it and by other means. The World Bank allows some time to be set aside to write up project experiences. Yet, this remains a work in progress. Evaluations suggest that IFIs need to incentivize staff to engage more in converting their tacit knowledge into codified knowledge, for example by writing up their experiences and sharing these reports publicly.

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[1] World Bank. Independent Evaluation Group. 2012. *The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness.* Washington, DC. Chapter 3: The Promise of a Knowledge Bank. pp 41-65.

**The quality of IT systems for the collection and sharing of information is sometimes weak**. The effectiveness of IT systems can also be affected by disparate knowledge management visions, models, and needs.

**The overall knowledge output has some excellent signature products and flagships but quality is highly uneven.** Perhaps because knowledge products are perceived as less important than financial products, there are problems in applying across-the-board quality control.

**Impacts of knowledge management are hard to establish.** Every organization has examples of high-impact KPS. However, it has been difficult to demonstrate the impact of most other knowledge products and advisory services. Establishing the magnitude of the impacts remains a challenge, with few efforts being made to either develop metrics to measure the impact of a KPS or to apply these in practice. Several reports have pointed to the lack of impact metrics, which made it difficult to measure how the institution was capturing the effects of KPS on core business processes.

**Creating cutting-edge knowledge of new global issues, or of frontier issues, is a key responsibility of IFIs but the evaluations criticized IFIs for not succeeding very well in this objective.** The emergence of global challenges, e.g. climate change and increased urbanization rates, has upset existing development models and paradigms. More comprehensive analysis and openness to a plurality of views is needed, rather than a reliance on established economic models.

**Some evaluations argued that insufficient attention is being paid to the voices of the poor themselves**. Evaluations found limited direct cooperation with civil society and beneficiaries in the creation of KPS.

**Evaluation practices covering knowledge management need to be strengthened and harmonized.** The reports indicated that a wide range of approaches and practices appeared to be implemented, without a common understanding of what should be evaluated and how it should be done.

This synthesis study identified some lessons for improving knowledge management programs that are applicable across IFIs.

**1. Strengthen knowledge planning by improving the clarity on knowledge management concepts and roles of the institution, and by improving coordination of knowledge efforts.** Some IFIs have had good experience with developing a KM strategy, others have been able to make progress without it. Another option is to improve coordination of KPS efforts by creating a specific coordinating knowledge unit serving as the focal point. This can help to oversee the coherence of KPS efforts and build synergies. Such a unit can also help to ensure integration between the technologies and mechanisms developed to support knowledge management processes.

**2. Incentivize staff to enhance knowledge creation and quality.** Adequate incentive mechanisms are needed to reward staff generating and sharing knowledge. These should be embedded in a corporate culture that appreciates KPS as much as financial products and services. Special rewards for those producing operationally-relevant KPS are recommended.

**3. Improve use of IT infrastructure and social media and enable codifying and sharing of tacit knowledge.** There is much scope for improving the enabling technologies for knowledge storage retrieval and sharing. Although many IFIs have invested substantially in information technology (IT) infrastructure, a number of IT gaps remain in several organizations. The use of

social media often requires a culture change. Good intranets, social media tools, and online forums will encourage codifying and sharing of tacit knowledge. If an organization is decentralized, websites, wikis, blogs, central search engines, public folders sharing, and similar initiatives can build social networks and communities. They offer a space for communities to exchange ideas and knowledge, and they can be structured by topic.

**4. Measure the use of knowledge for operations.** Many IFIs still struggle to realize the gains that knowledge management can offer. Evaluation reports indicate that better indicators and measurement systems would improve links between knowledge management and business impact and thus provide a rationale for further investment in knowledge management. One option would be for IFIs to adopt results frameworks or (KPS) work plans that link knowledge objectives to the work of organizational units. Such frameworks or plans would ensure that staff understand how objectives align with the roles of units, and what progress is being made in the use of knowledge internally and externally. When baselines, targets and their time frames are laid down, the annual monitoring of progress is facilitated and can be reported on annually. This in turn could and should lead to an annually updated action plan to gradually improve the quality and results of knowledge management in the organization.

Knowledge is like light. Weightless and intangible, it can easily travel the world, enlightening the lives of people everywhere. Yet billions of people still live in the darkness of poverty—unnecessarily.
**World Development Report 1998/99, World Bank**

# 1. INTRODUCTION

## 1.1 Scope, purpose, targeted audience

1. **This report presents the findings of an examination of recent evaluative work undertaken by selected international financial institutions (IFIs).** It examines 14 thematic evaluations and related reports to share findings about what works well in supporting knowledge management in IFIs and what does not. Because IFIs are likely to continue supporting and even expanding the generation of knowledge products and advisory services, the Evaluation Cooperation Group (ECG), comprising the evaluation units of 12 institutions,[1] undertook this synthesis study of knowledge management. The broad objective was to identify areas of progress and critical gaps in knowledge management over the period 2003–2013. The purpose of the assessment was three-fold:

(i) to provide insight into the way in which IFIs have developed knowledge management strategies, whether explicit or implicit;
(ii) to review areas of progress achieved from generating, sharing and using knowledge products and advisory services; and
(iii) to identify critical gaps and derive lessons on how to improve the effectiveness of knowledge management in the future within and across IFIs.

2. This paper is primarily intended for the parent organizations of Evaluation Cooperation Group (ECG) members. However, the paper may also benefit other development practitioners and policy makers.

## 1.2 Methodology and criteria for the literature review

3. **This paper reviews recent knowledge-related evaluations and related reports provided by six IFIs (Box 1).** The paper also selectively reviewed some additional material on knowledge management and used the findings of interviews of several key staff in knowledge management in various IFIs. It benefited from detailed peer reviews of a draft by ECG members.

4. The study sought to cover most aspects of the knowledge management cycle, the process of transforming information into knowledge within IFIs. The cycle usually covers the following areas:

[1] African Development Bank (Operations Evaluation Department), Asian Development Bank (Independent Evaluation Department), Black Sea Trade and Development Bank (Evaluation Office), Council of Europe Development Bank (Evaluation Department), European Bank for Reconstruction and Development (Evaluation Department), European Investment Bank (Inspectorate General), Inter-American Development Bank (Office of Evaluation and Oversight), International Fund for Agricultural Development (Independent Evaluation Office), International Monetary Fund (Independent Evaluation Office), Islamic Development Bank (Group Operations Evaluation Department), The World Bank Group (Independent Evaluation Group), and Global Environment Facility (Evaluation Office).

(i) planning and budgeting knowledge products and services (including the use of knowledge management strategies), (ii) creating the KPS, (iii) organizing the KPS (including storage of knowledge products, use of technology solutions, databases, and archives), (iv) sharing the KPS (including dissemination within and outside the organization), and (v) applying the KPS (mobilization and use of knowledge for operations and other purposes, e.g. as a public good).

5. **Each evaluation report was reviewed using a number of questions.**[2] What does the knowledge management landscape look like in IFIs today? What are definitions and metrics are used in knowledge management? Are IFIs creating a culture in which knowledge sharing is the norm? What key lessons have been learned from implementing knowledge management agendas and strategies over the past 10 years? Does a distinctive knowledge strategy facilitate the creation and sharing of knowledge in IFIs? What priority is attached to generating KPS and how are the needs assessed? What is the balance between the supply and demand of knowledge within IFIs? Have the concepts of "knowledge bank" or "knowledge broker" transformed the way IFIs operate? Has an appropriate knowledge management infrastructure been put in place to ensure quality management and coordination of knowledge generation? Has technology been an efficient enabler in knowledge management?

6. **The study sought to identify common issues in the key findings of the evaluations.** The focus was to extract a set of common issues and lessons from how development knowledge was created, shared and used. It was not the intention to assess the quality of the evaluations, compare them, or to compare evaluation approaches. As a result, the study has been limited to a number of core issues.

**Box 1: Evaluation Studies and Reports Reviewed in this Study**

| INSTITUTION | YEAR | NAME OF EVALUATION (AND EVALUATION UNIT) |
|---|---|---|
| **AfDB** | 2013 | Review of the African Development Bank's Economic and Sector Work (2005−2010). Operations Evaluation Department (OPEV) |
| **ADB** | 2012 | Knowledge Products and Services: Building a Stronger Knowledge Institution. Special Evaluation Study. Independent Evaluation Department (IED) |
| **ADB** | 2011 | Performance of the ADBI: Research, Capacity Building and Training, and Outreach and Knowledge Management. IED |
| **ECG** | 2012 | Evaluating Technical Assistance: Taking Stock of the Practices of International Financial Institutions (ECG) |
| **IDB** | 2006 | Evaluation of the IDB's Studies (RE-323). Office of Evaluation and Oversight (OEO) |
| **IFAD** | 2013 | IFAD's institutional efficiency and efficiency of IFAD-funded operations Corporate-level evaluation. Independent Office of Evaluation |
| **IMF** | 2011 | Research at the IMF: Relevance and Utilization. Independent Evaluation Office (IEO) |

[2] Appendix 2 provides a summary of each evaluation report. Evaluation reports were obtained from the evaluation units of the following organizations: African Development Bank (AfDB), Asian Development Bank (ADB), Islamic Development Bank (IDB), International Fund for Agricultural Development (IFAD), International Monetary Fund (IMF), and World Bank. No independent fieldwork on knowledge management was conducted for this synthesis paper.

| | | |
|---|---|---|
| **World Bank** | 2013 | Knowledge-Based Country Programs, An Evaluation of the World Bank Group Experience. Independent Evaluation Group (IEG) |
| **World Bank** | 2012 | The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness. Chapter 3: The Promise of a Knowledge Bank (pp. 41-65). IEG |
| **World Bank** | 2011 | The State of World Bank Knowledge Services: Knowledge for Development.[a] |
| **World Bank Institute** | 2011 | Using Knowledge Exchange for Capacity Development: What Works in Global Practice? Three case studies in assessment of knowledge exchange programs using a results-focused methodology (with the Korea Development Institute). [a] |
| **World Bank** | 2009 | Evaluation of knowledge for Private Sector Development. IEG |
| **World Bank** | 2008 | Using Knowledge to Improve Development Effectiveness, An Evaluation of World Bank Economic and Sector Work and Technical Assistance, 2000–2006. IEG |
| **World Bank** | 2003 | Sharing Knowledge: Innovations and Remaining Challenges. Operations Evaluation Department (OED) |

[a] Not an evaluation study.

## 1.3 Limitations

7. **The methodological approach employed in preparing this paper has limitations.** The analysis focused on a limited number of IFIs and on specific knowledge-related evaluation papers. Because of the variety of IFIs and the scope of their programs dealing with knowledge management, neither a comprehensive in-depth review nor a sufficient number of interviews with staff working in the field of knowledge management were possible. In addition, the reports reviewed in this study adopted different perspectives on knowledge management; some reports taking a holistic view of knowledge management and other studies focusing on a subset of knowledge management, e.g., research, technical assistance, or country experiences. The fact that the reports covered different periods has been another constraint—some reports are over 10 years old and perhaps do not reflect current circumstances.

# 2. FINDINGS

## 2.1 The knowledge management landscape in IFIs

### (i) The increase in focus and resources targeted on knowledge management in IFIs

8. **The landscape of knowledge management has changed considerably in the last two decades.** The IFIs' intention to develop and share knowledge products and provide advisory services has been around for a long time but it was not until the mid-1990s that the concept of "knowledge management" gained wider support within the institutions. The explosion of interest in knowledge management services and offices among IFIs started in a number of ways. First, business started developing capacities to generate the specialized new knowledge required to develop client relationships. The number of academic publications about this subject grew exponentially from about 1995 onwards. At the same time, the rise of networked computers has made it possible to codify, store, and share certain kinds of knowledge more easily and cheaply than ever before. By the late 1990s, the rational and purposeful use of the new technologies offered real opportunities to create and share new forms of knowledge.

9. **An influential OECD report published in 1996 gave new importance to knowledge as a tool for low-income countries to help their development.** *The Knowledge-Based Economy*[3] outlined how better generation, mobilization, and adaptation of knowledge could be used to improve the human condition. It recognized that knowledge was increasingly being codified and transmitted through computer and communications networks in the emerging information society. The report was encouraging because of the potential for creating and sharing new forms of knowledge. It was also disturbing, as it indicated the potential for a knowledge divide between the developed and the developing countries, a knowledge gap that the report called on IFIs to bridge.

10. **In advancing the concept of a "knowledge bank," the World Bank took another step forward in knowledge management.** The World Bank recognized that, unlike traditional capital assets like plant and machinery which are bolted to the floor, an institution's intellectual capital could walk out the office door each evening in the heads and briefcases of employees unless the organization found a way to capture it in operating procedures, shared practices, publications, and data repositories. In 1996, James Wolfensohn, the World Bank's then new President, unveiled his vision of a knowledge bank: "We have been in the business of researching and disseminating the lessons of development for a long time. But the revolution in information technology increases the potential value of these efforts by vastly extending their reach. To capture this potential, we need to invest in the necessary systems, in Washington and worldwide, that will enhance our ability to gather development information and experience, and share it with our clients. We need to become, in effect, the Knowledge Bank."[4]

11. **The 1996 World Bank knowledge initiative considerably raised the profile of the institution and led it to embark on a series of institutional changes inside and outside the bank to leverage knowledge for development more effectively.** This new direction was to be a cornerstone in the

[3] Organisation for Economic Co-operation and Development (OECD). 1996. *The Knowledge-Based Economy*. Paris.

[4] World Bank. 2012. *The Matrix System at Work: An Evaluation of the World Bank's Organizational Effectiveness*. Washington. Chapter 3: The Promise of a Knowledge Bank. pp. 41-65. This chapter includes an extract from James Wolfensohn's speech at the 1996 World Bank Annual Meeting.

World Bank's new vision for knowledge management. The 'knowledge bank' concept generated a combination of high expectations within and outside the institution. It was seen as promising because more attention to knowledge could enhance the quality and hence the effectiveness of investment project lending. It could offer an alternative stream of services to developing countries and a unique value proposition combining knowledge and finance. As a result, knowledge became visible on international agendas, with the World Bank turning "Knowledge for Development" into the theme of its *World Development Report 1998-1999*.[5] The report's main argument was that the development of poorer countries meant that the highest priority had to be assigned to building knowledge-based economies, the same conclusion reached by the earlier OECD report. Development institutions were thus seen as having several roles in reducing knowledge gaps: (i) providing international public goods, (ii) acting as intermediaries in the transfer of knowledge, and (iii) managing the rapidly growing body of knowledge about development.

### (ii) Increased staff and resource allocations to knowledge management have enabled IFIs to cover expanding knowledge management mandates

12. **IFIs have considerably increased funding for knowledge management in the 2000s in line with practice in the private sector.** Over recent years, the administrative budgets for core knowledge work have been increased in most IFIs in order to meet clients' new expectations and needs (Box 2). In 2011, 31% of the World Bank's administrative budget was for core knowledge services, compared with 24% in 2002. In addition, the amount spent on technical assistance nearly quadrupled between 2002 and 2010.[6] The ADB evaluation noted that the budget evolution of knowledge management increased during 2002–2012, with the total budget for the knowledge departments increasing by 145%, against 126% for the operations departments.[7] At the IFC, advisory services grew tenfold from 2001 to 2008, reaching $245 million. Based on published data at the time, IFC provided about a quarter of MDB advisory services to the private sector. Today, the budget dedicated to knowledge management in most IFIs is in line with the practice of the private sector. The global consultancy McKinsey spends more than 10% of its revenues on knowledge management, a level also reached by many IFIs.[8] While ADB knowledge management accounted for 11% of its operational budget in 2011,[9] the IMF's research activities accounted for about 10% of its gross administrative budget and about 8% of staff time in recent years. [10]

13. **Knowledge management-related technical assistance (TA) and advisory services have steadily grown over time.**[11,12] Several reports acknowledged that the volume of TA and advisory

[5] World Bank. 1999. *World Development Report: Knowledge for Development*. Washington.

[6] Evaluation Cooperation Group (ECG). 2012. *Evaluating Technical Assistance: Taking Stock of the Practices of International Financial Institutions*. Manila.

[7] Independent Evaluation Department (IED). 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

[8] IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB. See also Harvard Business School "A Note on Knowledge Management" (9-398-031), Harvard Business Review, REV, 4 January 2000. Cambridge (MA), USA for a discussion of knowledge management practices of leading international consultancies.

[9] The three ADB "knowledge departments" (Office of Regional Economic Integration, Regional and Sustainable Development Department, and Economics and Research Department) received about $41.5 million in 2011 or approximately 11% of operational expenses. See IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

[10] Independent Evaluation Office (IEO), Relevance and Utilization. International Monetary Fund. Washington. Page 21.

[11] IED. 2007. *Special Evaluation Study on Performance of Technical Assistance.* Manila: ADB.

[12] World Bank. Independent Evaluation Group (IEG). 2009. *Knowledge for Private Sector Development*. Washington.

services has increased, with knowledge-related TA and advisory services growing faster than lending-related services.[13] The number of World Bank TA operations to support client efforts to implement reforms and strengthen institutions increased from 782 in 2005 to 1,424 in 2010.[14] At the IFC, advisory services have grown rapidly since 2001, with expenditures increasing tenfold from $24 million in 2001 to $245 million in 2008. IFC provides about a quarter of multinational development bank (MDB) advisory services to the private sector.[15] In ADB the growth may have been mostly in the financial size of the TA supported rather than the numbers approved. ADB approved more than 2,700 TA operations worth nearly $2.5 billion over 2001-2011. This is equivalent to $156 million per year for on average 268 TAs, or $0.58 per TA. Over 1997-2001, ADB allocated $783 million to 1342 advisory, project preparatory, and regional TAs, which is equivalent to $227 million per year for on average 246 TAs, or $0.93 million per TA. The money annually approved for TA increased by 45% between the two periods, not taking into account depreciation of the dollar and inflation.

**Box 2: Estimates of Resources Allocated to Knowledge Management**

| DEVELOPMENT INSTITUTION | OPERATIONAL FUNDING |
|---|---|
| **ADB** | Without counting the budget of the Asian Development Bank Institute (ADBI), which has a separate budget, the total allocation for the three core knowledge departments (the Economics and Research Department, the Office of Regional Economic Integration, and the Regional and Sustainable Development Department) was $41.5 million in 2011. This represented approximately 11% of operational expenses for that year. In addition, various operations and other departments can draw on a budget for technical assistance estimated at around $300 million a year.[16] |
| **IDB** | IDB invested approximately $130 million in knowledge activities for 2008, and the budget for 2010 was $124 million, or 31% of the strategic core and departments' operational budget for that year. |
| **IFAD** | The knowledge management strategy anticipated a budget of $500,000 for the period 2007–2009 for organization-wide knowledge management activities, in addition to country-level initiatives such as monitoring and evaluation, policy development, and local knowledge projects, to be funded from country program instruments. This was a small portion of the approximately $70 million annual administrative budget. |
| **IMF** | During 1999–2008, the IMF issued an average of 650 'research pieces' annually, representing an annual cost of about 10% of the IMF budget. |
| **IFC** | IFC advisory services have grown rapidly since 2001 with expenditures increasing tenfold, from $24 million in 2001 to $245 million in 2008. |
| **World Bank** | Knowledge management funding represented about 4% of the administrative budget in 1998. This decreased to 2.4% in 2002 for a total of $302 million but trended upwards to $606 million in 2011. The World Bank estimates that it spends $2.5 billion a year on "embedded knowledge," four times the amount spent on core knowledge products. |

Source: Evaluation reports.

[13] As indicated in an Evaluation Cooperation Group (ECG) report (ECG. 2012. *Evaluating Technical Assistance: Taking Stock of the Practices of International Financial Institutions*. Manila), the estimated annual amount of TA provided by ECG members in 2011 ranged from $44 million for IDB to $634 million for the World Bank. Information gathered from an ECG consultant's report on technical assistance (TA) shows that the share of the administrative budget spent by four institutions on TA ranges from 0.5 % to 3%.

[14] World Bank. IEG. 2011. *The State of World Bank Knowledge Services: Knowledge for Development*. Washington, DC.

[15] World Bank. IEG. 2009. *Knowledge for Private Sector Development.* Washington, DC.

[16] Lending products may occasionally also include the generation of knowledge products and knowledge services, but the amount is difficult to assess in the aggregate.

14. **It is difficult to make precise comparisons about the budget allocated to knowledge management across IFIs, given the differences in the ways budget information for KPS is recorded.** In the absence of specific budget lines for knowledge management and KPS work and a time recording system, it is difficult to assess the effort and investment IFIs have made in expanding the knowledge management agenda.[17] Some data have been identified in a few evaluations but measurement of knowledge management efforts remains a challenge. For instance, the knowledge spending embedded in World Bank lending was estimated at about $2.5 billion for 2010, or about four times the amount spent on core KPS.[18] Taken together, a broad estimate of the total spending on explicit knowledge services in 2010—funded by the institution itself, by partnerships, and from client loan proceeds—could be estimated at $4 billion but no accurate evidence is provided in official documents.[19]

15. **Some sources indicate that resource allocations are not always commensurate with broad and expanding demands for customized knowledge solutions.** From reported lessons on knowledge budgets in the reports reviewed, the paper found that, while the evaluations indicate that the IFIs have made some important financial contributions to knowledge management, it remains difficult to anticipate and finance increased demands. Several IFIs have now included knowledge management services in their regular programming, with a few pledging additional resources or adopting measures to earmark funding to knowledge. While many of these institutions remain, by and large, development financing institutions, clients and beneficiaries increasingly demand more than a simple transfer of financial resources. They need customized technical and knowledge support to climb out of the middle-income trap, move forward on a sustainable development path, grow more inclusively, and reap the rewards of regional cooperation. This changing development landscape and the diversity of knowledge needs requires development institutions to allocate sufficient budgetary resources to strengthen knowledge management and the quality and impact of their KPS. Knowledge management remains a complex and evolving field, with many IFIs struggling to leverage enough resources to meet new knowledge demands to serve their clients better.

## 2.2 Definitions of knowledge management

### (i) Defining the nature of knowledge and knowledge management is not straightforward.

16. **It is beyond the scope of this paper to attempt to provide any kind of adequate review of the debates regarding the definitions of knowledge or knowledge management in the field of development.**[20] Nor could a consistent set of knowledge management definitions be identified in the

[17] IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

[18] At the World Bank, trust funds, fee-based services and World Bank funds, for "core knowledge" also increased from $302 million in 2002 to $606 million in 2010, including $444 million for external clients, $62 million for global public goods, and $99 million for internal World Bank use.

[19] World Bank. 2011. *The State of World Bank Knowledge Services: Knowledge for Development*. Washington.

[20] As with most disciplines, knowledge management terms can be defined in different ways. For instance, the OECD defines knowledge management as a broad collection of organizational practices relating to generating, capturing, disseminating know-how and promoting knowledge sharing within an organization. Some definitions of knowledge management are quite narrow. For instance Ferguson et al (Ferguson, J.E., K. Mchombu, and S. Cummings. 2008. *Management of Knowledge for Development: Meta-Review and Scoping Study*. IKM Working Paper No. 1, March 20) argue that knowledge management should be considered as relating primarily to social processes and practices, and not to the

reports reviewed. Most IFIs have launched a wide range of initiatives to share their best practices and ideas in knowledge management. Several have gone further, approaching knowledge management as a distinct and explicit process. In these institutions, knowledge management is also about setting strategy and priorities for knowledge generation and advisory services, budgeting, managing professionals, and creating the right culture, structure, processes and systems. These organizations have been at the forefront of thinking about how to manage knowledge because their own success depends heavily on developing, sharing and applying specific knowledge to operations.

17. **In an effort to develop knowledge management agendas, IFIs have made good progress in drawing a distinction between key components of knowledge.** If information is the raw material—the input—used to make decisions, knowledge is what provides the context for how people think. As reported in evaluation reports, most IFIs have categorized various subforms of knowledge, including: (i) *explicit knowledge*, which can be codified and transmitted in systematic and formal languages, for example, documents, databases, Web sites, and emails; (ii) *implicit knowledge*, which helps individuals know what is socially and culturally appropriate in a given circumstance and can be described as knowledge of shared beliefs, values and expectations; and (iii) *tacit knowledge*, which is personal, context-specific knowledge that is difficult to formalize, record, or articulate as it is mainly developed through a process of interaction, debate, and trial and error encountered in practice.

18. **IFIs have grasped the key concepts of the knowledge management cycle and of the process of creating, distilling, selecting, organizing, presenting and sharing knowledge in specific areas of interest.** From reading the evaluation reports and material available for this study, it can be concluded that IFIs have been willing to engage in activities across a wide range of areas: (i) knowledge management planning and budgeting; (ii) knowledge product generation and creation, (iii) organization and storage of knowledge products through the use of technology solutions, databases, and archives; (iv) knowledge sharing and dissemination; and (v) mobilization and use of knowledge. Responding to increased demands, knowledge generation[21] has increasingly become an important component of IFIs' agendas. However, there is frequently no consensus among IFIs on what knowledge management means in practical terms. Ambiguity on the existing terminology and approach has been the source of some frustration and has resulted in limited acceptance of the concept by staff in many organizations.

### (ii) Efforts have been made to improve the global reach of knowledge and to address how best to continue providing KPS and which audiences to focus upon

19. **Most IFIs have recognized the need to categorize their audiences.** They have made considerable efforts to understand and categorize the needs of their potential knowledge audiences and to differentiate among the knowledge solutions to be provided, either for their internal or external purposes. For instance, in 2009, the World Bank Knowledge Strategy Group, formed to oversee the preparation of a knowledge strategy, identified nine product lines as the core of the institution's knowledge business, for three audiences: (i) knowledge for clients, (ii) knowledge as a public good,

technological component, which is needed to support these social processes and practices. Other definitions are all-inclusive in order to recognize both explicit and tacit knowledge.

[21] Knowledge generation is the process by which knowledge products (such as reports, papers, books, but also pictures or videos and other media products and messages) are created in an organization, either in response to its main corporate objective (such as is the case with research or media organizations) or in response to special needs. The latter is the case with most or all IFIs that are members of the ECG—usually these institutions are primarily concerned with financing of development in one way or others. But they have and can generate knowledge products both to inform their own operations or their clients or the general public.

and (iii) knowledge for internal use. The African Development Bank (AfDB) has also made considerable efforts to define the purposes of and audiences for different types of knowledge products and to carry out significant improvements to its corporate programming of economic and sector work and other non-lending activities.[22] To do this, it adopted an audience classification similar to that of the World Bank in 2013 (Box 3).

**Box 3: African Development Bank Audience Classification**

| AfDB CLASSIFICATION OF THE KNOWLEDGE MANAGEMENT AUDIENCES |
|---|
| **Group 1:** Knowledge for external clients, including economic and social work, for specific countries and at the regional or continental levels |
| **Group 2:** Knowledge as a public good without a designated client that advances knowledge in specific areas of development and stimulates debates, e.g., products from the Chief Economist Complex (*African Development Report*, research) |
| **Group 3:** Knowledge for internal use to inform bank staff about the latest approaches or findings, instruments or client products (sector reports, policy papers and portfolio examinations) and tools developed for bank staff. |

Source: AfDB—Operations Evaluation Department. 2013. Review of the African Development Bank's Economic and Sector Work (2005−2010).

20. **The emergence of knowledge as a public good, a feature of development assistance that has gained prominence in recent years, allows IFIs to reach out to new audiences.** Efforts have been made to make certain information available to all through open-data initiatives. In making KPS available to all, new categories of audience have emerged. IFIs now regularly contribute to global public goods. For instance, through its Open Development initiative, the World Bank has been a leader in making information and data freely available and searchable, encouraging feedback and information-sharing across all communities (including industry, academia, and policy makers). Under the World Bank's new access to information policy, any World Bank document not on a small exclusionary list is available to the public.[23] These public good services accounted for about $62 million (or 10%) of core knowledge spending in 2010. Most IFIs have now opened their data, knowledge and research to foster innovation and increase transparency for all development projects and aid flows. Institutions such as the ADB, the IMF, and the World Bank have developed policies to routinely make data available for download. Knowledge as a public good denotes work that has no pre-specified external or internal clients, but that should benefit the cause of development worldwide.

21. **Technical assistance (TA) and advisory services have contributed significantly to the provision of specialized knowledge to targeted audiences.** IFIs have traditionally provided TA and advisory services to improve the design, execution and impact of projects and to build institutional capacity, skills, and knowledge in client countries. Such TA typically includes: project preparation TA, policy and advisory services, capacity development, research and development, sector studies, training programs, and conferences and other awareness raising events.

22. **Knowledge partnerships have significantly increased the global reach of IFIs, mainly**

[22] AfDB. Operations Evaluation Department. 2013. *Review of the African Development Bank's Economic and Sector Work (2005−2010)*.
[23] World Bank. 2011. *The State of World Bank Knowledge Services: Knowledge for Development*. Washington, DC.

**through knowledge sharing but also through knowledge creation.** The evaluations indicated that IFIs have significantly increased the scope of informal and external knowledge partnerships in recent years. Knowledge generation and sharing requires a wide range of stakeholders working together toward common goals. The evaluations found that most IFIs (e.g., ADB, IFAD, IFC, and the World Bank) have now implemented structured and long-lasting partnerships for the delivery of knowledge-based programs. Partnerships with organizations at the country level are helping to provide customized development solutions, allowing IFIs to be more responsive to client demands and needs and thus to remain closely connected to those producing and applying development knowledge.

23. **Despite efforts to service various audiences, many IFIs are grappling with how to improve their provision of KPS and which audiences to focus upon.** IFIs are complex, diverse, multifunctional and geographically dispersed organizations that are also knowledge-intensive and serve a variety of audiences. As a result, more efforts have been made in recent years to partner or collaborate with external parties to produce and collect knowledge. At the World Bank, over 200 different collaboration initiatives were known to have existed in 2010.[24] More importantly, the evaluations raised the question of the funding for public goods; with IFIs bearing all the costs and not being repaid, the sustainability of their role as knowledge producers has been questioned. IFIs are typically good generators of both tacit and explicit knowledge, only some of which is durable enough to offer future competitive advantage and to justify the cost of retaining and transferring such knowledge. Building large repositories and content management systems to house all possible knowledge is not only expensive but is often perceived to be pointless.

24. **The evaluation reports found that IFIs have given inadequate attention to the sharing of knowledge with audiences at the country level.** It is obvious that knowledge for development should be shared with the countries in which the IFIs work but several reports found that the transfer of knowledge to appropriate audiences has been difficult, especially in countries with limited means to disseminate the KPS. Yet providers of development are now more than ever expected to play a combination of roles, including providing financing to the poorest regions and creating and disseminating various types of knowledge solutions. While many of these institutions remain, by and large, development financing institutions, their clients and beneficiaries increasingly demand more than just a simple transfer of financial resources; they ask for customized technical and knowledge support to climb out of the middle-income trap, convert to a sustainable development path, produce a more inclusive type of growth, and reap the rewards of regional cooperation.

### (iii) IFIs' ability to promote a cohesive knowledge management approach is hampered by the lack of conceptual clarity

25. **The lack of guiding principles, definitions, and metrics is a major impediment to inculcating a learning culture in most organizations.** Staff require a clear direction in terms of what priority is to be given to generating knowledge vis-á-vis other products such as loans or advisory services and policy advice, and how much time and budget is available for generating KPS and sharing these with others, both clients and wider audiences. Without clarity on this at all operational levels and within a variety of interventions (national, sector, program, project, and organization), staff are tempted to follow their own priorities and interests.

26. **Many recent studies have revealed that staff are concerned by the lack of a common**

[24] World Bank. 2011. *The State of World Bank Knowledge Services: Knowledge for Development*. Washington, DC.

**understanding and vision on the importance of knowledge generation, management, and sharing within their organizations.** For instance, at ADB, it was noted that the lack of guiding principles, definition(s), and metrics was a major constraint on putting in place a knowledge management culture.

## 2.3 Managing knowledge as a strategic asset

### (i) Knowledge management has been recognized as a potential strategic asset in many IFIs

27. **Following the World Bank "knowledge bank" initiative in 1996, many IFIs have acknowledged the importance of knowledge as a strategic asset and started to pay special attention to their knowledge management functions.** All the reports reviewed for this paper recognize that the early and mid-2000s saw a surge in the knowledge management agendas of most IFIs and other multilateral organizations (e.g., the OECD, the United Nations system, and the World Trade Organization). Many IFIs identified knowledge management as one of their core management tools or formed dedicated knowledge departments. Several IFIs adopted specific knowledge strategies, leading them to make considerable investments in human resources, connectivity tools, and specific institutional arrangements to create dedicated knowledge applications ranging from publications and databases to media solutions and decentralized training. The number of international organizations that have developed specific knowledge strategies or frameworks has steadily grown during the early 2000s, a sign of their desire to structure and plan their KPS more systematically.[25]

28. **Knowledge management strategies are crucial to defining the purpose behind knowledge programs and knowledge-sharing approaches.** AfDB and the World Bank benefited significantly from having a knowledge strategy adopted within their institutions. AfDB's knowledge policies provided broad guidance on knowledge work. The first strategy adopted by the AfDB Board in 2005 aimed to strengthen AfDB's role as a knowledge bank; this was followed by a more comprehensive *Knowledge Management and Development Strategy 2008–2012* in 2008 spelling out the knowledge vision and objectives that would enable AfDB to become the "premier knowledge Bank for Africa."[26] In 2010 the World Bank also adopted a knowledge strategy, called *Transforming the Bank's Knowledge Agenda: A Framework for Action*. In the same year, the World Bank established a Knowledge and Learning Council to manage knowledge initiatives, including a first knowledge report published in 2011.[27] The strategy focused on three key pillars: developing global practices to promote mobility of staff and knowledge; managing the bank's knowledge products as a portfolio to ensure greater impact; and strengthening the bank's role as a global connector of knowledge.

29. **At the strategic level, IFIs have also recognized that KPS should become central in the operations of lending institutions, next to loan and grant products.** For instance, the IDB made a significant commitment to knowledge in the 2000s at the strategic level, with an emphasis on research and knowledge dissemination to complement its lending operations. As indicated in a 2006 evaluation

[25] See also the discussion in IED. 2011. *Special Evaluation Study on the Performance of the Asian Development Bank Institute: Research, Capacity Building and Training, and Outreach and Knowledge Management*. Manila: ADB. The report argues that knowledge strategies were useful for spelling out clearly how the organization could create value for its constituencies, how that value supported an economic model, and how the staff delivered on the value and the economics.

[26] AfDB. Operations Evaluation Department. 2013. *Review of the African Development Bank's Economic and Sector Work (2005−2010).*

[27] World Bank. 2011. *The State of World Bank Knowledge Services: Knowledge for Development*. Washington, DC.

report,[28] IDB had fully recognized the importance of providing knowledge services by mid-2000s: "Loans are the end-point of a broad process involving both analytical work and dialogue among stakeholders in borrowing member countries, and the Bank performs a wide array of non-financial activities in support of these areas."[29] IFAD also increasingly recognized that knowledge management positively impacted on development effectiveness and that it was crucial to develop operationally-relevant KPS (Box 4). To do so, IFAD's Executive Board approved the organization's first knowledge management strategy in 2007 and implementation was completed in 2010. A new knowledge management framework was endorsed by IFAD management in July 2013 and a robust results framework for knowledge management was developed.[30]

**Box 4: International Fund for Agricultural Development Efforts to Develop Knowledge Management at the Strategic Level**

IFAD'S EFFORTS TO INSTITUTIONALIZE KNOWLEDGE THROUGH ITS 2007 KNOWLEDGE STRATEGY

Before its 2007–2010 strategy on knowledge management, IFAD took stock of a number of critical lessons emerging from an examination of its efforts to streamline knowledge management. Key points of the review included:

- Careful attention and institutional leadership were required to ensure that knowledge management initiatives are embedded in the organization's work processes and its main delivery instruments (i.e., loans and grants).
- IFAD's knowledge management initiatives before the adoption of the knowledge strategy in 2007–2010 tended to involve isolated activities or to be treated as "add on" activities without a clear unity of purpose. Knowledge management activities were not planned or implemented with a clear strategic focus nor within a coherent sourcing, planning, reporting and results framework.
- An institutional culture of learning and sharing knowledge was not in place and IFAD lacked appropriate human resource policies and practices, including incentives.
- The roles, responsibilities, competencies and incentives to perform the knowledge management processes and practices needed clear, careful and consistent attention and institutional support. IFAD's past efforts had attached insufficient importance to these requirements.

IFAD's knowledge management strategy 2007–2010 led to many achievements, with a wide range of activities carried out at corporate, regional and country levels. There has been widespread adoption of methods and tools to support learning and sharing. The strategy was operationalized through various forums and teams at the corporate level, and through the establishment of knowledge management officer positions in regional divisions of the Programme Management Department and in the Policy and Technical Advisory Division. A key feature of the strategy was the "bottom-up" nature of its implementation, and there has been solid buy-in and experience on which to build. A great deal has been invested at divisional level in knowledge management initiatives, in particular through use of grants, although these investments have tended to be unconnected and there is limited evidence of sustainability or impact.

A new knowledge management framework was endorsed by IFAD management in July 2013 to update the knowledge management strategy. The new framework responded to the issues raised in a corporate efficiency evaluation, recognizing that it is no longer sufficient or efficient for IFAD to implement knowledge management as a set of stand-alone activities across the organization and regions. It also responded to the evaluation's comments that IFAD did not adequately mine the knowledge generated by its projects. The framework drew on lessons from the implementation of the knowledge management strategy 2007–2010, as well as on extensive inputs and feedback from staff, which highlighted that IFAD needed to embed knowledge sharing and learning in its work processes and culture. It is designed to enable IFAD to synthesize

[28] IDB. Office of Evaluation and Oversight. 2006. *Evaluation of the IDB's Studies*. Washington, DC.
[29] IDB. Office of Evaluation and Oversight. 2006. *Evaluation of the IDB's Studies*. Washington, DC.
[30] IFAD. 2007. *Knowledge Strategy 2007-2010*. Rome.

and manage lessons, experience and knowledge more effectively for improved performance and greater global influence.

Source: IFAD. 2007. IFAD Knowledge Strategy 2007-2010; IFAD. 2013. IFAD. 2013. IFAD Knowledge Management Framework: Harnessing Knowledge for Impact. Rome.

## (ii) IFIs have had success in the field of "knowledge brokering," a competitive advantage that could be furthered to build external bridges across institutions

30. **A key strength of IFIs is their role as knowledge brokers, next to their roles as knowledge generators or customizers.** They have carried out this knowledge broker role in various ways: as knowledge managers, linkage agents (between producers and users of knowledge), and as capacity builders (by enhancing access to knowledge among the IFI community or with other institutions). The evaluations found that IFIs spend a lot of time and resources facilitating the sharing and use of knowledge, with some evidence of success in knowledge brokering, which several evaluations considered to be an increasingly important role. In preparing its most recent knowledge management strategy, AfDB recognized that the institution's development effectiveness hinged on sound knowledge management, with knowledge brokering playing a central role. The objective was for AfDB to be a credible knowledge broker in partnership with others, particularly, African institutions (Box 5).[31] The 2011 AfDB evaluation also pointed out that economic and sector work (ESW) was one of the institution's key tools to maintain the "Bank's role as adviser and knowledge broker."[32] The World Bank evaluation revealed that the institution has been successful in its ability of connecting the many stakeholders involved in knowledge generation.[33]

**Box 5: The African Development Bank as a Knowledge Broker for the African Continent**

AfDB AS A KNOWLEDGE BROKER

The role of AfDB as a knowledge institution has been complemented by its "knowledge broker" role. This involves linking entities or individuals (both producers and users of knowledge) that otherwise would not connect with each other. By being a knowledge broker, AfDB seeks to act as an intermediary between researchers who produce knowledge and policy makers who are its prospective consumers. As a knowledge broker, AfDB can act as a facilitator, synthesizing and passing on information.

Over the years, AfDB's comparative advantage in knowledge brokering has been anchored in its involvement with countries at the project level and, increasingly, at the upstream policy level. This, together with its location on the African continent, has provided AfDB with unique insights into the workings of African economies and their evolving needs. The increasingly important role of knowledge brokering in AfDB's activities is consistent with trends in the global economy and in Africa, where knowledge is becoming a source of wealth creation. Being seen as knowledge broker is increasingly important to AfDB. By using AfDB knowledge to be a broker, the institution is well placed to support Africa's economic transformation.

AfDB has sought to maximize the power of its reach among governments, businesses, NGOs, universities and

[31] "The Bank aims to be a Knowledge Institution in its priority areas and Knowledge Broker in others relevant to Africa's development. Endeavoring on becoming an effective Knowledge Institution does not imply that the Bank should rely solely on 'in-house' knowledge. The role of the Bank as knowledge institution would be complemented by being a knowledge broker, i.e. linking entities that otherwise would not contact each other and have them connected to share and exchange knowledge. The role as knowledge broker does not conflict with the knowledge generation aspiration of the Bank; the two reinforce each other". AfDB. 2013. *Knowledge Management Strategy 2014-2018*. Issues Paper.

[32] AfDB. Operations Evaluation Department. 2013. *Review of the African Development Bank's Economic and Sector Work (2005−2010)*.

[33] World Bank. IEG. 2013. *Knowledge-Based Country Programs. An Evaluation of the World Bank Group Experience.*

other communities. In addition to the annual African Economic Conference, AfDB has funded the African Virtual University, linking open distance and e-learning institutions in over 30 sub-Saharan African countries. Online forums offer great opportunities for the bank to become an efficient knowledge broker. The "D-groups," for instance—online development spaces built around email lists and online shared workspace—globally host 2,500 groups and 100,000 members, well over half of them from the global South.

AfDB's effectiveness as a knowledge broker depends on its improved knowledge capabilities and on actively managing knowledge in the context of a rapidly changing global environment.

Source: AfDB. Evaluation Matters, A Quarterly Knowledge Publication of the Operations Evaluation Department of the African Development Bank. The Knowledge Management Issue. May 2013.

31. **South–South knowledge brokering is also an area of interest for IFIs.** Brokering has been used to help countries offer their successes to other countries and to help them identify their learning needs. The 2012 ADB evaluation found that ADB's role as a broker and connector had become increasingly important over the years. The 2012 ADB evaluation also noted that ADB's strategy on knowledge sharing through South–South cooperation has become increasingly important. South–South knowledge brokering is also important at the World Bank with the World Bank Institute (WBI) establishing a South–South Knowledge Exchange (SSKE) hub to support the transfer of knowledge in many countries (Box 6). The SSKE hub serves as a central repository for information on South–South knowledge exchange, including best practices and a library of results stories. The SSKE seeks to help match countries that want to share knowledge with countries that need knowledge through a brokering mechanism that was piloted with 10–15 countries in 2011.[34]

**Box 6: The South-South Experience Exchange Facility as a Knowledge Brokering Space**

KNOWLEDGE BROKERING AT THE SOUTH–SOUTH EXPERIENCE EXCHANGE FACILITY

Created in 2008, the World Bank Institute's South–South Experience Exchange Facility is a demand-driven, multi-donor trust fund that provides just-in-time small grants (up to $150,000) for World Bank teams to support country requests for South–South knowledge exchange.

The grant application integrates a results focused approach for program design and monitoring and evaluation arrangements. Grant requests are country-driven but administered by the World Bank to facilitate rapid implementation. Nine partners, including five middle-income countries, support the South–South Facility. In addition to funding, these partners act as knowledge providers in facility-funded grants and bring together their significant experience in development. The current partners are the People's Republic of China, Colombia, Denmark, India, Mexico, the Netherlands, the Russian Federation, Spain, and the United Kingdom. The facility aims to meet immediate operational knowledge gaps by catalyzing the sharing of country experiences between practitioners; documenting and disseminating lessons learned through an online results stories library; and mainstreaming demand-driven South–South knowledge exchange into bank-financed operations.

As of November 2011, grants were associated with nearly $2 billion in World Bank project financing. Part of this financing was funded through the South–South knowledge exchange competition, which supported 25 new knowledge exchange activities in the context of other products and services in 2010. Exchanges cover a wide range of topics, including agriculture, education, finance, industry and trade, public administration, and law and justice.

Source: The World Bank Institute and the Korea Development Institute. 2011. *Using Knowledge Exchange for Capacity Development: What Works in Global Practice?* Washington and Seoul.

[34] The World Bank Institute and the Korea Development Institute. 2011. *Using Knowledge Exchange for Capacity Development: What Works in Global Practice?* Washington and Seoul. Three case studies in assessment of knowledge exchange programs using a results-focused methodology.

32. **IFIs have used various formal or informal networks and groups to channel knowledge from one institution to another, thus implementing reliable knowledge brokering spaces between the public and private sectors.** The European Bank for Reconstruction and Development **(**EBRD) has effectively used the concept of knowledge brokering to connect institutions and share knowledge in specialized domains. EBRD has been a successful knowledge broker in the private sector by creating an e-learning community in trade finance, thus reaching out to a large audience of commercial bankers in EBRD countries of operations and creating a long-term partnership with an international organization (International Chamber of Commerce), allowing the partners to exchange expertise and standards in trade finance (Box 7). IFC has played a similar role. At an individual project level, it has served as a knowledge broker between competing interests in financial deals. More broadly, it offers a wide range of advice to private sector institutions to help them tackle institutional shortcomings, including policies, laws, and regulations covering the financial and corporate sectors, as well as governance.[35]

**Box 7: European Bank for Reconstruction and Development (EBRD) Knowledge Brokering in the Private Sector**

EBRD E-LEARNING IN TRADE FINANCE: A SOLUTION FOR EFFECTIVE KNOWLEDGE BROKERING IN EBRD COUNTRIES OF OPERATIONS

The Trade Finance e-Learning Program, jointly launched by the European Bank for Reconstruction and Development (EBRD) and the International Chamber of Commerce (ICC) in May 2010, is a key EBRD knowledge solution for the banking community in EBRD countries of operations. In December 2011, the program was also launched in the southern and eastern Mediterranean region.

This initiative aims to help issuing banks involved in the EBRD's Trade Facilitation Programme (TFP) to have access to best international practice in trade finance, through building a firm understanding of ICC trade rules and achieving academic excellence.

The e-learning program covers all ICC trade and Incoterms rules and is written by the world's leading ICC experts in trade finance. The trade finance e-learning program is supported by the EBRD Shareholder Special Fund and the EU Neighbourhood Investment Facility.

EBRD is servicing a new audience in the private sector through this initiative. All users of the e-learning program are staff of commercial banks. Through the program, EBRD has abandoned traditional teaching methods as students can now listen to lectures online. The EBRD TFP team then aggregates the information on all the banks participating in the program and assesses where the knowledge gaps lie according to individual bank, country and region. The EBRD team can then arrange targeted face-to-face training workshops with well-known consultants who can address any areas that were perhaps not well understood during the online training.

As a result, the TFP team has seen better-targeted trade, better use of products and a better understanding of the risks involved in trade finance. The issuing banks are also better equipped to formulate more specific questions to the TFP team and are able to apply the concepts they have learned in everyday operations.

Source: EBRD.

## (iii) The "knowledge bank" concept remains only partly achieved

33. **The "knowledge bank" concept of the late 1990s still has some distance to go.** A recent

[35] World Bank. IEG. 2009. *Knowledge for Private Sector Development.* Washington.

evaluation concluded that the World Bank had made more progress in establishing the architecture to support its knowledge initiative than in creating the governance arrangements and work processes for carrying it out. The 2012 evaluation of the World Bank matrix system is unambiguous about this. Rather than functioning as a global organization, the evidence from the flow of virtual knowledge and technical expertise indicated that the World Bank was "at risk of evolving into a group of regional banks interconnected by fraying ties among the Regions and between the Regions and networks."[36] Knowledge that is generated by the World Bank or captured from operations implemented by clients is rarely used in future operations or in other contexts. As a result, the strategic intent of making knowledge management a way of doing business had been only partly realized (Box 8).

34. A similar conclusion is reached in the 2012 ADB evaluation of KPS: "Faced with the President's vision of transforming the institution into a 'knowledge bank', ADB did not respond predictably. Instead of drafting a corporate wide policy or strategy on KM, ADB has allowed decision making and priority setting for knowledge to remain largely within each department, whether designated knowledge departments or operations departments. With time, this ambiguity has hindered the development of a cohesive system-wide approach to promoting knowledge in a coherent fashion, thus making it difficult for staff to integrate knowledge into the day-to-day work in a logical fashion".[37]

**Box 8: World Bank and the Concept of the "Knowledge Bank"**

THE WORLD BANK: EFFICIENCY AND EFFECTIVENESS OF THE KNOWLEDGE BANK

A new focus on knowledge services was initiated at the World Bank in 1996 by then President James Wolfensohn. Over an 18-year period (1996-2014), senior management tried to implement the concept of the "knowledge bank" and established the creation and dissemination of knowledge as a key strategic role, value, and focus for the World Bank. Promoting understanding and acceptance of the idea that the World Bank was not just a lender of financial capital, but also a creator, broker and sharer of knowledge was not a simple task and the creation and dissemination of knowledge has remained a challenge in late 1990s–early 2000s. The spread and democratization of knowledge (e.g., through the new technologies) has represented a significant shift of focus in the approach to the generation and sharing of knowledge. Put in the simplest terms, it had become easier to make knowledge products and advisory services available to all stakeholders of development assistance.

Given that most knowledge was created outside the bank, one managing director has argued that "The World Bank is now realizing that it is not the center of the world, that the sources of knowledge are very much different than they were in the past ... we are in a period of the democratization of knowledge." To address this challenge, the World Bank sought to define three different roles for itself: knowledge producer, knowledge customizer, and knowledge convener, connector, broker. An important issue for the World Bank's knowledge strategy was to define the appropriate role for the institution to play now that there are so many parties involved in the creation and dissemination of knowledge related to development.

Source: World Bank—Independent Evaluation Group (IEG). 2012. The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness. Washington, DC. Chapter 3: The Promise of a Knowledge Bank. pp. 41-65.

35. **Lessons from the experience of the World Bank and other IFIs underscore the**

[36] World Bank. IEG. 2012. *The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness*. Washington. Chapter 3: The Promise of a Knowledge Bank, pp. 41-65). The report also indicates that "Knowledge that is generated by the Bank or captured from operations implemented by clients is rarely used in future operations or in other contexts. Decentralization has created further impediments to the flows of knowledge and expertise, and until the underlying incentives and constraints inhibiting effective knowledge flows are addressed, further decentralization will inevitably aggravate these problems."

[37] IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

**complexities, difficulties and pitfalls of transforming IFIs into "knowledge banks."** Several reports examined for this document found that there was not enough focus at the strategic level, with senior management not empowered to articulate why KPS would be produced and what value they would bring to the institution. Although some members of senior management at IFIs have placed knowledge management at the top of their agendas, others have instead let knowledge be managed by a wide variety of functional departments. In addition, IFIs have to decide how they will execute their chosen management strategies, when they exist. Unless KPS are prioritized by senior management, the knowledge approach will be based on departmental strategies that are all different in format and content, and generally of secondary or tertiary priority, trailing at some distance behind the primary priority of dispensing loans and related financial products.

## 2.4 Organizational arrangements: Areas of progress and constraints

### (i) IFIs have made significant efforts to strengthen their organizational arrangements for knowledge management

36. **Many organizational arrangements have been made to strengthen knowledge management.** Institutional arrangements vary among IFIs, but the evaluation reports concluded that, while each IFI had gone through its own stages in institutionalizing knowledge management, a model had emerged that relied on a more centralized arrangement, with knowledge management first organized at the headquarters level. Recognizing that KPS are core activities, most IFIs have strengthened their capacity to create and share knowledge by creating specific units and organizations. For instance, the Asian Development Bank Institute (ADBI) was established in 1997 in Tokyo to help build capacity, skills and knowledge related to poverty reduction and other areas supporting long-term growth in developing economies of the Asia and Pacific region. In particular, ADBI's strategic vision was to become a leader in creating and sharing knowledge on economic development in the Asia and Pacific region.[38] In 2004, ADB approved a knowledge management framework. The World Bank Institute (WBI), named the Economic Development Institute when it was founded in 1955, was renamed in 2000 and reorganized to better leverage the power of knowledge, innovation, and coalitions for change.

37. At IDB, institutional strengthening took place through the 2007 strategic realignment leading to the creation of the Knowledge and Learning Sector (KNL) under the Vice-Presidency for Sectors and Knowledge, and a Knowledge Management Division. The IFAD knowledge management strategy provided a basis for institutional strengthening of various infrastructure and knowledge management tools. A reorganization in 2011 created the IFAD Strategy and Knowledge Management Department (SKD) to support key IFAD processes, including impact assessment, global policy dialogue, and analysis of current and future trends in rural development. A knowledge management coordination group, convened by SKD, and with representatives from across the organization, is now underpinning a more collaborative and coherent corporate approach to knowledge management. Similarly, in May 2010 the World Bank formed the already mentioned Knowledge and Learning Council, comprising members of the World Bank's senior management, to catalyze new approaches to the way it managed and disseminated knowledge work. ADB has been developing a number of business processes to streamline knowledge management, including the 2004 knowledge framework. In the same year, the

[38] IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB. See also ADBI. *Year in Review 2009*. Tokyo.

Knowledge Management Center was established.[39] AfDB has also made special organizational arrangements to become a knowledge bank (Box 9).

**Box 9: AfDB Organizational Arrangements to Become an Effective Knowledge Institution**

AfDB AND ITS ORGANIZATIONAL ARRANGEMENTS FOR KNOWLEDGE MANAGEMENT

Since the AfDB's inception in 1964, AfDB staff have undertaken knowledge management activities such as carrying out project analysis, sharing development experiences internally and externally with stakeholders, and preparing and disseminating flagship reports.

However, it was not until 2005 that the knowledge management effort was formalized with the approval of AfDB's first knowledge management strategy (2005–2007). The effort gained momentum in 2006 with the creation of the Office of the Chief Economist, which received a mandate to strengthen knowledge management in the institution and to turn it into a knowledge bank. The bank's vision in the second knowledge management strategy (2008–2012) was to become the "premier knowledge bank for Africa."

To enhance the AfDB's role as a knowledge institution, the Office of the Chief Economist has established a cross-complex knowledge management committee, which acts as an advisor and strategic thinking body on knowledge management. In 2013, a knowledge management strategy was prepared to align knowledge management with AfDB's 10-year strategy (2013–2022)—inclusive growth and transition to green growth—to further raise the development effectiveness of the bank's operations.

Source: African Development Bank (AfDB)—Operations Evaluation Department. 2013. Review of the African Development Bank's Economic and Sector Work (2005−2010)..

38. **Communities of practice (CoPs) help support knowledge sharing activities.** According to several evaluations, CoPs, thematic networks, informal communication and learning practices have been put in place to share knowledge in a formal and informal way. While CoPs are not new in the field of development, they have evolved in a positive way in some of the IFIs. Although often under-resourced and understaffed, CoPs enable knowledge to be constantly preserved, adapted, and enhanced to support the large and dispersed global operations that IFIs have built. A CoP is different from a team because it is defined by a topic of interest, not by a task it has to accomplish. ADB's CoPs, for instance, are groups of people who share an interest in a specific field, discuss a problem they face regularly in their work, and come together to develop knowledge to set up a practice around that topic. The ADB CoPs are the acknowledged "owners" of specialized content; they have responsibility for generating and developing the knowledge relevant to the work of staff. These communities are organized around functional expertise (Box 10). At the World Bank, its CoPs (the sector networks) have been made new "Global Practices," the core of the new structure of the bank.

**Box 10: ADB's Communities of Practice (CoPs) are Efficient Organizational Units that Facilitate the Capture, Development, and Distribution of Knowledge**

ADB'S CoPs AS GOOD ORGANIZATION ARRANGEMENT TO CAPTURE TACIT KNOWLEDGE

ADB's communities of practice (CoPs) demonstrate how knowledge can be shared across boundaries. Some 15 CoPs have been constituted, each consisting of 20-150 staff members in areas of AsDB's expertise, including agriculture, energy, education, poverty, social development, poverty, and water,. The CoPs gather periodically to conduct peer reviews of projects and exchange confidential information on the business pipelines. CoPs hosted over 400 seminars and events at ADB during 2009–2011.

[39] Of the 37 action points listed under specific activity indicators of the ADB Action Plan, 70% had been fully adopted, 8% largely adopted, and 16% partially adopted by July 2011. Progress report dated April 2011 (ADB. 2011. *Enhancing Knowledge Management Under Strategy 2020: Plan of Action for 2009-2011*. Manila).

CoPs enable newcomers to be initiated quickly into an organization through the sharing of experience. While sharing practices, people start thinking more creatively about routine ways of doing things. Specialists in their field can be invited to share their knowledge with the CoP enabling the organization to keep up with new developments in the field. In addition, knowing whom to contact for information can be more valuable than more structured and codified knowledge products and services.

The ADB energy CoP provides strategic directions on ADB's energy sector operations and advises on staff competencies, skills mix distribution, and innovative initiatives. In addition, an informal energy CoP hosts brown-bag seminars and other vehicles for information exchange. The CoP assumes that a staff member working on energy develops a wealth of expertise after years of experience, including a strategic outlook, extensive networks, and tactical information on project implementation. With members from five regional departments and other parts of the bank, the ADB energy CoP forms an efficient platform from which knowledge can be disseminated throughout the network.

Source: IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

39. **Significant alterations have been made to IFI corporate structures.** Stronger institutional arrangements have enabled many IFIs to refine their approaches to knowledge management and to develop a wider set of capabilities to innovate and respond to changing needs. The new knowledge capabilities which emerged in the 2000s—including new knowledge management departments and centers, knowledge platforms and networks, and the CoPs—are the result of sound investments. These efforts have been recognized internationally. Each year the Multilateral Organisation Performance Assessment Network (MOPAN) assesses a number of institutions by focusing on strategic and operational relationships and knowledge management.[40] By benchmarking knowledge management indicators for IFAD, ADB, AfDB, and the World Bank, a basic level of consistency in the ratings for knowledge management have been achieved.[41]

40. Some multilateral organizations have been able to benchmark their knowledge agenda against leading public and private sector organizations in the Most Admired Knowledge Enterprises (MAKE)[42] initiative. For instance, the World Bank Group has several times been named in the world's top 20 most admired knowledge enterprises. In 2011 ADB was placed among the top 20 Asian organizations (and one of only four from the public sector) by a MAKE panel of Fortune 500 executives and knowledge management experts.[43]

### (ii) Better organizational arrangements have not always led to better coordination and organization of the rapidly expanding KPS

41. **The volume of KPS has increased exponentially, which has not only led to the production of a body of knowledge dispersed across institutions and variably accessible but also to costs that were not always anticipated.** The 2012 ADB evaluation revealed that a stocktaking of knowledge

[40] Available at www.mopanonline.org

[41] IFAD. Independent Office of Evaluation. 2013. *Institutional Efficiency and Efficiency of IFAD-funded Operations Corporate-level Evaluation*. Rome. .

[42] The MAKE program was established in 1998 to recognize leading organizations for their ability to transform corporate knowledge into enterprise intellectual capital and shareholder wealth or societal wealth (for public sector and non-profit organizations). Regional MAKE studies are conducted for Asia, Europe and North America, as well as the Global MAKE study.

[43] IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

products for 2004–2011 for ADB (including ADBI) found at least 5,138 products.[44] Over the same period, knowledge generation and sharing increased about five-fold with a substantial increase every year in the number of books, reports, journals, briefs, working papers, training and instructive materials as well as general and multi-media materials posted on the ADB website.[45] Similarly, a recent AfDB evaluation report[46] found that knowledge products for economic and sector work had increased substantially in recent years, with the 2010 production up 27% over 2009 and more than five times higher than 2005. Only 11 economic and sector work products were released in 2005, compared with 45 in 2009 and 62 in 2010. During 1999–2008, the IMF issued an average of 650 research items annually, representing a vast body of research at an annual cost of about 10% of the IMF budget.[47] IFIs are therefore providers of an increasingly sprawling range of knowledge products. Several of the evaluation reports indicated the need to develop a mechanism to prioritize needs and ensure that only the most relevant KPS are produced and disseminated.

42. **The diverse nature of KPS poses challenges to the effectiveness of knowledge management coordination.** Coordination has become an increasing source of concern in the development community. Various World Bank reports have mentioned a concern over the coordination of knowledge. The 2012 Matrix System at Work evaluation reported that staff were frequently concerned that the regional sector units seemed disconnected from each other, a fact that is complicated by the far-reaching decentralization of sector staff in recent years. As one World Bank survey respondent said, "with some technical staff decentralized, and little resources devoted to knowledge sharing among sector staff, it is difficult for operational staff to reflect experiences from other Regions or from outside the Bank to enhance [the] quality of the operations."[48]

43. **Several evaluation reports concluded that there was limited coordination or prioritization across departments of IFIs.** Attempts have been made in the IMF to introduce a coordinating mechanism, for instance through the Committee on Research Priorities, but none of these has endured.[49] ADB has had limited success in implementing a successful coordination mechanism for knowledge activities. The Knowledge Management Center established in 2004 has not been serving as the focal point to oversee the coherence of these knowledge efforts as intended. The 2013 AfDB evaluation report reached a similar conclusion and pointed out that the dissemination of reports was ad hoc with no formal guidelines and coordination mechanisms.[50] Dissemination varied across AfDB, from posting studies on the web (internally or externally) to sending them to national or international organizations or a network of people for presentations in seminars, without a monitoring or

[44] IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

[45] For instance, ADB has become a publisher of flagship publications, including annual reports, *Asian Development Outlook* and *Key Indicators for Asia and Pacific*, a statistical data book presenting economic, financial, social, and environmental and Millennium Development Goal indicators for the 48 regional members of the ADB (the series is now in its 43rd edition). ADB's knowledge and research publications (books, reports, journals, working papers, ADB Briefs) have been also produced to convey information on ADB's work in specific sector or thematic areas. Moreover, information and instructive materials of all kinds have been dispersed throughout the organization in different formats, e.g. awareness raising and multimedia material, training material, strategy and policy documents, country information, sector and thematic analyses, strategies and road maps, Board documents, operational reports , including information from projects and grants.

[46] AfDB. Operations Evaluation Department. 2013. *Review of the African Development Bank's Economic and Sector Work (2005−2010).*

[47] IMF. Independent Evaluation Office. 2011. *Research at the IMF: Relevance and Utilization*. Washington, DC.

[48] World Bank. Independent Evaluation Group. 2012. *The Matrix System at Work: An Evaluation of the World Bank's Organizational Effectiveness.* Washington. Chapter 3: The Promise of a Knowledge Bank. pp. 41-65. Washington, DC.

[49] IMF. Independent Evaluation Office. 2011. *Research at the IMF: Relevance and Utilization*. Washington, DC.

[50] AfDB. Operations Evaluation Department. 2013. *Review of the African Development Bank's Economic and Sector Work (2005−2010).*

coordination system to record if and when this occurs.

44. **Many KPS are not planned and costs are not always anticipated accurately.** The IDB evaluation[51] reported that a large percentage of the IDB studies appearing on web pages were not officially recorded in the database tracking studies, showing that many studies were simply unplanned. IFIs are simply not able to monitor the KPS produced each year and therefore to program efficiently. Although many IFIs have sought to nurture a knowledge culture across the organization in past years, e.g. through the drafting a specific framework and action plan, they lacked a major initiative that would enable them to anticipate the needs for KPS and thus to plan their production in a controlled manner.

### (iii) The current organizational knowledge management structure covers an audience that is too large and disparate, resulting in inadequate attention to country needs

45. **KPS should have a greater emphasis on country needs.** The evaluations highlighted the need for the knowledge organization to avoid concentrating KPS at the corporate level, uncoordinated with country knowledge programs, and sometimes leaving regional and country offices with fewer opportunities and resources to carry out country-specific knowledge tasks. An IMF evaluation noted that "many country authorities expressed a dislike of cross-country panel regressions, saying the policy advice that emerged from this methodology was not very informative."[52] A 2013 AfDB study concluded that there was "little attention to country priority needs with a tendency to follow management or the Board's topics or themes (governance, gender, private sector, infrastructure, regional integration)" and that there was often a sudden drop in the interest in some topics once trust funds are no longer available, thus raising the "question of the ESW [economic and sector work] relevance for the Bank".[53] With limited resources, some people from field offices argue that KPS need to be focused in the first instance on scaling up successful operations in countries, "rather than pursued as ends in themselves".[54] This last point is a matter of debate as many freestanding KPS are said to be relevant to their audiences.

## 2.5 Managing for quality and other operational challenges

### (i) The quality of knowledge outputs is highly variable

46. **There is unanimous, strong appreciation for the generation of signature and flagship KPS**. These generally achieved their intended outcomes, including the provision of robust analytics to support policymaking and improve the international debate on economic and development issues. For instance, the IMF *World Economic Outlook* is one of the two IMF flagship publications that are widely used and, overall, it is one of the most influential publications in terms of the reach of analysis, findings, and messages. Almost all country authorities reported that they paid regular attention to the *World Economic Outlook* and said that it was widely read. While the almost-universal use of this publication was driven in part by the extensive use of the analytics, the usefulness of messages to

[51] IDB. Office of Evaluation and Oversight. 2006. *Evaluation of the IDB's Studies (RE-323)*. Washington, DC.
[52] IMF. Independent Evaluation Office. 2011. *Research at the IMF: Relevance and Utilization*. Washington, DC.
[53] AfDB. Operations Evaluation Department. 2013. *Review of the African Development Bank's Economic and Sector Work (2005–2010).*
[54] IFAD. Independent Office of Evaluation. 2013. *IFAD's Institutional Efficiency and Efficiency of IFAD-Funded Operations Corporate-Level Evaluation*. Rome.

inform decision-making was also cited as very important.[55]

47. At ADB, such signature publications included the *Asian Development Outlook* flagship series, some of which had contributed to global and regional policy discussions on development issues and in particular led the debate on Asia's post-global crisis growth strategy. ADB's *Economics of Climate Change in Southeast Asia: A Regional Review*, informed climate change policy making and created momentum for more in-depth country-level analyses. These policy reports were felt to be successful because they presented policy options to national authorities and decision makers on country-specific responses to some challenges.[56] Many other KPS were mentioned as important for timely information and data they provided to decision makers. Statistical reports and economic guides and monitors were also regarded as relevant.

48. **Evaluations were unanimous in concluding that quality management problems undermine the production of many KPS at lower levels.** It is perhaps inherent in the nature of the IFIs that they should prioritize financial products above knowledge products. A 2013 AfDB evaluation report noted that harmonized procedures for quality control of ESW did not exist: "Internal and external reviews are conducted for some ESW products, particularly those with a high profile, but only on an ad-hoc basis. The Operations Manual does not provide guidance. The section devoted to ESW was planned but never written, so there are still no formal guidelines or procedures for ESW".[57] Similarly, the evaluation of IDB studies concluded that formal methods of quality control were not systematically applied to the production of most studies. Although some IDB departments used quality control procedures for some types of studies, "for the majority of studies in the Bank, there is no indication of any sort of quality review".[58]

49. A recent evaluation of IMF research indicated that, with the exception of some signature products such as the *World Economic Outlook* or the *Global Financial Stability Reports*, the quality of other product lines was often highly variable within products and across themes.[59] The IMF study found a lack of a systematic IMF-wide process to review research products: "The review process varied across departments and research products. The *World Economic Outlook* and *Global Financial Stability Reports* were subjected to a formal and structured interdepartmental review process. Regional *Economic Outlook* reports were reviewed through a structured process in each area department, but these processes varied across departments. There was no systematic and uniform process for reviewing papers".[60] Departmental seminars were used in some, but not all, departments as part of the review process and to gather comments. The lack of rigorous quality management procedures for knowledge products and advisory services hampers IFIs from carrying out their development agendas coherently.

50. **Staff need more incentives and to be subjected to more quality control.** Poor knowledge products can adversely affect the reputation of development intuitions and their ability to respond appropriately. The evaluations suggested that IFIs encourage staff to write down what they know and to place these documents in the public space. However, incentives to share knowledge should also be emphasized. It is often easier to create a knowledge product than to disseminate it.

[55] IMF. Independent Evaluation Office. 2011. *Research at the IMF: Relevance and Utilization*. Washington, DC.
[56] IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.
[57] AfDB. Operations Evaluation Department. 2013. *Review of the African Development Bank's Economic and Sector Work (2005–2010).*
[58] IDB. Office of Evaluation and Oversight. 2006. *Evaluation of the IDB's Studies (RE-323)*. Washington, DC.
[59] IMF. Independent Evaluation Office. 2011. *Research at the IMF: Relevance and Utilization*. Washington, DC.
[60] IMF. Independent Evaluation Office. 2011. *Research at the IMF: Relevance and Utilization*. Washington, DC.

### (ii) Just-in-time, operationally relevant knowledge is lacking

51. **Evaluation reports have long warned of the risks of KPS that are not related to operations.** A 2003 evaluation report on knowledge management in the World Bank indicated that it primarily consisted of knowledge aggregation and sharing—processes that by themselves did not guarantee that the shared knowledge would be adopted, adapted, and applied: "For that to happen, knowledge sharing has to be embedded in work processes. But, for the most part, the new activities have not been tightly linked to the Bank's core lending and nonlending tasks. As a result, staff and clients do not view the new knowledge-sharing programs and activities as sufficiently relevant to their operational work."[61] The report concluded that these weaknesses in reach and operational linkage meant that the World Bank's knowledge-sharing activities and programs had "limited impact" on client countries. A 2012 evaluation[62] found that similar problems persisted some 10 years on. Lending volumes are the most important metric of success at the World Bank and the report concluded that the lack of incentives for staff and mangers to give priority and funding to knowledge activities was still a major hurdle. The dissemination of operationally useful knowledge was perceived to be weak at regional levels and the impact of the products was found to be limited, due to "weaker dialogue on the analytical findings and inadequate client ownership and involvement in the analytical activities".[63]

52. **Evaluations concluded that the generation of knowledge products was often supply-driven and not relevant to operations and did not respond to clients' needs.** Too often KPS tend to be produced by headquarters, with few inputs based on the experience of governments and authorities at the local level. IFAD noted that "knowledge management in country programs has not yet been sufficiently focused on scaling up IFAD's impact on the ground," with the institution not focusing enough on mining the rich knowledge embedded within the operations it funds.[64] Similarly, the 2011 IMF evaluation of research concluded that the relevance of research was often hampered by lack of early consultation with country authorities on research themes, insufficient country and institutional context, and inadequate coverage of important issues, such as macro-financial linkages and aspects of monetary policy. The IMF report indicated that national authorities often considered IMF research to be "quite insular—authors tended to cite mostly other IMF research and often failed to cite work written by local researchers, thereby missing important institutional dimensions."[65] World Bank evaluations indicated that analytical and advisory activities often took too long and were outdated by the time they are completed. Clients did not always see the value of such work if it was not demand-driven and did not provide solutions to problems.[66]

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[61] World Bank. Operations Evaluation Department. 2003. *Sharing Knowledge: Innovations and Remaining Challenges*. Washington, DC.

[62] World Bank. Independent Evaluation Group. 2012. *The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness*. Chapter 3: The Promise of a Knowledge Bank. pp. 41-65.

[63] The 2012 evaluation report summarized the issue as follows: "At the institutional level, knowledge management has not worked well. In the Regions, we are under too much pressure to deliver lending. We have no time to think or document our experience, although this was originally envisaged as part of the matrix reform. We have no resources to document and disseminate experience systematically. The main constraint is pressure of lending delivery". A 2013 World Bank evaluation reiterated that knowledge products and services used in the design of lending operations were more likely to succeed than freestanding knowledge services (The World Bank. 2013. *Knowledge-Based Country Programs. An Evaluation of the World Bank Group Experience*. Washington, DC).

[64] IFAD. Independent Office of Evaluation. 2013. *IFAD's Institutional Efficiency and Efficiency of IFAD-Funded Operations Corporate-Level Evaluation*. Washington, DC. p. 47.

[65] IMF. Independent Evaluation Office. 2011. *Research at the IMF: Relevance and Utilization*. Washington, DC. p. 12.

[66] World Bank. Independent Evaluation Group. 2012. *The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness.* Chapter 3: The Promise of a Knowledge Bank. Washington, DC. pp. 41-65.

53. **A purely supply-driven approach prevents management and staff from recognizing specific knowledge needs.** This argument is to be taken seriously. A lack of access to timely and operationally relevant information at country level undercuts the organization's ability to create a competitive advantage from KPS. The ADB evaluation notes this in particular.[67] A supply-driven approach often fails to recognize changing patterns and needs in developing countries. Most IFIs have diverse clients, including graduated countries, middle-income countries, low-income countries, and fragile states.

### (iii) IT systems are often not effective in supporting full knowledge dissemination

54. **Because knowledge must be decoded and recoded, sophisticated IT-driven knowledge management tools have been deployed so that knowledge does not calcify into static, inert information.** IFIs have invested in technology to streamline content management and improve tools for archiving, indexing, searchability, and retrieval. Intensive IT and knowledge engineering efforts have led to a wide variety of corporate knowledge databases, trusted networks and expert systems. The World Bank governance and anticorruption team is in the forefront of using technology to reach out to regional staff. [68] Today IT is as much about creating direct connections among staff and development partners through such applications as electronic mail, webinars, video-conferencing, open learning platforms, and social media, as it is about storing high-volume, high-velocity data in large databases and other repositories. Linking together different systems into a more integrated and seamless infrastructure has been a necessary step and many IFIs recognized that significant investments in IT were unavoidable if they were to scale up knowledge management projects.

55. **Some IFIs do not yet have good IT to support knowledge management.** Evaluations found that several IFIs are operating with fragmented, often incompatible systems. Most IFIs are using a multitude of sophisticated electronic repository systems with proprietary search engines but do not have a logically-developed hierarchy of databases, e.g., smaller databases for exclusive use of selected staff or partners and larger "holding tanks" containing publicly-available data and knowledge. ADB is one example. Despite significant investment in physical and digital infrastructure that permits the flow of information, ADB systems are not fully conducive to knowledge sharing and thus ensuring the proper dissemination of KPS. The lack of an integrated information-sharing platform, e.g., a dedicated knowledge extranet to provide search and retrieval capabilities across all ADB document repositories of knowledge, was noted in the evaluation.

56. **Disparate knowledge management visions, models, and needs are influencing the choice of IT systems, creating some serious concerns about knowledge dissemination.** Most evaluations noted that comprehensive IT support is critical to the success of knowledge management. However, each institution seems to have its own problems with the IT systems. At IDB, a fairly decentralized management information system resulted in inefficiency, constraining access, visibility, and dissemination of knowledge products. The processes by which the IFIs shares information with the field, and how information from various partners is shared throughout the entire system, is flawed, and has a negative impact on the quality of knowledge and analytical products provided in support of operations. Over time, dissemination and proper storing for public use has become a concern.[69]

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[67] IED. 2012. *Special Evaluation Study: Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

[68] World Bank. Independent Evaluation Group. 2012. *The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness.* Chapter 3: The Promise of a Knowledge Bank. Washington, DC. pp. 41-65. .

[69] IDB. Office of Evaluation and Oversight. 2006. *Evaluation of the IDB's Studies (RE-323)*. Washington, DC. p. 22.

57. Similarly, the World Bank evaluation of its matrix system revealed some flaws in the management information systems: "The communication tools for the Bank to act as a connector of knowledge are available, but not systematically used."[70] The 2011 IMF evaluation also revealed that during the evaluation period the IMF had changed its IT strategy to move towards Internet-based dissemination in an effort to reduce the production and distribution of hard copies of knowledge products. The shift to electronic dissemination facilitated access by most member countries and by staff. However, authorities in 40% of countries eligible to extended credit facilities indicated that electronic dissemination had diminished their use of IMF publications, partly because of connectivity problems.[71] AfDB admitted that one of the fundamental issues facing the institution in undertaking knowledge activities was the lack of a management information system with a comprehensive database that documented economic and sector work results and outcomes.[72]

58. **IT deployment will not achieve much, if it is not accompanied by a global cultural change toward knowledge values.** Knowledge management is not only about tools. Implementing a good IT strategy for knowledge management needs to involve many complementary changes that can predate and accompany the system installation. IT should not be seen just as a process through which knowledge is easily and automatically shared at large. It is more important for IFIs to deal with rapid changes in knowledge and outdated information; they also need to ask themselves what kind of knowledge exists in the organization and what kind of knowledge is needed to improve performance. Such an approach will require a cultural change on the value that is placed on knowledge in the organization.

59. **Several challenges need to be addressed before IFIs can put in place effective and integrated knowledge management IT platforms**. These include: (i) moving to fully electronic formats (with increased imaging and scanning capacities); (ii) standardizing the organization of business documents and information (taxonomies, metadata, filing plan); (iii) formalizing and mastering flows and processes within and beyond the enterprise boundaries (operations manual, processes repository); (iv) enhancing infrastructure and connectivity, in particular in field offices; (v) implementing an integrated architecture with a centralized enterprise search engine; (vi) delivering customized solutions to all users in a timely fashion; and (vii) promoting the use of IT systems.

### (iv) Tacit knowledge is not sufficiently captured and codified

60. **Tacit knowledge, which is by its nature difficult to quantify, remains largely unmonitored.** Tacit knowledge exists in the form of the operational experience of staff, clients, and partners. While the magnitude of codified knowledge is known—at least in terms of the number of knowledge products delivered and their cost—most IFIs feel they have not been able to mobilize tacit knowledge sufficiently, although some have made more progress than others. The World Bank is currently changing to a new structure that relies on knowledge-based global practices with a view to mobilizing tacit knowledge better. ADB's CoPs have been a conduit for transferring tacit knowledge among ADB staff. Some IFIs have recognized that knowledge is created and shared through social interaction between people in CoPs. CoP discussion of projects and business plans is a good illustration of the

[70] World Bank. Independent Evaluation Group. 2012. *The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness.* Washington, DC. Chapter 3: The Promise of a Knowledge Bank. p. 59.
[71] IMF. Independent Evaluation Office. 2011. *Research at the IMF: Relevance and Utilization*. p. 23.
[72] AfDB. Operations Evaluation Department. 2013. *Review of the African Development Bank's Economic and Sector Work (2005−2010)*.

informal process through which knowledge can be socially constructed.

61. **The retention of managerial knowledge, a sub-category of tacit knowledge, is problematic.** Such knowledge centers on the realities of organizational life, processes, and the working of organizational units and staff. Unlike technical knowledge, managerial knowledge comprises a wide range of experiences difficult to harness and store. The World Bank evaluation of the matrix system noted that the movement of tacit knowledge is not easy to capture because of the periodic rotation of staff between departments and regions. A natural time to capture tacit knowledge would be when a long-serving staff member moves to a new region or departments (or retires), but the World Bank lacks mechanisms and resources to debrief staff upon leaving a unit or to prepare staff moving to a new region. This concern is shared by most IFIs and one of the goals of any knowledge management strategy should be to capture tacit knowledge from departing staff.

## 2.6 Impacts of knowledge management

### (i) Assessing knowledge impacts remains a challenge

62. **Every organization can provide examples of high-impact KPS, but all struggle to identify the overall impact of their KPS.** Most of the indicators used in performance systems are unable to clearly establish whether knowledge strategies have brought significant changes to core business processes. Reviews of knowledge management work in many IFIs have pointed to a lack of impact indicators. The case of the World Bank is well documented in the reports reviewed for this paper. In the first few years of its implementation, the knowledge management strategy seems to have been relevant, responding to the World Bank's mission and the needs of its clients, while taking advantage of its vast resources of development expertise and knowledge assets. However, subsequent reviews, including the matrix evaluation of 2012, have pointed to the lack of impact metrics, which makes it impossible to measure how the institution was capturing the effects of knowledge of KPS on core business processes.[73]

63. Other evaluations have spotted similar problems. The 2009 evaluation of IFC development results indicated that indicators for advisory services were very limited, which "reflected the relative immaturity of the project M&E system, but also the absence of established M&E indicators for IFC's impact at a programmatic level."[74] The targets that were included for advisory services covered the number of public–private partnership advisory mandates and the level of overall expenditures on advisory services, neither of which captured IFC's development impact.

64. ADB is slightly different. Since 2008, knowledge management has been measured by perception indicators. Knowledge management significantly improved its rating in ADB's 2011 development effectiveness review, achieving an overall rating of "good." However, the ADB evaluation concluded that more specific knowledge indicators needed to be created and incorporated into the results framework, e.g., indicators on country partnership strategies that referred to knowledge products or indicators on the use of knowledge by different audiences. IDB's development effectiveness overview reports provide few metrics or insights into the actual application of knowledge, despite compiling significant amounts of data on knowledge activities.

[73] World Bank. Independent Evaluation Group. 2012. *The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness*. Washington, DC. Chapter 3: The Promise of a Knowledge Bank. pp. 41-65.
[74] World Bank. Independent Evaluation Group. 2009. *Knowledge for Private Sector Development*. Washington, DC. p. 46.

65. **How to measure success and what kinds of metrics should be adopted remain key issues for IFIs.** Trying to measure the impact of the creation and sharing of knowledge is difficult. Financial capital is a tangible product and therefore defining metrics to measure amounts of loans and grants is easier than measuring an intangible product such as knowledge transfer. It is also easier to define metrics to measure explicit knowledge (through the number of research reports, training classes and databases) than it is for embedded or tacit knowledge. Nor is it easy to measure spending on embedded or tacit knowledge. For instance, the World Bank tried measuring spending on knowledge services, but admitted that the estimate that the Bank spends $2.5 billion on knowledge embedded in lending "remains dubious."[75]

66. **The ADB, IDB, and World Bank experiences suggest that quantitative metrics on knowledge products are already available[76] but they are underused.** Such metrics could include publication outputs; publication downloads and purchases; web traffic indicators; citations (especially for journal articles); media mentions; and internal-external perception survey results. However**,** the challenge is to develop and track more indicators to assess progress at each stage of the knowledge cycle, e.g., knowledge activities–outputs–outcomes–use/impacts. Furthermore, these cases also reveal the limits of such metrics, in the absence of complementary qualitative analysis of the impact of knowledge activities on core business processes. This inability to measure the investment in and impact of knowledge services continues to be a huge barrier to achieving success for the knowledge program. For one thing, lending volume remains the most important metric of success. The incentives and accountability of country directors and sector managers are strongest for lending operations and particularly lending delivery.

### (ii) Capturing knowledge of frontier issues is difficult, which limits the impact of knowledge management

67. **Evaluations have not found many examples of truly forward-looking KPS.** The emergence of global challenges, e.g. climate change or increased rates of urbanization, has upset existing development models and paradigms, requiring a more comprehensive analysis and openness to a plurality of views, rather than reliance on established economic models. One such example, the 2012 ADB evaluation,[77] pointed to the forward-looking *Asia 2050* publication which drew on experience of many stakeholders in the Asia and Pacific region to use scenario planning as a tool for decision-making. However, good forward-looking KPS are the exception.

68. The ADB evaluation pointed out that insufficient attention was paid to the voices of the poor themselves and of associated knowledge practitioners. Experience shows that there is only limited direct cooperation with civil society and beneficiaries to create KPS. The concern is twofold: that the knowledge generated by ADB does not reach the poorest and that ADB has made no particular efforts to strengthen the capacity of governments and beneficiaries so they can contribute to knowledge generation and sharing. Moreover, the knowledge management agenda is seen as insufficiently focused on extreme poverty and social exclusion.[78]

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[75] World Bank—Independent Evaluation Group (IEG). 2012. *The Matrix System at Work, An Evaluation of the World Bank's Organizational Effectiveness*. Washington, DC. Chapter 3: The Promise of a Knowledge Bank. p. 40.

[76] ADBI recently produced a results framework that contains such measurements. It was a direct result of an IED evaluation.

[77] IED. 2012. *Special Evaluation Study on Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

[78] IED. 2012. *Special Evaluation Study on Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB.

### (iii) There is a need to strengthen and harmonize knowledge management evaluation practices to capture impacts

69. **The review of evaluation reports that was used to compile this report indicated that evaluation practices related to knowledge management are not consistent.** IFIs need to develop ways of evaluating knowledge management across the community and of operationalizing recommendations. In reviewing the evaluation reports, a wide range of approaches and practices appeared to have been used, without a common understanding of what should be evaluated and how it should be done. In addition, the most unexpected finding was that most IFIs do not conduct knowledge-related evaluations at all. Only a few IFIs have carried out comprehensive evaluations of knowledge management in the last decade (e.g., ADB, World Bank). Some institutions have done evaluative work by focusing on a few aspects, e.g., research products at the IMF, advisory services at IFC, studies at IDB, and the performance of TA at ADB. Other institutions have covered knowledge management in wider corporate evaluations related to effectiveness, e.g., IFAD.

70. **Knowledge evaluations focus on processes, infrastructure, and outputs (e.g., number and types of KPS, funding available for knowledge management, use of TA)**. The cost of engaging in knowledge management is rarely assessed and little quantitative information is provided on the efficiency of developing a wide array of KPS. As already mentioned, evaluating knowledge management impacts is difficult. Explicit knowledge in the form of publications can be easily counted, but more intangible aspects such as more experience and better expertise are much harder to quantify and therefore evaluate. In most of the evaluations that were reviewed, changes in behavior resulting from the use of knowledge management were not measured. Therefore, not many evaluations can assess the potential and impacts of intangible effects like knowledge customization or dissemination. Because there are few outcome metrics, it is difficult to determine to what extent IFIs have been successful with their knowledge management agendas over the years.

# 3. CONCLUSIONS AND LESSONS

71. **This paper has provided a synthesis of 14 evaluations and related reports on knowledge management from six development institutions.**[79] The evaluations were done at different times and stages of the evolution of their organizations, and they sometimes present very different types of findings. However, the paper sought to collect evidence on commonalities and relatively consensual conclusions and to draw lessons by focusing on gaps and opportunities. The review has important implications for effectively developing knowledge agendas that are applicable across IFIs.

72. **Overall, IFIs have made progress in establishing the architecture to support their knowledge management initiatives.** As a result, the total number of KPS has significantly increased. Many reports rightly recognized that IFIs have transformed the way they conduct knowledge work, opening data and knowledge to various audiences, including researchers, policy makers, and civil society throughout the world. Emerging development issues play an increasingly important part in the focus for most IFIs, in particular when food, demographics and the environment are at stake. Such emerging challenges will also require clear strategies and organizational arrangements to provide relevant knowledge products and advisory services for operations.

73. **The study found that the strategic intent of providing and sharing KPS as a core business has been only partially realized.** KPS still play second fiddle to financial products and services. The evaluation reports generally found this to be regrettable and suggested that more prominence be given to KPS in the services IFIs offer to developing countries. The reports found that the effectiveness of IFIs depends to a growing extent on their ability to deliver high-quality, accurate, timely, and useful KPS to clients. Although the evaluations reported a sharp increase in the number of KPS produced in recent years, there are some concerns about the overall focus, coherence and quality of the knowledge and services produced.

74. **Not enough efforts have been made to define knowledge or to develop metrics to measure results**. The lack of guiding principles, definitions and metrics is also a constraint on implementing a robust knowledge management culture in organizations, leaving staff with a poor understanding of what constitutes knowledge management and how much priority it has.

75. **Knowledge planning and needs identification is weak in most instances**. Over time, numerous knowledge management approaches have been adopted without sufficient coordination and coherence. The lack of clarity and common agreement on the roles of the different organizational units within the organization has further hampered the implementation of knowledge management agendas.

76. **The creation of KPS is often done through a supply-driven approach.** Organizations tend to concentrate KPS at the corporate level, leaving country offices with too few opportunities and resources to carry out specific knowledge production at country level, thus undermining operations. Weak coordination in the programming of KPS is part of the problem. Inadequate IT systems sometimes create barriers instead of facilitating the flow of information.

77. **Results of knowledge management practices remain difficult to identify in some areas.** The need to better codify tacit knowledge has become obvious. In addition, some evaluations indicated that getting information from beneficiaries themselves can be a challenge. Relevant and effective links

[79] ADB, ADBI, IDB, IFAD, IMF, World Bank.

between IFIs' headquarters and the field are crucial to a comprehensive, multisectoral, and coordinated approach to knowledge management. However, many IFIs make insufficient efforts to strengthen the capacity of their field offices to feed their knowledge back to the corporate level.

78. **Lessons.** It was not the purpose of this paper to propose and prioritize recommendations on how to design and implement more relevant, effective and efficient knowledge management practices in IFIs. Nevertheless, four important lessons have been identified.

**1. Strengthen knowledge planning by improving the clarity on knowledge management concepts and roles of the institution, and by improving the coordination of various KPS efforts**

- The adoption of a knowledge management strategy has been a positive experience for some IFIs. If the organization is to pursued this, it should be based on good definitions and on criteria for choosing what knowledge an organization plans to pursue and how it will go about capturing and sharing it. The strategy should determine what knowledge is to be systematically captured and shared, and especially the frontier issues that need special attention. The strategy should preferably be coordinated those of key development partners, so that knowledge gaps can be filled and duplication of efforts avoided.
- Other more modest efforts at strengthened knowledge planning may ultimately pay off as well, for particular units of the IFI. These may be more realistic and require less policy consensus, and be a vehicle ultimately for consensus creation and tangible progress in key areas. Creating a specific coordinating knowledge unit serving as the focal point, can help improve coordination and gradually give direction. Such a unit can also help to ensure integration between the technologies and mechanisms developed to support knowledge management processes.

**2. Incentivize staff to enhance knowledge creation and quality**

- Adequate incentive mechanisms are needed to reward staff generating and sharing knowledge. These should be embedded in a corporate culture that appreciates KPS as much as financial products. Special rewards for those producing operationally-relevant KPS are recommended.

**3. Improve use of IT infrastructure and social media and enable codifying and sharing of tacit knowledge**

- There is much scope for improving the enabling technologies for knowledge storage retrieval and sharing. Although many IFIs have invested substantially in information technology (IT) infrastructure, a number of IT gaps remain in several organizations. The use of social media often requires a culture change.

- The evaluation reports found that tacit knowledge generated in the IFIs is generally inadequately exploited. Promoting a collaborative and integrative approach to the capture of tacit knowledge is crucial. Enhanced intranets, social media tools, online forums, and similar platforms will encourage codifying and sharing tacit knowledge. Team social networks and communities across a decentralized organization can be built using websites built with a personalized view, wikis, blogs, central search engines, public folders sharing, and other systems that offer a space for communities to exchange ideas and knowledge, possibly structured by topic.

**4. Measure the use of knowledge for operations**

- Many IFIs still struggle to establish the gains that knowledge management can offer. Evaluation reports indicate that better indicators and measurement systems can link knowledge management to business impact and thus provide a rationale for further investment in it.

- One option is for IFIs to adopt a results framework that links knowledge objectives to the work of organizational units. Such a framework would ensure that staff understand how objectives align with the roles of such units, and what progress is being made. When baselines, targets and their time frames are laid down, the annual monitoring of progress is facilitated and can be reported on annually. This in turn should lead to an annually updated action plan to gradually improve the quality and results of knowledge management in the organization.

# Appendixes

# Appendix 1. Glossary of key terms[1]

**Codification:** Obtaining, characterizing, and validating knowledge. It includes elicitation or acquisition, analysis, and synthesis (rational reconstruction) of knowledge to generate internally consistent knowledge models that are congruent with domain knowledge as held by experts or existing as previously codified bodies of knowledge. It also covers the process of transforming people's knowledge so it can be communicated independently of those people. The most common method is writing things down and placing them into documents and databases. Other methods include pictures, and sound and video recordings.

**Communities of Practice (CoPs):** Networks of people who work on similar processes or in similar disciplines and who come together to develop and share their knowledge in that field for the benefit of themselves and their organizations. Communities of practice may be created formally or informally, and members can interact online or in person. Communities of practice can be linked physically, for example through meetings, casual encounters at lunch, or formal workshops, or virtually through mailing lists discussions and workspaces.

**Core knowledge activities:** The activities that are most widely used by an organization, often also called the knowledge life cycle or the knowledge value chain. They are used to identify, create, store, share, and use knowledge, often in a two-way exchange. Two important requirements have to be fulfilled to achieve improvements from these activities: (i) the activities should be aligned or integrated into business processes; and (ii) the activities should be balanced in accordance with the specificities of each process and organization. A knowledge management solution should not focus only on one or two activities in isolation.

**Data:** Discrete and objective facts, measurements, or observations that can be analyzed to generate information.

**Encoding:** Translating codified knowledge models to a representation such as that required for an expert system tool or shell. Encoding is similar to "programming," and may in many instances include computer programming to augment tools or shells. Encoding may be a programming task, as when an expert system is directly implemented in LISP Prolog, or another computer language.

**Expert System:** A knowledge-based computer program containing expert domain knowledge about objects, events, situations, and courses of action, which emulates the reasoning process of human experts in the particular domain. The components of an expert system include: (i) the knowledge base; (ii) an inference engine; and (iii) a user interface. Types of expert systems include rule-based systems and model-based systems.

**Explicit knowledge:** Knowledge that can be codified in formal, systematic language and shared in discussion or writing. Examples include a telephone directory, an instruction manual, or a report of research findings.

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[1] See also the glossary in IED. 2012. *Special Evaluation Study on Knowledge Products and Services: Building a Stronger Knowledge Institution*. Manila: ADB. See Olivier Serrat. 2009. Glossary of Knowledge Management. *Knowledge Solutions*. April 2009 (39). Manila: ADB.

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**Implicit Knowledge:** Knowledge that helps individuals know what is socially and culturally appropriate in a given circumstance; it is knowledge of shared beliefs, values and expectations (e.g., knowing that it is inappropriate to undermine colleagues in public, understanding management attitudes within a given organization).

**Information:** Data that have been categorized, analyzed, summarized, and placed in context in a form that has structure and meaning.

**Information Management:** The management of an organization's information resources in order to improve the performance of the organization. Information management underpins knowledge management, as people derive knowledge from information.

**Information Technology:** The physical elements of computing, including servers, networks and desktop computing which enable digital information to be created, stored, used and shared.

**Integrative Management Culture:** When an organization builds and orchestrates an internal practice to deal systematically and deliberately with knowledge by having people share insights and seek assistance from one another, a new and open culture emerges. People open up and discuss difficult issues, emerging ideas, and tentative opportunities with one another. They take mental risks that would be unthinkable in conventional environments. They seek collaboration to achieve better results more quickly, and to build on ideas of others and let others build on their own ideas. By opening up to new approaches and perspectives, and by building on the capabilities of others instead of only relying on their own, they expand the overall knowledge base of the organization.

**Intellectual Capital:** The value, or potential value, of an organization's intangible assets. Attempts to place a financial value on organized knowledge often define intellectual capital as the combination of human, relational, and structural capital.

**Knowledge:** "Knowledge is the understanding of relations and causalities, and is therefore essential in making operations effective, building business process, or predicting the outcomes of business models."[2] Similarly, knowledge can be seen as: "Understanding the why, what, how, who, when, and where relative to taking some action. Knowledge is the product of organization and reasoning applied to raw data."[3] These views complement a now classic hierarchical projection of knowledge management: data–information–knowledge–wisdom, whereby data is compiled and sorted into information, whose relations are analyzed into knowledge, which builds wisdom through experiential context. Subforms of knowledge include: explicit knowledge, implicit knowledge, and tacit knowledge (see definitions of these terms in this glossary).

**Knowledge Application (or Use):** When knowledge is actually used to develop or change practices and behavior. Changes can occur through policies or programs guidelines revisions, and with business processes transformation (or reengineering).

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[2] Talisayon, S. D. 2009. Monitoring and Evaluation in Knowledge Management for Development. *Information and Knowledge Management Working Paper.* No. 3, IKM Emergent Research Programme, Dutch Ministry of Foreign Affairs. p. 9, citing McKinsey & Company, 2001.

[3] ADB. 2004. *Knowledge Management in ADB.* Manila. p. 4.

**Knowledge Assets (or Intellectual Assets):** Those parts of an organization's intangible assets that relate specifically to knowledge, such as expertise; best practices; and intellectual property. Knowledge assets are often divided into human (people, teams, networks and communities), structural (the codified knowledge that can be found in processes and procedures), and technological (the technologies that support knowledge sharing such as databases and intranets). By understanding the knowledge assets an organization possesses, an organization can improve its ability to use them to best effect and also to spot any gaps that may exist.

**Knowledge Bank:** A financial organization, such as the ADB or the World Bank, that systematically applies knowledge management processes to develop, share and apply knowledge-based solutions to improve the effectiveness and efficiency of loans and finance-related technical assistance for development.

**Knowledge Base:** An organized structure of information that facilitates the storage of intelligence so it can be retrieved in support of a knowledge management process.

**Knowledge Broker:** A person who facilitates the creation, sharing and use of knowledge in an organization. Many organizations have created knowledge broker roles. The term is sometimes used to describe companies or individuals that operate commercially as knowledge traders or which provide knowledge-related services.

**Knowledge Development:** Includes creating new knowledge through research and reflections, but also capturing (documenting of tacit knowledge), codifying (adding meta-data), or transforming knowledge to new formats and for new media (including translation, formatting and re-interpretation).

**Knowledge Economy:** An economy in which knowledge plays a dominant part in the creation of wealth. The four pillars of a knowledge economy framework are: (i) an economic incentive and institutional regime that provides good economic policies and institutions that permit efficient mobilization and allocation of resources and stimulate creativity and incentives for the efficient creation, dissemination, and use of existing knowledge; (ii) educated and skilled workers who can continuously upgrade and adapt their skills to efficiently create and use knowledge; (iii) an effective innovation system of firms, research centers, universities, consultants, and other organizations that can keep up with the knowledge revolution and tap into the growing stock of global knowledge and assimilate and adapt it to local needs; and (iv) a modern and adequate information infrastructure that can facilitate the effective communication, dissemination, and processing of information and knowledge.

**Knowledge Flows:** The ways in which knowledge moves around, and into and out of, an organization.

**Knowledge Harvesting:** A set of methods and techniques for making tacit knowledge more explicit so that it can be shared more easily.

**Knowledge Management:** The explicit and systematic management of processes enabling vital individual and collective knowledge resources to be identified, created, stored, shared, and used for benefit. Its practical expression is the fusion of information management and organizational learning.[4] Knowledge is obtained by education, training, experience, research and other means, but knowledge

[4] Olivier Serrat. 2009. Glossary of Knowledge Management. *Knowledge Solutions*. April 2009 (39). Manila: ADB.

product generation in IFIs would normally draw on tacit and explicit knowledge accumulated by staff in the course of activities directed either primarily at research or studies or reporting and media activities, or by implementing investment and other projects. It has been defined as: "the identification, optimization, and active management of intellectual assets, either in the form of explicit knowledge held in artefacts or as tacit knowledge possessed by individuals, teams, organizations or communities. Knowledge management is about managing professionals, and creating the right culture, structure, processes and systems that allow knowledge workers to professionalize, be effective and innovate."[5]

**Knowledge Management Cycle:** A process of transforming information into knowledge within an organization. Such a cycle usually covers the following areas in IFIs: (i) knowledge goals and subsequent planning and budgeting for knowledge management (including the use of knowledge management strategies); (ii) knowledge creating; (iii) knowledge organizing (including storage of knowledge products, use of technology solutions, databases, and archives); (iv) knowledge sharing (including dissemination within and outside the organization); and (v) knowledge applying (mobilization and use of knowledge for operations and other purposes, e.g. as a public good)..

**Knowledge Management Tools:** The methods and techniques that are used to support or deliver practical knowledge management. These can be either information technology systems, e.g., databases, intranets, extranets, and portals; methodologies; or human networks, e.g., communities of practice.

**Knowledge Management Strategy:** A detailed plan outlining how an organization intends to implement knowledge management principles and practices in order to achieve organizational objectives.

**Knowledge Manager:** A role with operational and developmental responsibility for implementing and reinforcing knowledge management principles and practices. Often acts as central owner of taxonomies and content standards and knowledge processes. Works to promote access to information, intelligence support, expertise, and good practices.

**Knowledge Mapping:** A process to determine where knowledge assets are in an organization, and how knowledge flows operate in the organization. Evaluating relationships between holders of knowledge will then illustrate the sources, flows, limitations, and losses of knowledge that can be expected to occur.

**Knowledge Products and Services (KPS):** KPS are tangible outputs (products) and activities (services) of development, sharing, or application of information and knowledge contents. Knowledge products include annotated bibliographies, relational or mapped directories, evaluation reports or working papers, journal articles, wikis, and monographs. Knowledge services include analytical research that takes various forms of advisory services, facilitation and capacity development, and learning programs.

**Knowledge Repository:** A place where knowledge is gathered and stored and which can be accessed and used by other people. It may be a community of practice or it may be one or several experts. It may be a physical place such as an R&D team or a library; a "virtual" place such as an interactive

[5] Cited in Hulsebosch, Joitske, et al. 2009. Monitoring and Evaluating Knowledge Management Strategies. IKM Background Paper, IKM Emergent Research Programme, Dutch Ministry of Foreign Affairs. p. 11.

website or an online discussion board; or a place where people gather such as a café or an informal meeting room or discussion area created to encourage knowledge sharing. A low-tech knowledge repository could be a set of file folders. A high-tech knowledge repository might be based on a database platform.

**Knowledge Sharing:** An act of exchanging knowledge, between two or more parties. If the flow of knowledge is unidirectional, the "sharing" is limited to one side disseminating to another, or broadcasting to others. When flows are multidirectional, exchange occurs, and many sides can benefit by learning from others. Sharing can occur face-to-face, be mediated by diverse communication practices and technologies, be synchronous or asynchronous, such as conversations, in-class teaching, distance learning, publishing and broadcasting, peer mentoring, mailing list discussions, and micro-blogging.

**Knowledge Solution:** Improving or resolving a problem through the identification and use of a solution based on knowledge development and sharing among concerned stakeholders. In the ADB context, "knowledge solutions" also refer to concise guidelines on knowledge processes, such as nurturing internal knowledge markets or conducting a "pre-mortem analysis." The knowledge solution series "aims to build competencies in the areas of strategy development, management techniques, collaboration mechanisms, knowledge sharing and learning, and knowledge capture and storage."[6]

**Knowledge Stakeholder:** Internal and external generators, sharers, and users of knowledge. In the case of ADB, the two main knowledge stakeholders are developing member country clients and ADB staff (both in headquarters and in field offices). Secondary knowledge stakeholders include development partners and other knowledge providers, sharers, and users, such as academia, nongovernment organizations, the private sector, think tanks, and the media.

**Open System:** A system that is integrated with, and continually influenced by its environment. Many open systems, such as human and social systems, have scores of unobservable inputs. Moreover, the dimensions of their internal states are large and not fully observable. Open systems are "unidentifiable" and "uncontrollable."

**Organizational Culture:** The specific collection of values and norms shared by individuals and groups in an organization that controls the way they interact with one another and with people outside the organization.

**Organizational Learning:** The ability of an organization to gain knowledge from experience through experimentation, observation, analysis, and a willingness to examine both successes and failures, and to then use that knowledge to do things differently. While organizational learning cannot happen without individual learning, individual learning does not necessarily produce organizational learning. Organizational learning has occurred when an organization has become collectively more knowledgeable and skillful in pursuing a set of goals.

**Records Management:** A process of ensuring an organization is creating and maintaining an adequate documentary record of its functions, policies, decisions, procedures, and essential transactions. It includes helping the organization to decide which records to keep and which to destroy and how best to organize them all. Hence it involves processes relating to the generation, receipt, processing, storage, retrieval, distribution, usage and retirement of an organization's records.

[6] See: http://www.adb.org/site/knowledge-management/knowledge-solutions

**Socialization:** The process of sharing tacit knowledge by bringing people together to discuss, share experiences, or work together.

**Tacit Knowledge:** The personalized knowledge that people carry in their heads. Tacit knowledge is more difficult to formalize and communicate than explicit knowledge. It can be shared through discussion, storytelling, and personal interactions. There are two dimensions to tacit knowledge: (i) a technical dimension, which encompasses the kind of informal personal skills or crafts often referred to as expertise; and (ii) a cognitive dimension, which consists of beliefs, ideals, values, schemata, and mental models that are ingrained in individuals and often taken for granted.

**Taxonomy:** A hierarchical structure used to categorize a body of information or knowledge, allowing an understanding of how that body of knowledge can be broken down into parts, and how its various parts relate to each other. Taxonomies are used to organize information in systems, therefore helping users to find it.

# Appendix 2. Key findings from the 14 selected knowledge-related reports

| **African Development Bank—Operations Evaluation Department. 2013. Review of the African Development Bank's Economic and Sector Work (2005−2010).** | |
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| **Objective and scope** | This was a review of the performance of the AfDB's economic and sector work (ESW) over the period 2005–2010. It constitutes the first phase of a comprehensive ESW evaluation. The report focuses mainly on the processes and procedures for the preparation of ESW, including issues related to knowledge management. It also assesses the performance of ESW activities of the bank based on a portfolio review, literature review, and five country case studies. The review noted that AfDB's management was preparing a new policy on knowledge management (including the creation of a bank-wide Knowledge Management Committee). It was expected that this review would also inform this policy. |
| **Methodology** | The report was produced by AfDB's Operations Evaluation Department in 2013. The purpose of the review was to assess AfDB's ESW over the period 2005–2010 and to draw lessons and formulate recommendations to improve the effectiveness of future ESW. The study should be seen as a formative evaluation as AfDB is putting in place an internal process for ESW. To investigate ESW activity along the entire process, the review addressed four questions: (i) How consistent are AfDB policies and strategies for ESW? (ii) What are the features of ESW produced by AfDB? (iii) How efficient are AfDB's processes and management of ESW? (iv) To what extent is AfDB ESW usable and useful? |
| **Main findings and recommendations** | The report noted that knowledge management as a new field of study has drawn attention to the significant and important role of ESW. The role of knowledge as a resource for development is of crucial importance. In response to the growing demand for cutting-edge knowledge, development organizations publish studies and reports, both to enhance the quality of lending and as a business line for policy and program advice to clients. A subset of these knowledge products is known as ESW. As noted, the volume of ESW prepared has increased substantially since 2008, with increased focus on the bank's strategic areas, reflecting AfDB's desire to become a "knowledge bank."<br><br>The first AfDB strategy on knowledge management aimed at strengthening the bank's role as a knowledge bank was approved by the Board in March 2005. It covered the period to the end of 2007. Since then AfDB's knowledge activities have been guided by the Knowledge Management and Development Strategy 2008–2012, approved by the Board in 2008. After a major independent evaluation of the ADF VII, VIII, and IX in 2004 found that knowledge and ESW at the bank were inadequate, AfDB responded by issuing knowledge strategies in 2005 and 2008. The current strategy states that the bank's knowledge vision is to be the premier knowledge bank for Africa. Its two key objectives are to establish and establish a knowledge culture within the bank and to enhance the operational effectiveness of bank initiatives. The report noted that trust fund expenditures on knowledge and ESW had significantly increased in nominal terms since 2009.<br><br>The following issues were noted in the evaluation report:<br>– AfDB's knowledge policies provide broad guidance on knowledge work but do not explicitly refer to ESW.<br>– AfDB's 2008–2012 knowledge strategy provided limited guidance on ESW. It had three main limitations:<br>o The strategy focused mostly on the complex of the chief economist and provided scant policy guidance for knowledge across the AfDB.<br>o The strategy made little distinction between knowledge products, so ESW was not singled out.<br>o The strategy had an inward-looking approach, with little consideration given the strategic positioning of the bank in relation to regional member countries and other donors in the area of knowledge. For example, whether AfDB should invest more in "what to do" (ESW) or "how to do it" (technical assistance) was not addressed. |

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| | – There was no mechanism in place for managing ESW as a portfolio. In addition, harmonized procedures for quality control of ESW did not exist. As a result, the evaluation report recommended creating a business process and increasing corporate oversight to support quality assurance, dissemination and management of ESW as a coherent portfolio.<br>– Dissemination of reports was ad hoc with no formal guidelines. Dissemination varied across bank units and activities ranged from posting studies on the web (internally or externally) to sending them to national or international organizations or a network of people for presentation in seminars.<br>– The ESW portfolio had little visibility in regional member countries, and AfDB's field offices did not have a clear role in disseminating ESW.<br>– The report concluded that AfDB should be more realistic with respect to the actual delivery of ESW activities while increasing corporate oversight to support and manage the ESW portfolio, and to generate and disseminate the knowledge acquired. Thus, AfDB needs to contextualize ESW and its KPS, and to provide implementation mechanisms so that it can clearly position ESW within the AfDB's knowledge ecosystem.<br>– On the ESW positioning, the evaluation report noted that much confusion existed among ESW, research, and internal reports (such as portfolio analysis), and that the audiences for AfDB ESW were unclear. As a result, the report recommended that AfDB should revisit its knowledge strategy to clarify the function, purpose, and audience for its analytical and knowledge products. Adapting from the "general framework for knowledge in organizations", one option would be to organize AfDB knowledge products according to a specific and well agreed typology. |

| **Asian Development Bank (ADB)—Independent Evaluation Department. 2012. KPS: Building a Stronger Knowledge Institution. Special Evaluation Study.** | |
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| **Objective and scope** | The main objective of this ADB evaluation study was to identify lessons that would help ADB to become a stronger knowledge institution. To do this, the study adopted a two-fold approach: looking backward to assess past accomplishments against expectations, as well as looking forward to determine what features are essential to make ADB more effective as a knowledge institution and how these features could be adapted to the changing context of the Asia and Pacific region. The ADB evaluation study also presented an independent evaluation of the implementation of ADB's knowledge management The study drew on the 2011 evaluation of the Asian Development Bank Institute (ADBI), which was the first evaluation of knowledge management in ADB. |
| **Methodology** | (i) A literature review of knowledge evaluations, (ii) a comparator assessment of other organizations with comparable knowledge activities (five development partners and one private sector company), (iii) case studies of influential KPS, (iv) institutional assessment, (v) questionnaire surveys of ADB and developing member country stakeholders, (vi) an information questionnaire to the chairpersons of the internal communities of practice (CoPs), (vii) key informant interviews, and (viii) an external review of 85 knowledge publications by a panel of experts. |
| **Main findings and recommendations** | The study noted that ADB's knowledge role represented an unfinished and underdeveloped agenda. Recognizing the increased client demand for knowledge, ADB's KPS output has grown substantially in the past decade. However, there was widespread concern about the multiplicity of approaches, and serious gaps and constraints remained. This had created a sense of confusion and lack of clarity on the direction of knowledge management at the corporate level. In addition, while ADB was becoming more knowledge oriented, there remained a poor understanding of knowledge management, stemming largely from a lack of clarity and common agreement on key concepts and terms and the respective knowledge management roles of different organizational units. Weak guidance, coordination across departments, and knowledge channels (between headquarters and field operations) were other key constraints. The absence of an underpinning knowledge management conceptual framework was noted as another issue.<br><br>Recommendations included:<br>– Improve the incentive structures to improve the rewards for staff doing knowledge work. Staff must be encouraged to make learning and knowledge identification, generation, sharing, and use a natural feature of daily work.<br>– Improve enabling technologies, particularly for knowledge storage, retrieval, and sharing. Although ADB has invested substantially in information technology infrastructure, there are a |

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| | number of information technology gaps that impede the smooth generation, sharing, and use of knowledge.<br>– Strengthen knowledge needs identification by expanding successful approaches undertaken by regional departments and by preparing country-specific knowledge plans.<br>– Strengthen knowledge sharing by capturing and sharing tacit knowledge across developing member countries, through South–South cooperation, and through increased use of social interaction processes, in particular through communities of practice, training, and social media.<br>– Strengthen knowledge use through dissemination of KPS, providing easy-to-access on-time information and by using specific feedback mechanisms to gauge client satisfaction.<br>– Prepare a knowledge management strategic directions document that builds on ongoing work in this respect. Prioritize key areas of focus. ADB has neither a knowledge management policy nor a knowledge management strategy. The evaluation stressed that the main rationale for the development of a knowledge management strategic directional document was the need to prioritize areas where ADB could add most value through its knowledge work. |

| **Asian Development Bank (ADB)—Independent Evaluation Department. 2011. Performance of the Asian Development Bank Institute: Research, Capacity Building and Training, and Outreach and Knowledge Management. Special Evaluation Study.** | |
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| **Objective and scope** | The study examined the performance of the Asian Development Bank Institute (ADB) and drew strategic lessons for the future. The evaluation covered three key knowledge products and activities of ADBI: (i) research products; (ii) capacity building and training (CBT); and (iii) outreach and knowledge management. |
| **Methodology** | No monitoring or results frameworks were available to assess the performance of ADBI (it became available after the IED evaluation). In the absence of these frameworks, ADB deployed its own conceptual framework to evaluate ADBI's organization and processes in research and CBT, and its outreach and knowledge management functions in support of research and CBT activities. The evaluation team conducted e-surveys, field interviews with ADBI partners and CBT course participants, and undertook a full review of relevant ADBI documents. |
| **Main findings and recommendations** | Taking into account ADBI's performance in the context of research, capacity building and training and outreach and knowledge management program, based on relevance, effectiveness and usefulness, the overall performance of ADBI was rated *successful*. The evaluation of the research function showed that, overall, ADBI's research function was relevant to the topics it researched, effective in providing quality information to ADB developing member counties (DMCs), and moderately useful in terms of utilization. An evaluation of the research products by an eminent external review panel found that they were generally useful, informative, and appropriate to the mission of ADBI. ADBI was not an academic research institution but was tasked to provide knowledge support to ADB's developing member countries (DMCs). In terms of the performance of ADBI's capacity building and training activities, the program has been successful.<br><br>It was noted that ADBI's role has been evolving since its establishment in December 1997. In the early years, there was no clear distinction of research focus between ADBI and ADB headquarters. When ADBI was established, ADB had limited research and training functions in the then Economics and Development Research Center. Given the more prominent and larger coverage of research and training recently carried out by ADB's knowledge departments (the Economics and Research Department, the Office of Regional Economic Integration, and the Regional and Sustainable Development Department), the rationale for ADBI to conduct research and CBT had become somewhat different than at the time of its establishment. Discerning a clear distinction between ADBI and ADB knowledge departments was a difficult issue.<br><br>In 2006, ADBI and ADB knowledge departments introduced a formal process to coordinate their activities, including engaging in joint undertakings. In this context, ADBI has decided to conduct research and CBT activities that contribute to ADB's overarching goal of poverty reduction by applying cutting edge research knowledge to the Asia-specific context and by focusing on the region's medium- and long-term development issues of strategic importance. ADBI needs to sharpen its focus by identifying its comparative advantage in line with its strategic vision to become a leading center for the creation and sharing of knowledge on economic development in the Asia and Pacific region. |

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| | The evaluation study indicated that a clear, long-term, strategic approach of selecting training themes would increase the likelihood that capacity building and training courses would contribute in a sustainable manner to the capacity of DMC institutions. A more structured consultative process with top-level DMC officials could also produce a capacity building and training plan that was more responsive and tailored to specific DMC development needs.<br><br>Recommendations included:<br>– Facilitate institutional changes with the involvement of ADB headquarters' knowledge and regional departments to improve the effectiveness of ADBI's knowledge products, further strengthen its links with ADB, and increase its impact on the development directions of the DMCs.<br>– Strengthen the quality of research products, including their theoretical and conceptual underpinnings and rigorous evidence base, to an extent that can guide DMC policy makers to formulate appropriate policies.<br>– Align the capacity building and training program with ADBI's strategic vision of knowledge dissemination to senior and upper middle-level policy makers, with particular focus on strategic regional issues, and consider a more programmatic approach of long-term strategic partnerships with a small number of selected DMC-based institutions.<br>– Take strategic steps to increase ADBI's visibility in the Asia and Pacific region, considering multidimensional improvements to reach a wider audience. |

| **Evaluation Cooperation Group. 2012. Evaluating Technical Assistance: Taking Stock of the Practices of International Financial Institutions.** | |
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| **Objective and scope** | This was a detailed "stocktaking" exercise of technical assistance (TA). The objective of this report was to take stock of the types of technical assistance offered by Evaluation Cooperation Group (ECG) members to clients, and members' practices with regard to evaluation of those technical assistance activities. From these comparisons, the report identified methodological issues that needed to be considered in designing good practice standards for the evaluation of technical assistance. The definition of TA includes TA to both public sector and private sector clients, TA provided on a non-reimbursable (grant) basis, and TA that is partly or fully covered by fees from clients. |
| **Methodology** | The report was based on:<br>– a review of documents provided by ECG members, including Board papers, resolutions, and discussions; policy papers, staff instructions, guidelines and manuals; interdepartmental memoranda; published evaluation standards; a selection of TA evaluations (internal and external); and other written information.<br>– interviews with staff from IFI central evaluation departments and operational departments responsible for self evaluation. Some of these interviews were conducted by telephone (ADB, European Investment Bank, EBRD, and Islamic Development Bank); others were done in person during a visit to Washington, DC (IDB, IMF, the World Bank Group,).<br>– information gathered from other development and research institutions via websites and e-mail and telephone communication with evaluation staff, including the Canadian International Development Agency (CIDA), the UK Department for International Development (DFID), the International Development Research Center (IDRC), the Netherlands Development Organization (SNV), the Australian Government Overseas Aid Program (AusAid), the OECD-DAC Network on Development Evaluation, and the International Initiative for Impact Evaluation (3IE). |
| **Main findings and recommendations** | The report noted that the provision of non-lending technical assistance by IFIs has grown steadily in recent years and has become a significant part of IFI assistance to client countries. Although IFIs vary in their definitions of what is included in TA, most cover activities related to the preparation and implementation of IFI-financed projects, advisory services, capacity development, training, and sector studies. Most IFIs exclude basic research from the definition of TA; also excluded are internal knowledge-sharing activities such as training of IFI staff. A wide range of TA outputs has been listed in the report. They include analytical studies; training; conferences and seminars; short-term expert advice, often delivered in a brief visit to the client country; and the services of short- or long-term experts that reside in the client country. The report concluded that |

the variety of TA activities raises the question of the extent to which they can be evaluated using a common methodology. In addition, since TA is often packaged with lending operations, TA can be evaluated either separately or included in the evaluation of the lending operation.

According to the report, IFIs have two goals in offering TA: to improve the design and execution of IFI-financed projects, and thus their ultimate developmental or policy results; and to build institutional capacity, skills, and knowledge in client countries, whether or not the TA is linked with an IFI operation. Increasingly, the emphasis has shifted toward the latter objective.

The report also noted that it is difficult to compare the volume of TA across IFIs because of differences in their definitions of TA, but rough estimates show that the annual amount of TA provided by ECG members ranges from $44 million for IsDB to $634 million for the WBG. Although the WBG supplies the largest absolute amount of TA, it accounts for a smaller share of total assistance (at 1.1 percent) than in EBRD (4.0 percent), AsDB (2.6 percent), AfDB (1.6 percent), and IADB (1.4 percent). For the other ECG members, TA accounts for less than 1 percent of total support.

The small size of the typical TA operation raised the question of how many resources should be devoted to evaluating operations of this size. Five of the eight ECG members covered in the report have self-evaluation guidelines that are specific to TA, and two other members are developing them. Four of the eight have specific guidelines for independent evaluations of TA; the other four Central Evaluation Departments (CEDs) apply the same evaluation guidelines to investment operations and TA. Most CEDs are moving away from evaluating individual TA activities to evaluating clusters of TA at the country or thematic level. Because self-evaluations of TA are prepared so soon after project closure, they often report on the achievement of outputs, or at best intermediate outcomes, rather than final outcomes. The report noted that independent evaluations of TA more frequently are able to report on both intermediate and final outcomes, depending on the timing of the evaluation and the nature of the activity evaluated. However, the use of a counterfactual is limited: in practice, most evaluations of TA effectiveness rely on a before- and-after approach.

The report discussed several issues that should be considered in a future set of Good Practice Standards for Technical Assistance ("TA GPS"). The first issue is the coverage of the TA GPS. Assuming that any necessary tailoring of evaluation methodologies can be accommodated, it seems reasonable that the TA GPS could cover both public sector TA and private sector TA. Another issue is whether a single set of standards could apply to the evaluation of the wide variety of TA activities currently offered by IFIs. If not, a TA typology could be defined to facilitate evaluation. The report the indicated that for a TA operation to be evaluable, a results framework at project entry must pay careful attention to the specification of intermediate outcomes, along with indicators to measure change processes. The TA GPS needs to recognize the broad range of independent evaluation products currently produced by CEDs. With respect to the timing of evaluations, the TA GPS should state the general principle that evaluations should be carried out when sufficient time has elapsed for outputs, intermediate outcomes, and final outcomes to become apparent. It could then provide guidance on appropriate timeframes according to the type of TA being evaluated. For example, preparatory work for TA linked to investment operations could be evaluated in a shorter period of time than capacity building TA. Finally, with respect to evaluation criteria, the TA GPS suggested to focus on three of the four OECD-DAC core criteria (relevance, effectiveness, and sustainability), dropping the requirement of a separate efficiency criterion as is done for evaluations of policy-based loans in the Public Sector GPS.

| **Inter-American Development Bank (IDB)—Office of Evaluation and Oversight. 2006. Evaluation of the IDB's Studies (RE-323).** | |
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| **Objective and scope** | To assess IDB's efforts in the production, storage, dissemination, and utilization of studies. IDB recognized the importance of having standards of review, quality control, and evaluation for analytical work, against which to measure its actual output. The evaluation aimed to review the purpose of research studies at IDB and to assess whether the organization delivered the results originally expected. |
| **Methodology** | The methodology was not disclosed. |
| **Main findings and recommendations** | The report found a significant number of problems with the way in which IDB managed research work and the production of studies, and made recommendations for dealing with these process issues. In particular, it was noted that, as of 2006, IDB had established no formal standards to measure the impact of research. There was no definition of what constituted a "study", there were no operations processing policies for analytical work, there were no quality standards or guidelines to use in assessing proposed or completed analytical work, and there was no system of internal self-evaluation of this important line of activity.<br><br>The evaluation report identified weak programming at IDB, especially how it prioritized potential studies. Many studies were not programmed. Supply was generally ad hoc and little attempt was made to validate compliance with programming decisions to ensure that programmed activities actually resulted in the production of the expected studies.<br><br>The report indicated that many studies were of low quality. A substantial number (20%) made no use of primary or secondary data. Over half did not use a replicable, evidence- based methodology, and three-quarters did not provide policy implications that were logically consistent with the rest of the study.<br><br>The quality control process was described as sporadic. IDB's internal documents and stakeholder interviews suggested that the studies it produced were not systematically quality controlled. Systems were seen as weak and IDB did not systematically track the studies it had in the pipeline, or their costs. Finally, the production incentives were seen as weak and ad hoc: The evaluation found several shortcomings in the IDB's system for producing studies which suggested that incentives were not set strategically. The opinions of stakeholders across the bank also suggested that incentives were not strategically set. Managers in the operational departments had incentives linked to the number and amount of loans approved, not to studies produced.<br><br>The report made several recommendations:<br>– improve programming;<br>– improve budgeting and monitoring information systems;<br>– formalize the quality control process for all studies;<br>– ensure the bank's stock of studies is stored;<br>– integrate and coordinate the storage systems;<br>– provide incentives to project team leaders, authors and filers regarding the storage and dissemination of studies. |

| International Fund for Agricultural Development (IFAD)—Independent Office of Evaluation. 2013. IFAD's Institutional Efficiency and Efficiency of IFAD-Funded Operations. Corporate-level evaluation. | |
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| **Objective and scope** | A corporate-level evaluation of IFAD's efficiency. The evaluation had a number of important findings and recommendations, including on knowledge management. |
| **Methodology** | Following discussions with management and the Evaluation Committee (EC), the Board requested IFAD's Independent Office of Evaluation (IOE) to conduct a corporate-level evaluation of IFAD's efficiency. The draft approach paper of the evaluation was discussed with the EC at its sixty-sixth session in March 2011. In September 2011, a team of consultants was contracted. The broad objectives, scope and coverage of the evaluation were agreed with IFAD management and the EC at the outset of the process. According to IFAD, this was the first evaluation of its kind carried out in a multilateral or bilateral development organization. It may be among the most complex and far-reaching evaluations conducted by IOE. As such, it posed complex methodological challenges. |
| **Main findings and recommendations** | For much of its history, IFAD has been a project-driven institution with little attention given to policy dialogue, knowledge sharing and partnerships to leverage the lessons emerging from its projects and grants. However, realizing the full potential of knowledge management, IFAD is now seeking to strengthen its organizational knowledge structure.<br><br>Several issues were raised:<br>– Recent good practices were noted. For example, IFAD established a knowledge management core team under the leadership of the then vice president in 2008; a knowledge management community of practice was also set up the same year. IFAD organized a knowledge management launch initiative in 2008 to raise awareness about the importance of knowledge management, create space for dialogue and learning from each other, and stimulate horizontal collaboration across divisions and departments. A knowledge fair on community-driven development in Africa was organized in 2009. These are some of the ways in which IFAD systematized knowledge management activities within the organization.<br>– Despite the increased attention to knowledge management since the knowledge management strategy was adopted in 2007, implementation has fallen short of expectations. Notable accomplishments have included learning fairs, meetings of project managers at the country and sometimes regional level to share experiences and portfolio reviews that are held annually in various in regions for discussing implementation results and lessons with all staff. Other initiatives are also being taken to improve knowledge management. These include improvements in documentation and providing electronic access to some key documents to staff. For example, 150 project completion reports and their summaries reviewed and rated over the previous six years were posted on IFAD's Intranet.<br>– Knowledge management in country programs has not yet been sufficiently focused on scaling up IFAD's impact on the ground, and staff interviews and surveys made it clear that staff believed that more could be done. More generally, the knowledge products that were to have been key outputs under the strategy (learning notes and technical advisory notes) had been produced only sporadically since 2008. Thematic groups and communities of practice had progressed little beyond their status at the time of the strategy. More attention was given in the strategy to what was to be produced rather than to how staff work and cooperate with each other.<br>– IFAD revised and introduced a comprehensive quality-at-entry system in 2007/2008, aimed at improving the quality and process of project design. This function was assigned in 2012 to the Strategy and Knowledge Management Department. However, the practice of a heavy quality enhancement review is costly and cannot substitute for building quality into original designs by injecting quality field input by IFAD technical staff, both at the design stage and during implementation.<br>– IFAD activities in middle-income countries should be expected to emphasize knowledge-sharing. It was noted that IFAD's country managers still tended to work in silos, and had few opportunities to share their knowledge.<br>– IFAD's country programs were not sufficiently customized to country contexts. There was a need for knowledge services to complement financial services, especially in middle-income and poorly performing countries.<br>– The report noted that overreliance on consultants could limit institutional learning, since knowledge gained on consulting assignments was retained by the consultant and may be lost to the institution. |

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| | – The report concluded that, while IFAD had made some progress in systematic learning and knowledge management, improvements were needed. Relatively few resources had been allocated to knowledge management, there were few formal opportunities to share knowledge among country program managers, and efforts to learn from failures could be expanded. The report argued that in IFAD there was insufficient mining of the rich knowledge embedded within the operations it funds. |

Note: For a discussion of IFAD's knowledge management, see also (i) International Fund for Agricultural Development (IFAD)—Independent Office of Evaluation. 2011. *IFAD's Private-Sector Development and Partnership Strategy, Corporate-Level Evaluation*, Rome; and (ii) IFAD—Independent Office of Evaluation. 2010. *IFAD's Capacity to Promote Innovation and Scaling Up, Corporate-Level Evaluation*. Rome.

| **International Monetary Fund (IMF)—Independent Evaluation Office. 2011. Research at the IMF: Relevance and Utilization.** | |
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| **Objective and scope** | This study evaluated the relevance and utilization of IMF research to member country authorities, to IMF staff and to other stakeholders between 1999 and 2008. The IMF had produced a large body of research, ranging from background studies for bilateral surveillance activities to working papers and external publications dealing with topics of more general interest. Research was defined broadly to capture most analytical publications of the IMF, ranging from surveillance-oriented output, for example, selected issues papers prepared for Article IV consultations and the analytical chapters of the *World Economic Outlook* and *Global Financial Stability Report*, to more academically-oriented output (e.g., working papers and publications in external journals). These outputs comprised a large body of research, about 650 publications annually, at a cost of about 10% of the IMF budget. |
| **Methodology** | The evaluation used a variety of methods of analysis and several sources of evidence. The main sources of information were: (i) document review—mainly based on six background papers presenting the assessment of peer review panels on specific product lines, for example, *World Economic Outlook* (WEO) and *Global Financial Stability Report* and selected issues papers; (ii) interviews—more than 350 semi-structured and open interviews of authorities, staff, and other stakeholders; (iii) surveys—two surveys were conducted—one of authorities and one of staff; and (iii) technical and statistical work, including a citation analysis. |
| **Main findings and recommendations** | The evaluation found that the vast body of research produced by the IMF resulted in high-quality products, many of which were widely read in member countries and played a significant role in policy making; this was particularly true for the *World Economic Outlook* and the *Global Financial Stability Report*, but also for other publications.<br><br>At the same time, the evaluation identified a number of shortcomings in IMF research. Of particular importance, there is a widespread perception that research was message-driven. The evaluation also found that the relevance of research suffered from a lack of consultation with authorities on research topics and inadequate country and institutional contexts. The evaluation found there was insufficient quality control. Authorities indicated that some important issues, such as macro-financial linkages and aspects of monetary policy, were not adequately covered. Moreover, the technical quality of IMF research publications was found to be quite diverse. To enhance quality, adequate time and resources should be allocated to each research project, even if this leads to fewer publications. The review of research products should be strengthened to improve quality and to prevent the publication of low-quality products. Finally, there was a need for greater prioritization and coordination of research across the IMF.<br><br>In terms of recommendations, the evaluation study recommended that the IMF: (i) enhance the relevance of its research, (ii) enhance the technical quality of its analytical work, (iii) promote openness to alternative perspectives and (iv) improve the management of IMF research. In particular, the evaluation study emphasized the need for the IMF management and its Executive Board to cultivate an open, independent, and innovative research environment, explicitly encouraging staff to explore alternative views. It recommended greater consultation and cooperation with country authorities, and an enhanced quality review process—reforms that would bring greater diversity of research methods and perspectives. |

| **The World Bank—Independent Evaluation Group. 2013. Knowledge-Based Country Programs, An Evaluation of the World Bank Group Experience.** | |
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| **Objective and scope** | The main objective of the evaluation was to learn lessons from practices in a focus group of high-income and upper-middle-income countries that have knowledge-based programs with the World Bank Group. Over the past 15 years, country programs have shifted toward more intensive delivery of knowledge services relative to lending, and this trend is expected to continue. The lessons from this evaluation could help leverage the World Bank Group's global knowledge to meet the needs of countries that rely mainly on knowledge services and are not pressed for financing. The nine selected countries were high-income (Kuwait) and upper-middle-income countries with a high share of knowledge services in their programs, a diversified economic structure, no or moderate World Bank lending, and fee-based knowledge services. |
| **Methodology** | The evaluation categorized World Bank Group country programs according to the preponderance of knowledge services in program interventions. At one end of the spectrum were lending-based programs with a predominant role for finance and a relatively small presence of knowledge services. At the other end were programs where knowledge products were at the core of the relationship. The categorization was then used to select focus countries that make relatively intensive use of the bank's core knowledge services. The selected countries were Bulgaria, Chile, People's Republic of China, Kazakhstan, Kuwait, Malaysia, Russian Federation, South Africa, and Thailand. To probe the synergy of the bank's knowledge services with IFC Advisory Services, the evaluation also examined those services in the focus countries.<br><br>The selected knowledge activities in the nine focus countries were assessed against four criteria: relevance of the knowledge activities to the priority needs of the recipients and the key development goals of the client country; technical quality of the activities in leveraging the bank's global knowledge and conveying relevant and customized expertise to recipients; results achieved; and sustainability of results. |
| **Main findings and recommendations** | The main findings were summarized according to areas of strength and areas of weakness or risk. They were as follows.<br><br>**Areas of strength**<br>– The bank remained relevant and a strategic partner in the focus countries by providing knowledge services that addressed one or more client needs. Customized development solutions filled a knowledge gap in an area where counterparts needed timely and actionable recommendations to develop a strategy or take action.<br>– The bank's main strength, which reflected recommendations from previous IEG knowledge services evaluations, was its ability to fulfill in a timely manner client requests for state-of-the-art advice.<br>– Another key strength was linked to its role as "knowledge connector." The bank's convening power was often used to mobilize top international experts for brainstorming sessions and seminars with high-level government officials, or for TA and working sessions with government agencies.<br>– Bank knowledge services and IFC Advisory Services generally complemented one another in contributing to results, despite some gaps. In a few cases there were well-defined programs of joint World Bank and IFC knowledge activities. For example, in South Africa, to ensure synergy and coordination, the IFC used experienced bank staff to manage projects on enterprise tax burden and compliance.<br><br>**Areas of weakness or risk**<br>– Poor achievement of outcomes was associated with weaknesses in the relevance of design, quality, timeliness of delivery, or client participation, and little use of local expertise. Knowledge services that lagged in the achievement of outcomes were also weak in conveying international best practice, providing relevant examples, producing new evidence and data useful for policy making, formulating actionable recommendations, and discussing the capacity requirements and administrative feasibility of implementing recommendations.<br>– The bank's ability to customize knowledge services to the local context and to deliver multisectoral solutions was less successful when country knowledge was too shallow or too narrow. This risk arose mainly when the bank worked through Reimbursable Advisory Services (RAS) and did not maintain a local presence. |

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| | – Monitoring of knowledge services results was weak—both for individual activities and for country programs. In only 17% of the knowledge activities assessed was there at least a partial results framework in the country partnership strategy, allowing a tracking of the contribution of the activity to the broader development outcomes sought by the strategy. |

| **The World Bank—Independent Evaluation Group. 2012. The Matrix System at Work: An Evaluation of the World Bank's Organizational Effectiveness. Chapter 3: The Promise of a Knowledge Bank (pp. 41-65).** | |
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| **Objective and scope** | The objective of the evaluation was to assess the extent to which the dual objectives of the matrix system—enhancing client responsiveness and establishing strong technical networks to deliver quality services—have been attained, and have enhanced the World Bank's development effectiveness. The evaluation was not about knowledge only but covered a wide spectrum of issues. The review for this report focused on Chapter 3, "The Promise of a Knowledge Bank." |
| **Methodology** | In addition to a literature review and commissioned background papers, evidence for this evaluation came from a wide range of available documents and data sources, including World Bank management assessments of the matrix, portfolio data, human resources data, and budget data.<br><br>The evaluation drew on the findings of previous IEG assessments, including country assistance evaluations, country assistance strategy completion report reviews, and sector and corporate evaluations to identify matrix issues that had a bearing on the evaluation questions. The portfolio review covered the period 1991–2010. |
| **Main findings and recommendations** | In 1996, the concept of a knowledge bank was put forward both as a means to enhance the quality of World Bank lending and to provide a new stream of knowledge services to developing countries. The concept implied a shift toward capacity building and knowledge management drawing on global and local knowledge to improve the quality of client services and achieve better results.<br><br>The evidence from the flow of virtual knowledge and tacit expertise indicated that, rather than functioning as a global organization, the World Bank was at risk of evolving into a group of regional banks interconnected by fraying ties among the regions and between the regions and networks. Decentralization had created further impediments to the flows of knowledge and expertise, and until the underlying incentives and constraints inhibiting effective knowledge flows were addressed, further decentralization would probably aggravate these problems. The impact of analytical and advisory activities was undermined by ineffective dialogue and dissemination. The report pointed out that the World Bank generated a large volume of knowledge embedded in its operations but lacked the ability to efficiently capture and share that knowledge.<br><br>In addition, most staff, particularly those in the regions and country offices, were unable to draw efficiently on knowledge generated inside and outside the World Bank. Knowledge products were not stored in an easily searchable and retrievable form and were rarely used by staff outside the units where they were produced. As a result, and notwithstanding the analytical quality of the bank's analytical and advisory activities, much of the bank's knowledge had a limited shelf life and use value. Innovation in the field was not well captured across the institution, and country operations did not draw efficiently on global knowledge to meet client needs. Operational staff in the regions, especially those in country offices, complained about the ineffectiveness of the World Bank's role as a connector of knowledge. Finally, in the absence of efficient search engines for knowledge retrieval and mechanisms for knowledge sharing, decentralization had created further challenges. |

| The World Bank. 2011. The State of World Bank Knowledge Services: Knowledge for Development. | |
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| **Objective and scope** | This report was not an evaluation report but a World Bank knowledge report that sought to provide a comprehensive overview of the bank's knowledge work. It took stock of the various types of World Bank knowledge activities and their evolution in response to the fast changing world of development and multiple sources of knowledge flows. Stemming from the 2010 knowledge strategy, the report aimed to strengthen the management and development impact of the bank's knowledge services. It identified actions to improve the bank's ability to respond to the changing needs of its clients and to ensure greater outcome orientation for its knowledge services. |
| **Methodology** | This was not an evaluation report and the methodology was not disclosed. |
| **Main findings and recommendations** | This report demonstrated the growing importance of knowledge services among the services provided by the World Bank to its clients. Over the previous nine years, the World Bank management had steadily allocated a larger share of its administrative budget for core knowledge work. In 2011 this came to 31% of the World Bank's budget, compared with 24% in 2002. The report showed how the World Bank was drawing on its roles as a producer, customizer, and connector of knowledge to respond to client needs. The World Bank worked with clients to customize policies, programs, and products to meet specific challenges, based on the best knowledge available.<br><br>Although clients cited knowledge services as World Bank's most valuable contribution (they were cited more than twice as often as financial resources), knowledge work was not seen internally, or by independent evaluators, as having the impact it could. The report indicated that managers and staff felt there was limited internal support for their knowledge work and some of them felt that such work was undervalued. Most staff felt, despite the growing importance of knowledge work, that the World Bank's main internal incentives were still related to lending. One reason for this apparent contradiction may be the lack of robust and systematic evidence that knowledge work brought demonstrable and measurable returns. By contrast, lending had built-in metrics, e.g., volumes and disbursement rates.<br><br>To address this paradox, the report pointed to three directions for improving the way World Bank managed its knowledge services:<br>– establishing consistent standards for governance and stronger results frameworks,<br>– strengthening connectivity across the core knowledge product lines and developing a framework for a comprehensive approach to managing knowledge as a portfolio— setting strategic priorities and ensuring complementarities, and<br>– moving toward a more open and collaborative approach to knowledge services. |

| **The World Bank Institute and the Korea Development Institute. Using Knowledge Exchange for Capacity Development: What Works in Global Practice? Three case studies in assessment of knowledge exchange programs using a results-focused methodology, November 2011** | |
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| **Objective and scope** | In this joint study, the Korea Development Institute (KDI) and the World Bank Institute (WBI) assessed three of their South–South knowledge exchange programs. They analyzed their effectiveness and gathered lessons that could inform global practice. The WBI's Capacity Development and Results Framework provided the conceptual foundation and methodology to facilitate the assessment. The framework supplied the logic for understanding how institutions change, as well as institutional and intermediate indicators that could be flexibly applied to measure and analyze capacity development outcomes across sectors and countries. The main objective was to draw lessons from the practical experience of others on South–South knowledge exchange and assess how such knowledge could improve stakeholder buy-in and subsequently create an enabling environment for designing and implementing difficult development initiatives and reforms. The assessment also sought to identify good practices in managing knowledge exchange for results, by demonstrating the value of a results focus, clear change logic, and indicators to monitor and measure progress. |
| **Methodology** | The study examined three programs: (1) KDI's knowledge sharing program (KSP) for advancing export development in the Dominican Republic; (2) KDI's KSP for promoting public–private partnerships and prefeasibility studies in Mongolia, along with providing support for deposit insurance reform; and (3) the World Bank's South–South Experience Exchange Facility for the New Economy Skills for Africa Program (NESAP) in India for sharing knowledge on information and communications technology with African countries, including Ghana and Nigeria. |
| **Main findings and recommendations** | The most important findings were:<br>– To develop an efficient knowledge exchange, knowledge seekers must be able to identify their needs and describe their demands. In this respect, nongovernmental stakeholders, such as academia and the private sector, play an important role.<br>– A key challenge in the knowledge exchange process is the matching of demand and supply of knowledge. In the Dominican Republic, the government expressed strong demand for the KSP on export development and articulated its demands based on a needs assessment conducted in the country together with Korean consultants.<br>– The study indicated that participant selection was critical to both sides of the knowledge exchange. On the supply side, knowledge exchange programs should involve the right staff and practitioners. On the demand side in the knowledge- seeking country, programs must target and engage the appropriate change agents—the individuals or groups best positioned to initiate and manage needed changes.<br>– Successful knowledge exchange activities are characterized by continued engagement, regular consultations, and evidence-based recommendations. Acquiring, adapting, and applying knowledge is a medium-term process. This is why recurrent interaction is necessary in both vertical (within-country) and horizontal (cross-country) relationships.<br>– Maintaining peer-to-peer interaction is the most effective way to exchange tacit knowledge and sustain horizontal partnerships.<br>– Indicators to monitor knowledge exchange practices are needed to facilitate adaptive management and assessments of outcomes. In particular, the study suggested improving the approach to intermediate outcomes. Monitoring should take place to capture improvements in the ability or disposition of stakeholders to take action in the form of raised awareness, enhanced knowledge and skills, improved consensus and teamwork, stronger coalitions, enhanced networks, and increased implementation expertise.<br>– The absence of high-quality, precise results measures limits the possibility of making needed timely adjustments to knowledge exchange programs.<br>– Disseminating practical lessons learned is critical for future knowledge exchange programming by the development community.<br>– The case studies demonstrated the importance of having a clear change logic: a picture of how the flow of knowledge services and activities can affect agents and their capacities (i.e., intermediate capacity outcomes), then how they can affect change in institutional capacities (e.g., stakeholder ownership, policy instruments, and organizational arrangements), which can finally affect development goals. |

| **The World Bank—Independent Evaluation Group. 2009. Knowledge for Private Sector Development. Independent Evaluation of IFC's Development Results.** | |
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| **Objective and scope** | In this report, the IEG provided a first global review of IFC advisory and knowledge services to private firms and governments in support of private sector development, such as customized training or advice on investment promotion and policy. IFC's advisory portfolio had grown tenfold, to nearly $1 billion, in the previous seven years, and at the time of the report it had more advisory than investment staff in the field. The report noted that the substantial growth of this business line raised important questions related to the appropriate balance of advisory and investment services to ensure maximum development impact. |
| **Methodology** | The evaluation methodology was not disclosed. |
| **Main findings and recommendations** | The rapid growth in the number of KPS had happened in a largely uncontrolled manner. This raised some important strategic questions, including whether, in drafting a consulting business onto a bank, IFC had the right balance between advisory services and investment operations.<br><br>Recommendations included:<br>– manage the tension between protecting the portfolio and responding to opportunities during the crisis,<br>– set out a clear vision and business framework for advisory services that is more closely linked with IFC's global corporate strategy,<br>– pursue more programmatic advisory services interventions,<br>– over the long term, price advisory services to reflect their value and impact (i.e., not just the cost),<br>– strengthen the performance measurement of advisory services and internal knowledge management. |

| **The World Bank—Independent Evaluation Group. 2008. Using Knowledge to Improve Development Effectiveness, An Evaluation of World Bank Economic and Sector Work and Technical Assistance, 2000–2006.** | |
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| **Objective and scope** | This evaluation focused on two of the analytical and advisory activities through which the World Bank provides knowledge to its client countries: economic and sector work (ESW) and nonlending technical assistance (TA). The World Bank has committed itself to becoming a "global knowledge bank," using knowledge to improve the development effectiveness of its work. ESW and TA are an essential part of the Bank's engagement with its clients—it spent $910 million (26% of its spending on country services) on these products during fiscal years 2000–2006. The evaluation assessed the extent to which the stated objectives of ESW and TA had been met. It also assessed how ESW and TA originated, the cooperation with clients, the technical quality, and the dissemination of these products. |
| **Methodology** | Twelve countries were selected for in-depth reviews which entailed structured interviews with World Bank staff, World Bank management, and in-country stakeholders in the field (government officials and representatives from the private sector, civil society, academia, the media, and the legislature). The structured interviews sought stakeholder views (with quantitative ratings) on various dimensions of a portfolio of World Bank ESW and TA and the extent to which these tasks met various objectives (lending, policy, institution and capacity building, public debate, donor activities, and knowledge exchange). The interviews also sought the views of stakeholders on the relative importance (with rankings) of the following for the country concerned: (i) the different World Bank instruments (lending and nonlending), (ii) the different types of World Bank ESW and TA, and (iii) the various dimensions of ESW and TA. The country reviews also included desk reviews of ESW, documents on TA and loans, country assistance strategies, and poverty-reduction strategies. |
| **Main findings and recommendations** | The evaluation underscored the importance of ESW and TA and provided a broad endorsement of the quality and relevance of these bank products. Overall, the evaluation noted, the ESW reforms of fiscal year 1999 were accompanied by an increase in the quality of ESW. It also noted that in-country stakeholders had validated the Quality Assurance Group's high ratings on internal quality, although stakeholders rated dissemination activities lower than technical quality. In terms of effectiveness, the evaluation concluded that most ESW and TA tasks met their stated objectives and were effective in shaping lending. It also corroborated the link between the existence of |

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| | relevant ESW and the quality of loan design. From a client perspective, stakeholders in most countries indicated that ESW and TA tasks had made a difference to the reforms in their countries, although the effectiveness of these activities differed across countries. Management found that IEG's discussion of the factors that influence ESW and TA effectiveness and the summary of the preferences expressed by clients regarding different bank instruments and their delivery modes provided useful and welcome insights.<br><br>The recommendations included the following:<br>– reinvigorate the Bank's mandate to maintain a strong knowledge base,<br>– ensure that ESW tasks in countries funded by the International Development Association (IDA) are adequately resourced, even if that means fewer economic and sector work (ESW) tasks in some countries,<br>– enhance the institutional arrangements for undertaking ESW and technical assistance by ensuring substantive task team presence in country offices, particularly in countries with low institutional capacity, and by formulating a dissemination strategy at the concept paper stage,<br>– build on client preferences, including clients' feedback after completing the task,<br>– take the results tracking framework seriously. |

| **The World Bank—Operations Evaluation Department. 2003. Sharing Knowledge: Innovations and Remaining Challenges.** | |
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| **Objective and scope** | In 1996, the World Bank made a commitment to become a global knowledge bank. This evaluation examined the relevance of that strategy and the institutional infrastructure put in place to implement it. It also reviewed the effectiveness of the strategy's three main areas of innovation: (i) network and regional internal knowledge-sharing activities among the World Bank staff; (ii) regional and country external knowledge sharing with clients; and (iii) the three bank-supported global knowledge initiatives that have the broadest knowledge-sharing scope—the Development Gateway, the Global Development Learning Network, and the Global Development Network. |
| **Methodology** | The evaluation framework used strategic alignment, the quality of shared knowledge, accessibility, and operational usefulness to measure the World Bank's knowledge initiative against the standard Operations Evaluation Department evaluation criteria of relevance, efficacy, efficiency, and adequacy. The review used several approaches: a review of the literature on knowledge management and transfer; desk reviews of relevant World Bank policy and strategy documents and program reports; surveys of 15 network advisory services and 28 thematic group leaders; structured interviews of 25 task team members to obtain information on the actual use of various knowledge-sharing activities, and the extent of knowledge capacity building as an explicit project objective; more than 30 additional interviews with World Bank management and staff; expert reviews of the degree of innovation, quality, and relevance of the World Bank's knowledge and knowledge-sharing efforts in four issue areas—education, power, water, and public expenditure management; reviews of the Global Development Learning Network and the Development Gateway; and a survey of the views of officials, academics, nongovernment organizations, journalists, and representatives from the private sector. |
| **Main findings and recommendations** | The study concluded that the World Bank had made more progress in establishing the architecture to support its knowledge initiative than in creating the governance arrangements and work processes to carry it out. As a result, the strategic intent of making knowledge sharing a way of doing business had been only partly realized—a process that in other leading knowledge management organizations had tended to take from three to five years. The World Bank needed to move deliberately to embed knowledge sharing in its core operational processes by providing more direct support to task teams and more knowledge capacity enhancement for clients, and it needed to manage its knowledge services for results.<br><br>The review recommended three sets of actions.<br>– Management should exercise more strategic direction and oversight over the Bank's knowledge processes. To accomplish this, management should: define clear responsibilities and accountabilities for corporate, network, and regional units for integrating knowledge sharing into the bank's core business processes; ensure that incentives are aligned with responsibilities, especially at the task-manager level; and establish a strategic approach to the bank's role in existing and any new global knowledge initiatives.<br>– Network and regional units should tightly link their knowledge-sharing activities to lending |

and nonlending processes. To achieve this, networks should set clear objectives for anchor, thematic group, and advisory service support of operational teams; and regional and country units should make explicit the knowledge objectives and strategies of country assistance strategies and projects.

- Vice-presidential units should set outcome objectives and supporting performance indicators for their respective knowledge-sharing programs and activities, and they should agree, bank-wide, on procedures to be established for monitoring and evaluating bank knowledge-sharing programs and activities.

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