



November 2007

Annual Report of the e-Asia and Knowledge
Partnership Fund 2006–2007

Asian Development Bank

ABBREVIATIONS

ADB	– Asian Development Bank
DMC	– developing member country
GOK	– Government of the Republic of Korea
ICT	– information and communication technology
ICTWG	– Information and communication technology working group
MDG	– millennium development goal
PPTA	– project preparatory technical assistance
OCO	– Office of Cofinancing Operations
RC	– review committee
RSDD	– Regional and Sustainable Development Department
SASEC	– South Asia Subregional Economic Cooperation
TA	– technical assistance
WSIS	– World Summit for Information Society

NOTE

In this report, "\$" refers to US dollars.

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CONTENTS

	Page
I. INTRODUCTION.....	1
II. BACKGROUND.....	1
A. Overview.....	1
B. Fund Administration.....	2
C. Monitoring and Evaluation.....	3
III. EVALUATION OF THE FUND OPERATIONS.....	3
IV. CONSULTATION BETWEEN ADB AND GOK.....	7
V. ISSUES AND RECOMMENDATIONS.....	8

LIST OF FIGURES

1 – Proposals and Approvals under the e-Asia and Knowledge Partnership Fund	4
2 – Proposals and Approvals by Program	4
3 – Sector Distribution of Approved Projects	6

LIST OF APPENDIXES

1. Status of Grant (Contribution)
2. Statement of TA Expenditures
3. Processing Procedure
4. Annual Project Status Report Template
5. e-Asia and Knowledge Partnership Fund Approved Projects, July 2006–June 2007
6. ICT Classification of Projects under e-Asia Program

I. INTRODUCTION

1. The e-Asia and Knowledge Partnership Fund (the Fund) was established in the Asian Development Bank (ADB) in June 2006 with a contribution of \$20 million from the Government of the Republic of Korea, represented by the Ministry of Finance and Economy and by the Export-Import Bank of Korea (GOK). The Annual Report (the Report) is prepared by ADB's Regional and Sustainable Development Department (RSDD) in collaboration with ADB's Office of Cofinancing Operations (OCO). The purpose of the Report is to describe and review the progress of the Fund operations during the period of July 2006–June 2007, in compliance with the reporting requirements stipulated in its ADB Board Paper¹ and the ADB–GOK Channel Financing Agreement. The Fund's grant status and financial statement as of 30 June 2007 are in Appendixes 1 and 2.

II. BACKGROUND

A. Overview

2. Information and knowledge are fundamental resources for economic and social development. Information and communication technology² (ICT) fosters the development process by expanding new opportunities in the creation, transformation, and distribution of information and knowledge, reducing transactions costs, and contributing to the possible acceleration of innovation processes. The Fund aims to contribute to poverty reduction and foster the economic and social development process in ADB's developing member countries (DMCs) through its two windows: the e-Asia program and the knowledge partnership program. Projects from all DMCs of ADB are eligible for funding from the Fund.

3. **E-Asia Program** is to contribute to poverty reduction and economic and social development in DMCs through ICT. The objectives of the e-Asia program are to strengthen the capacity of DMCs, and to provide technical assistance (TA) for promoting ICT and bridging the digital divide, especially through national and regional strategies such as e-government, e-health, e-learning, e-trade, e-commerce, e-finance, e-procurement, and e-environment.

4. In the Asia and Pacific region, concerns are mounting over the growing “digital divide”—the difference between those that have the capacity and resources to access ICT and those that do not. The ADB strategy paper *Toward e-Development in Asia and the Pacific: A Strategic Approach for Information and Communication Technology*³ recognizes that ICT is a powerful force in shaping the social and economic development of the Asia and Pacific region. ADB has an important role to play in helping its DMCs benefit from the new opportunities created by ICT.

5. In support for ADB ICT strategy, the e-Asia program provides: (i) financing ICT-related activities, including TA; (ii) studies, research, and analytical work; (iii) capacity building and developing human resources through education and training; (iv) disseminating, networking,

¹ ADB. 2006. Republic of Korea e-Asia and Knowledge Partnership Fund.

² Information and communication technology is an umbrella term that includes any technology that is used in the process of generating, processing, storing, transforming, transmitting, and reproducing information, and in communication processes of any kind: radio, television, satellites, telephones, computers, or Internet.

³ Asian Development Bank (ADB). 2001. *Toward e-development in Asia and the Pacific: A Strategic Approach for Information and Communication Technology*. Manila.

and cross-learning (e.g., policy consultations, seminars and workshops, conferences, publications, and websites); and, (v) piloting innovative approaches to promote ICT.

6. **Knowledge Partnership Program** is to reduce poverty and foster economic and social development in DMCs by sharing information and knowledge. The objective of the program is to strengthen the capacity of DMCs by providing knowledge and sharing experiences, information, and knowledge in the region for poverty reduction and social development. The knowledge partnership program is also expected to promote the facilitation of information and knowledge sharing and increase the effectiveness of poverty reduction activities.

7. ADB's framework on Knowledge Management⁴ recognizes the need for the DMCs to acquire and apply relevant knowledge to accelerate poverty reduction to meet the Millennium Development Goals (MDGs). To remain relevant in responding to the varying and complex poverty reduction needs in the region, the framework proposes ADB to be more effective in sharing knowledge and more proactive in supporting learning.

8. The knowledge partnership program includes: (i) policy advice/dialogue and TA involving the use of experts on economic development and capacity building; (ii) capacity building and institutional development in DMCs, including training workshops, vocational training, and long and short training and learning courses; (iii) publications that will disseminate successful development knowledge to developing countries in the region; (iv) studies, research, and analytical work; (v) projects on reforming government, improving governance in the business and financial sectors, and privatizing state-owned enterprises; and, (vi) disseminating, networking, and cross-learning (e.g., policy consultations, seminars, workshops, conferences).

B. Fund Administration

9. ADB's RSDD is responsible for technical and implementation aspects of the Fund while ADB's OCO is responsible for general and financial aspects of the Fund. ADB developed the guidelines for project processing and administration under the Fund and submitted it to GOK in August 2006. ADB also developed a website⁵ in August 2006 to disseminate the information on the Fund including the guidelines.

10. For quality assurance of the projects under the Fund, ADB established the Review Committee (RC) as a technical advisory group, chaired by the Deputy Director General, RSDD. It consists of representatives from operational and non-operational departments. The Knowledge Management (KM) Center of RSDD, as the Secretariat of the RC, carries out the following functions: (i) consultation of proposal requests, (ii) liaising with the RC for project proposals, and (iii) corresponding with GOK for proposals endorsed by the RC.

11. **Criterion.** To be eligible for funding, proposals: (i) should be conceptually, programmatically, and procedurally aligned with the ADB country partnership strategy (formerly country strategy and program) or its annual updates and with the regional cooperation strategy and program or its annual updates; (ii) should be in line with the regional action plan toward an information society in Asia and the Pacific and in support of the World Summit for Information Society (WSIS) principles; (iii) should be discussed with key country stakeholders as soon as possible; (iv) shall use expertise from the Asia and Pacific region to the extent possible; (v) will encourage contributions, either in kind or in cash, from DMCs benefiting from activities financed

⁴ ADB. 2004. *Knowledge Management in ADB*. Manila.

⁵ <http://www.adb.org/e-AsiaFund/default.asp>.

under the Fund; (vi) will be encouraged to collaborate with the United Nations Economic and Social Commission for Asia and the Pacific, the United Nations Development Programme, and the International Telecommunications Union; (vii) should be utilized in the most cost-effective way; and/or (viii) may provide cofinancing opportunities with the Republic of Korea and other funding agencies if the Fund is used for preparing investment projects.

12. **Approval Process.** A proposal to the Fund consists of (i) the concept paper, (ii) the design and monitoring framework, (iii) the detailed cost estimate table and (iv) ICT classification sheet (required only for e-Asia program). The RC assesses if the concept paper meets the country eligibility and project criteria; makes recommendations on whether the concept paper is accepted, needs revision, or rejected; and/or provides technical comments and suggestions, if necessary. Upon clearance from the RC, the revised concept paper is circulated to other key support departments that are not included in the concerned RC for the interdepartmental comments. The concept paper must then be cleared by the respective Vice-President or by the Managing-Director General subject to endorsement of GOK. Upon concept clearance, RSDD submits proposal with complete requirements to GOK for endorsement. GOK will review the proposals within 45 calendar days from the date of submission. In the event GOK does not respond within the indicated time period, the proposal will be considered as endorsed by GOK for financing under the Fund. The detailed processing procedure on the Fund is described in Appendix 3.

C. Monitoring and Evaluation

13. Progress in the projects has been monitored through the submission of annual progress reports by the project officer. The template for annual progress report is attached in Appendix 4.

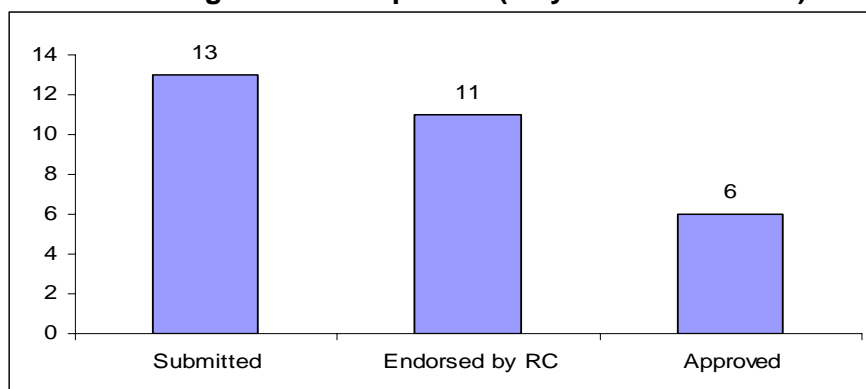
III. EVALUATION OF THE FUND OPERATIONS

14. **Approvals.** A total of 13 proposals were submitted to RSDD for consideration under the Fund between July 2006 and June 2007. Out of 11 proposals endorsed by RC, GOK approved 6 projects, amounting to \$3.0 million in the first year of the Fund's operation. As of June 2007, ADB approved three out of the six GOK approved projects, consisting of two TAs and one grant portion of a loan project. The detailed description of the six projects is in Appendix 5.

15. Figure 1 shows a comparison of proposals submitted and approved in July 2006–June 2007. Most of the proposals came in the second half of 2006. This may be due to the fact that planning new programs requires a long incubation time due to ADB's planning process and work plans.

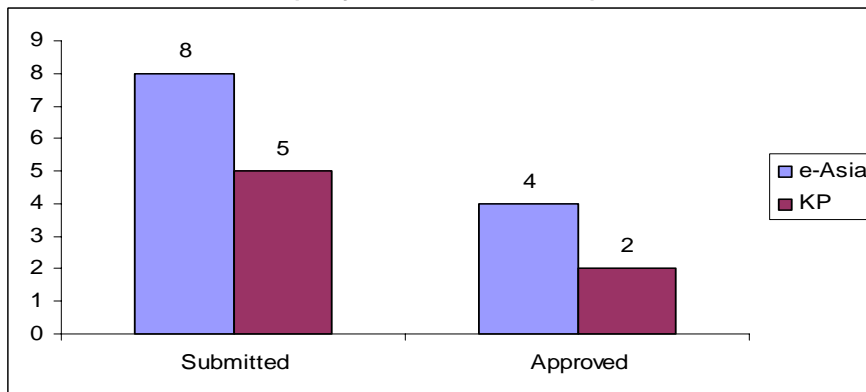
16. Figure 2 shows a comparison of proposals submitted and approved under each program. The chart shows the e-Asia program receives more proposals than the Knowledge Partnership program, which may imply the unequal demands between these two programs.

Figure 1: Proposals and Approvals under the e-Asia and Knowledge Partnership Fund (July 2006–June 2007)



RC = Review Committee.

Figure 2: Proposals and Approvals by Program (July 2006–June 2007)



e-Asia = e-Asia Program, KP = Knowledge Partnership Program.

17. **e-Asia Program.** Four projects will be funded under this program: (i) Hazard Risk Assessment Using Geo-Information Technology (Viet Nam); (ii) Business Process Reengineering and Change Management for Tax Administration Modernization (Kyrgyz Republic); (iii) Implementation Support for the Computerization of the National Bank of Cambodia (Cambodia); and (iv) Preparing the South Asia Subregional Economic Cooperation (SASEC) Information Highway Project (Bangladesh, Bhutan, India, and Nepal). These projects aim to reduce the digital divide and promote ICT for sustainable development. The project in Viet Nam aims to use geo-information technology to improve natural disaster prevention, preparedness, and mitigation in the country. The project in Kyrgyz Republic will involve reengineering of business processes, upgrading the staff's skills in general ICT and business analytics, and conducting change management. The project in Cambodia will support the computerization of the National Bank of Cambodia. The information highway project in SASEC will help countries promote economic growth and poverty reduction through improved ICT connectivity between all four members (see the details of the project in Box 1).

Box 1 – Preparing the South Asia Subregional Economic Cooperation (SASEC) Information Highway Project

The SASEC ICT Working Group (ICTWG), comprising of secretaries of the ministries of ICT of SASEC countries (Bangladesh, Bhutan, India, and Nepal), has developed SASEC ICT

Development Master Plan, which laid down the strategy, framework, and priorities for SASEC ICT regional cooperation to harness full potential of ICT for poverty reduction and inclusive growth. The Master Plan has, among others, identified three most urgent areas for improvements in ICT: fragmented cross border connectivity, poor rural information access, and insufficient human resource capacity. In order to address such needs, at the third ICTWG meeting held in Dhaka in September 2006, the SASEC countries agreed to develop the concept of SASEC information highway which would deliver modern affordable and reliable broadband information, communication, and knowledge services within and across borders to universities, business, and to the rural and remote communities. In response to SASEC countries needs, ADB has submitted the proposal of the project preparatory technical assistance (PPTA) for preparing the SASEC information highway project to the e-Asia and Knowledge Partnership Fund. In November 2006, the concept was approved by GOK and in December 2006, the PPTA was approved by ADB.

During the PPTA implementation, the concept of SASEC information highway has been crystallized and related investment package in the amount of a total of \$24 million, has been formulated and agreed by the SASEC ICTWG through two steering committee meetings held in Delhi in May 2007 and in Paro in July 2007. Also during the meetings, GOK's financing support was well appreciated by the SASEC countries.

The SASEC information highway project will mark as one of the notable and innovative approaches to support the establishment of an ICT-enabled poverty reduction process under regional cooperation mechanism. It also considers the importance of ICT capacity building for local entrepreneurs through entrepreneurial education, incubation, mentoring and informal networking. Through the SASEC information highway project, it is expected that regional goods and services would be more integrated electronically and be more cost effectively delivered to the most marginalized people, which would contribute to accelerating the regional cooperation and integration process of the SASEC subregion. Since this will be the first subregional investment project under the SASEC program, participated by all four countries, it would also mark a new milestone in the regional cooperation and integration in South Asia, demonstrating tangible benefits to be reaped after a decade's joint effort of SASEC countries.

GOK = Government of the Republic of Korea, ICT = information and communication technology, SASEC = South Asia Subregional Economic Cooperation.

18. The projects under the e-Asia Program are classified according to the WSIS action plans.⁶ Appendix 6 shows this classification. The projects in Viet Nam, Kyrgyz Republic, Cambodia, and SASEC countries support providing access to information and knowledge notably through the Internet, improving ICT literacy through capacity building, and implementing ICT applications such as e-learning (Viet Nam and SASEC countries), e-government (Kyrgyz Republic), e-business (Cambodia and SASEC countries), and e-health and e-agriculture (both for SASEC countries). In addition, the projects in Kyrgyz Republic, Cambodia, and SASEC countries will develop national or regional e-strategies in the promotion of ICTs for development. Other WSIS action plans being supported by projects in Kyrgyz Republic and Cambodia include: (i) building confidence and security in the use of ICTs and (ii) creating a trustworthy, transparent, and non-discriminatory legal, regulatory, and policy environment. Finally, both projects in Cambodia and SASEC countries will promote international and regional cooperation by looking into examples of governmental development assistance programs in other countries.

19. **Knowledge Partnership Program.** Two projects will be funded under this program: Mongolian Customs Modernization Project and the Harmonization of Asian Bond Standards.

⁶ The World Summit for Information Society (WSIS) Plan of Action sets targets for 2005–2015 to turn the vision of an inclusive and equitable Information Society into reality.

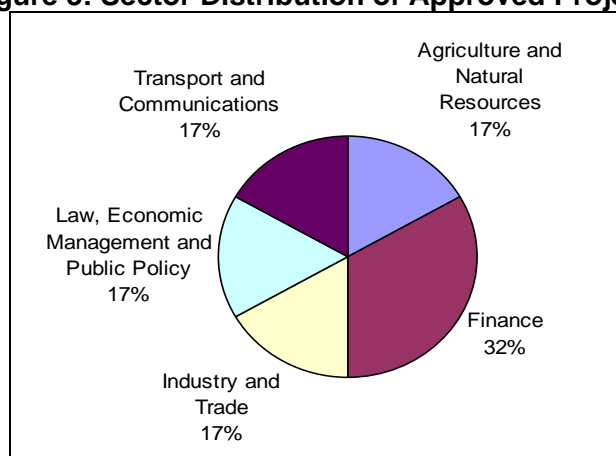
The first project is the grant portion of the Mongolian Customs Modernization loan project, which aims to strengthen the institutional and human capacity of Mongolian Customs General Administration in project implementation. The second project aims to promote the development of the domestic and regional bond market in Asia.

20. **Implementation and Disbursement.** Of the \$12.0 million so far received from GOK, \$3.0 million is being allocated to six projects. Actual disbursements of all the projects amounted to \$150,178.19 as of end-June 2007 since most of the projects are still in the initial stage of project preparation and/or implementation. The SASEC Information Highway project accounted for the amount disbursed. Appendix 5 shows the implementation status of all the projects.

21. **Portfolio Distribution.**

- The initial set of projects is widely distributed in terms of sectors. Two projects focus on finance but other sectors with equal distribution include agriculture and natural resources; industry and trade; law, economic management, and public policy; and transport and communications. This can be seen in Figure 3. This initial set of projects shows that ICT can be applied in different sectors of the economy and ADB is helping countries benefit from the new opportunities created by ICT through the Fund. The projects aim to develop the e-applications that benefit all aspects of life with a special focus on the needs of the poor (e.g., e-learning in rural communities and transport and communications; e-business in finance sector; and e-government in law, economic management, and public policy), which are in line with the Fund objective.
- In terms of country distribution, two projects (SASEC Information Highway Project and the Harmonization of Bond Standards) will cover separate regions (SASEC countries and Asia-Pacific region) while the rest are country-specific (Viet Nam, Mongolia, Cambodia, and Kyrgyz Republic). The two regional projects are expected to support one of the key outcomes of the Fund, which is enhanced regional cooperation and innovation. They also aid ADB's efforts in promoting regional economic cooperation and integration by bridging digital divide (in SASEC countries) and establishing standards for a regional bond market.

Figure 3: Sector Distribution of Approved Projects



IV. CONSULTATION BETWEEN ADB AND GOK

22. The first annual consultation meeting was held in the Republic of Korea in October 2006. In this meeting, ADB (i) provided background information on the submitted proposals, (ii) briefed proposals in the pipeline but not yet submitted, (iii) explained the role of ADB's RC and processing procedures under the Fund, (iv) initiated discussions about the application of eligibility criteria of the Fund, and (v) established network with various Korean agencies in the areas of capacity building and ICT for development. ADB presented two key issues in this meeting such as (i) the uneven demand between the Fund's two programs and (ii) the fixed ceiling for maximum project amount. It was agreed that those issues will be reviewed and further discussed at the next round annual consultation in late 2007. ADB recommended flexibility in fund allocation under each window to reflect actual demands as well as flexibility in project amount ceiling in consultation with GOK.

23. In May 2007, Korean EXIM (K-EXIM) visited ADB and had a consultation meeting with RSDD and OCO where K-EXIM raised issues on decreasing fund utilization and asked promotion of the Fund. K-EXIM hoped to have more PPTAs under the Fund which may lead to the cofinancing opportunities with GOK on the subsequent loan investment project. ADB has briefed K-EXIM on the Rural e-Development Initiative (the Initiative), which has been prepared to implement ADB ICT strategy and as a strategic candidate project under the Fund and sought for GOK's support (see the details of the project in Box 2).

Box 2 – Rural e-Development Initiative (the Initiative)

The Initiative, as a direct intervention of addressing digital divide, aims to introduce and mainstream ICT for the socioeconomic improvements of rural communities in the areas of agriculture business, rural employment, universal education, health care, and women empowerment. This objective will be achieved by, among others, supporting the establishment and operation of community e-centers (CeCs) in the rural areas, which have been proven as most tangible and effective modality for bridging digital divide in the world. The Initiative was approved in August 2007 by the ADB President for the amount of \$3.0 million and will cover three least developed countries (Cambodia, Mongolia, and Tajikistan) as pilot countries. ADB carried out the preliminary fact-finding missions to those countries in August and September 2007.

The Initiative is designed to avoid a scattered and isolated approach and to seek the maximum complementarities and synergy across the countries and components, in order to transfer the best practices and evidences captured from some successful Asian countries to the selected developing countries. For example, Korea has been successfully implementing rural CeCs project to bridge digital divide between rural and urban areas (such as Information Network Village (Invil) Project). The project will also benefit from the economies of scale in mobilizing the resources and in engaging more experienced and qualified international ICT companies. The estimated cost is comprised of the following:

- a total of \$2.1 million ICT investments (per country cost is around \$670,000) to finance at least 60 CeCs and internet-based applications or mobile applications in various development targets such as poverty, agribusiness, education, or health; and
- a total of \$990,000 regional component to finance international consultant services and regional workshops related to policy advocacy, knowledge products (case studies and evaluation), and awareness and capacity building.

ADB has submitted a proposal for financing the Initiative under the e-Asia and Knowledge Partnership Fund (the Fund) as an exceptional case to the Government of Korea (GOK) and sought for GOK's support. Official consultations or communications between GOK and ADB took place in April, May, July, and September 2007.

CeC = Community e-Centers, GOK = Government of the Republic of Korea, ICT = information and communication technology.

24. In July 2007, ADB mission visited GOK for consultation on the Initiative, through which the GOK proposed to: (i) complete the design of detailed component activities including the selection of pilot countries for investment as well as the associated detailed cost estimates; (ii) narrow the scope of pilot investments by scaling down the number of countries to pilot and to increase the investment per country given significant challenges in rural ICT caused by lack of basic infrastructure; and (iii) enhance the commonality of ICT applications across the pilot countries to maximize the utilization of the ICT applications to be developed under the Initiative. Taking into account GOK's comments, ADB revised the proposal and resubmitted the revised version to GOK in September 2007.

V. ISSUES AND RECOMMENDATIONS

25. **TA processing.** Out of six GOK-approved proposals, there are still three projects that are awaiting ADB approval. Reasons for delay include (i) change/delay in finding replacement of a project officer, (ii) search for additional funding due to increase in project scope and coverage, and (iii) processing of the TA along with a loan project at a later date. It is recommended to establish the rules and regulation on the termination of the funding (for example, the TA should be processed within 6 months upon GOK's approval, etc).

26. **Fund Utilization.** The first year of the Fund operation between July 2006 and June 2007 is \$3.0 million, which is less than 50% targeted performance of \$6.7 million (3 years over \$20 million). To ensure timely utilization of the Fund, it is proposed that GOK and ADB would discuss increasing the maximum ceiling amount and/or establishing a clear set of criteria for exceptional funding size in accordance with the ADB Board paper of the Fund.⁷

⁷ The ADB board paper (see footnote 1) was attached to the Channel Financing Agreement between GOK and ADB. Paragraph 14 of the paper mentioned that the maximum size of any individual grant to be supported by the Fund will be \$500,000 and this amount may be reviewed by GOK and ADB during further consultations on the Fund and may be changed, if agreed. During the first year operation of the Fund, in the case of one of the concept-approved projects by GOK (Harmonization of Asian Bond Standards), the project scope has been expanded based on consultation with GOK and accordingly the project cost has been increased, which necessitated additional source of funding and delayed the TA processing for ADB approval. In the case of exceptional funding size, ADB is yet to receive GOK response on the Initiative, which was submitted for GOK's consideration for the amount of \$3.0 million.

**ASIAN DEVELOPMENT BANK
ADMINISTRATOR FOR
TECHNICAL ASSISTANCE GRANT FUND
FROM THE GOVERNMENT OF THE REPUBLIC OF KOREA**

E-ASIA AND KNOWLEDGE PARTNERSHIP FUND

STATUS OF GRANT (CONTRIBUTION)

30 June 2007

(Amounts in US dollar)

TOTAL CONTRIBUTION COMMITTED			20,000,000.00 ^{a/}
Amount received	12,000,000.00		
Receivable from Gov't. of Korea	<u>8,000,000.00</u>		
Add: Investment income		243,957.60	
Interest income		47,605.72	
Gain/(loss) on foreign exchange transactions		<u>(2.48)</u>	<u>291,560.84</u>
TOTAL AMOUNT AVAILABLE			20,291,560.84
Amounts utilized for:			
Project Expenditures (Statement 2)		(150,178.19)	
ADB Administration cost		(7,508.91)	
Financial expenses - bank charges		<u>(20.00)</u>	<u>(157,707.10)</u>
UNUTILIZED BALANCE			20,133,853.74 ^{b/}
Less: Outstanding commitments		(849,821.81)	
Reserve for ADB administration cost		<u>(42,491.09) ^{c/}</u>	<u>(892,312.90)</u>
UNCOMMITTED BALANCE			19,241,540.84
Less: TA Approved But Not Yet Effective			
4940/KGZ: Business Process Reengineering and Change Management for Tax Administration Modernization		(500,000.00)	
Reserve for ADB administration cost		<u>(25,000.00) ^{c/}</u>	<u>(525,000.00)</u>
UNCOMMITTED BALANCE AVAILABLE FOR NEW COMMITMENTS			<u><u>18,716,540.84</u></u>

^{a/} Represents the actual US\$ equivalent of contributions committed.

^{b/} Represented by:

Cash in bank	1,090,203.38
Investment	11,021,507.69
Accrued interest	22,449.91
Interfund receivable	902.00
Advances	3,378.00
Undrawn contribution (US\$20,000,000 - US\$12,000,000)	8,000,000.00
Interfund payable	<u>(4,587.24)</u>
	<u><u>20,133,853.74</u></u>

^{c/} Represents five percent (5%) of outstanding commitments/grant approved but not yet effective.

ASIAN DEVELOPMENT BANK
Statement of TA Expenditures
e-Asia and Knowledge Partnership Fund
As of 30 June 2007
(Amounts in US dollar)

TA Title	TA No./Type	Date of Approval	TA Amount ^{1/}	Amount Received	Project Expenditures ^{2/}			Outstanding Commitments	Expected TA Completion Date	Completed TAs	
					Cumulative up to 31/12/06	Transactions 01/07-30/06/07	Cumulative up to 30/06/07			Unutilized Commitment (Savings)	Financial Completion Date
			(A)	(B)	(C)	(D)	(E) = (C) + (D)	(F) = (A) - (E)	(G)	(H) = (A) - (E)	(I)
Sasec Information Highway	6358/REG	01Dec06	500,000.00		-	150,178.19	150,178.19	349,821.81	25-Aug-07		
Institutional Strengthening for Customs Modernization	GR0070	20Dec06	500,000.00		-	-	-	500,000.00	31-Aug-10		
Total Approved and Effective TAs			1,000,000.00	12,000,000.00	-	150,178.19	150,178.19	849,821.81			
Add: TA/Grant approved but not yet effective											
Business Process Reengineering and Change Management for Tax Administration Modernization	4940/AO	14Jun07	500,000.00								
Total			1,500,000.00								

^{1/} US\$ equivalent of TA Grant at time of TA approval.

^{2/} Actual disbursements.

PROCESSING PROCEDURE FOR THE e-ASIA AND KNOWLEDGE PARTNERSHIP FUND

Project Processing Procedure

1. Concept Preparation

1. The Asian Development Bank (ADB) project officer who plans to apply for the Fund must prepare a concept paper using ADB's template.

2. Concept Review

2. ADB has established a Review Committee (RC) for the Fund. The RC acts as a technical advisory group for quality assurance of the projects under the Fund as follows. The RC will be chaired by Deputy Director General, Regional and Sustainable Development Department (RSDD). It is comprised of one representative from each regional department and a representative from Office of Information Systems and Technology (OIST) and the Central Operations Service Office (COSO).

3. Prior to interdepartmental review following ADB's new business process⁸, the concerned RC must assess if the concept paper meets the country eligibility and project criteria and makes recommendations on whether the concept paper is accepted, needs revision, or rejected, and/or provides technical comments and suggestions, if necessary. For this screening, the concept paper together with a cost estimate table, a design and monitoring framework, and an information and communication technology (ICT) classification sheet (only for e-Asia program) must be sent to Knowledge Management Center (RSDD-KM) in RSDD for the coordination with the concerned RC. An RC meeting will be organized when there are conflicting views among the committee members and will be called on by Deputy Director General, RSDD.

4. Upon the clearance from the concerned RC, ADB project officer must circulate the revised concept paper to other key support departments⁹ that are not included in the concerned RC for the interdepartmental comments.

3. Concept Clearance

5. The concept paper must then be cleared by the respective Vice-President (VP) or for departments reporting directly to the President, by the Managing-Director General (MD) subject to endorsement of funding from the Government of Korea.¹⁰ Those concept papers, already included the country partnership strategy (formerly country strategy and program) or its annual updates, the regional cooperation strategy and program or its annual updates and the

⁸ ADB. 2006. Further Enhancing Country Strategy and Program and Business Processes.

⁹ Key support departments include Economic and Research Department (ERD), Operations Evaluation Department (OED), Regional and Sustainable Development Department (RSDD), Central Operations Service Office (COSO), Office of Cofinancing Operations (OCO), and Office of the General Counsel (OGC).

¹⁰ Concept clearance by department grouping as follows: Office of the Vice-President Operations 1 (South Asia Regional Department [SARD], Central and West Asia [CWRD], Private Sector Operations Department [PSOD]); Office of the Vice-President Operations 2 (East Asia Regional Department [EARD], Southeast Asia Regional Department [SERD], Pacific Regional Department [PARD], COSO); Vice President-Knowledge Management & Sustainable Department [VP-KM&SD] (RSDD, ERD, OCO); and Managing Director (Department of External Relations [DER], Office of the Auditor-General [OAG], Office of Regional Economic Integration [OREI], Strategy and Policy Department [SPD], Office of the Special Project Facilitator (OSPF), Risk Management Unit [RMU]).

knowledge products and services (KPS) work plan,¹¹ do not need to be cleared again by the respective VP or by the MD.

4. Proposal Preparation

6. Upon concept clearance, ADB project officers must submit (i) the cleared concept paper (with a copy of the memo indicating concept clearance), (ii) the design and monitoring framework, (iii) cost estimate table, and (iv) ICT classification sheet only for e-Asia program (attached), from the concerned Director to Head, RSDD-KM.

5. Endorsement by the Government

7. Director General, RSDD will submit the proposal to the Government for endorsement. The Government will review the proposals within 45 calendar days from the date of submission. In the event the Government does not respond within the indicated time period, the proposal will be considered as endorsed by the Government for financing under the Fund.

6. Project Processing

8. Upon the endorsement of the Government, ADB project officer will process the proposal following ADB TA or loan processing procedures with some modification as appropriate.

¹¹ The knowledge and product service (KPS) work plan covers interregional technical assistances.

CONCEPT PAPER TEMPLATE

{Title}

{Title must be identical to the title listed in the lending or nonlending table in Appendix 1.}
Concept Paper

Date: {Date}

{To mark a checkbox, **double-click** on it, choose **CHECKED** from the **Default Value** box, then click on **OK**.}

1. Type/modality of assistance {double-click on appropriate box}

- Lending {including ADF grant-financed activities, if applicable, as ADF grants are governed by the same policies and procedures that apply to ADF loans}
- Project loan
 - Program loan
 - Sector loan
 - Sector development program loan
 - ADF grant-financed
 - Other: {specify, e.g., loan-financed project preparatory, project implementation, or advisory activities}
- Nonlending
- Project preparatory
 - Other than project preparatory
 - Economic, thematic, and sector work
 - Institutional development
 - Other: {specify, e.g., TA-financed regional activities, project implementation, or advisory activities}

2. Assistance focus

- a. If assistance focuses on a particular sector or subsector, specify the
 Sector(s): {Insert sector name; if multisector, specify up to three sectors.}
 Subsector(s): {Insert subsector name; if multisector, specify up to three subsectors.}
- b. Targeting classification {check one}
- Targeted intervention
 - General intervention
- c. Key thematic area(s) {check more than one category, if applicable}
- Themes:
- | | |
|---|---|
| <input type="checkbox"/> Sustainable economic growth | <input type="checkbox"/> Environmental sustainability |
| <input type="checkbox"/> Inclusive social development | <input type="checkbox"/> Regional cooperation |
| <input type="checkbox"/> Governance | <input type="checkbox"/> Private sector development |
| <input type="checkbox"/> Gender and development | <input type="checkbox"/> Capacity development |

Subtheme(s): {Specify up to three subthemes.}

{Read and delete: Theme assignment should include at least one of three pillars (sustainable economic growth, social development, governance) of the poverty reduction strategy. For details, see Consolidated Staff Instructions on Project Classification dated 15 December 2004 in Compendium of Staff Instructions, ADB Portal}.

3. Coverage {click on appropriate box}

- Country Subregional Interregional
 Internal policy development

4. Responsible division/department: {insert name, spelled out; if not known, please write "To be determined"}

5. Responsible ADB officer(s): {insert name if known}	
6. Description of assistance(s)	
<p>a. Background/linkage to country/regional strategy: {Insert text. Please limit to 5–8 sentences.}</p> <p>b. Goal and purpose: {Insert text.}</p> <p>c. Components and outputs: {Insert text.}</p> <p>d. Rationale and purpose of ADF grant financing (if appropriate): {Insert text.} {Read and delete: For details, see ADF IX Grants Program: Staff Instructions dated 24 November 2004 in Compendium of Staff Instructions, ADB Portal.}</p> <p>e. Expected results and deliverables: {Insert text.}</p> <p>f. Social or environmental issues or concerns: {Insert text.}</p> <p>g. Plans for disseminating results/deliverables: {Insert text.}</p> <p>For TA, method(s) of TA output dissemination: {Tick one or more boxes, as applicable}</p> <p><input type="checkbox"/> A conference/workshop/brown bag</p> <p><input type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input type="checkbox"/> Others (specify) _____</p>	
7. Proposed executing/implementing agency or agencies:	{Insert name(s)}
8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: {insert text}	
{Note: List the institutions in government and civil society, including nongovernment organizations, that have been consulted about the project, and the nature of the consultations.}	
9. Timetable for assistance design, processing, and implementation	
<p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: {Year}</p> <p>b. Expected date of submission for approval</p> <p style="padding-left: 20px;">Lending: {date}</p> <p style="padding-left: 20px;">Nonlending (project preparatory): {date}</p> <p style="padding-left: 20px;">Nonlending (other than project preparatory): {date}</p> <p>c. Period and duration of assistance{s}</p> <p style="padding-left: 20px;">Lending: {insert period and duration}</p> <p style="padding-left: 20px;">Nonlending: {insert period and duration}</p>	
10. Financing Plan {Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements. Check more than one category, if applicable.}	
<p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources: \${amount}</p> <p><input type="checkbox"/> Asian Development Fund (loan): \${amount}</p> <p><input type="checkbox"/> Asian Development Fund (grant): \${amount}</p> <p><input type="checkbox"/> Other: {specify} \${amount}</p> <p>If cofinancing is required, indicate amount and sources sought: \$____, from _____.</p>	
{If known, provide cost estimates and financing arrangements in the table below. If not known, please delete the table below.}	

Source	Amount (\$ million)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	
<p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget: \${amount}</p> <p><input type="checkbox"/> Grant TA funds</p> <p><input type="checkbox"/> Other: {specify}</p>	
<p>If cofinancing is required, indicate amount and sources sought: \$____, from _____.</p> <p>{If known, provide cost estimates and financing arrangements in the table below. If not known, delete the table below.}</p>	
Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

DESIGN AND MONITORING FRAMEWORK

{Read and delete: Text inside frame must be left-aligned.}

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks {it is not essential for all rows to include both assumptions and risks}
Impact {Previously goal}			Assumptions <ul style="list-style-type: none"> • • Risks <ul style="list-style-type: none"> • • {Outcome + Assumptions and Risks contribute to Impact}
Outcome {Previously purpose}			Assumptions <ul style="list-style-type: none"> • • Risks <ul style="list-style-type: none"> • • {Outputs + Assumptions and Risks = Outcome}
Outputs 1. 2. 3.			Assumptions <ul style="list-style-type: none"> • • Risks <ul style="list-style-type: none"> • • {Activities + Assumptions and Risks = Outputs}
Activities with Milestones 1.1 1.2 2.1 2.2. 3.1. 3.2.			Inputs {include the following as applicable} <ul style="list-style-type: none"> • ADB • Government • Cofinancing • Beneficiaries • Private sector • Others

{List alphabetically and define all abbreviations used in the table. Font is Arial 9 pt.}

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Unit	Unit Cost	Total Cost
A. Asian Development Bank Financing^a			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants			0.00
ii. Domestic Consultants			0.00
b. International and Local Travel			0.00
c. Reports and Communications			0.00
2. Equipment			0.00
3. Training, Seminars, and Conferences			
a. Facilitators			0.00
b. Training Program			0.00
4. Surveys			0.00
5. Miscellaneous Administration and Support Costs			0.00
6. Contingencies			0.00
Subtotal (A)			0.00
B. Government Financing^b			
1. Office Accommodation and Transport			0.00
2. Remuneration and Per Diem of Counterpart Staff			0.00
3. Others			0.00
Subtotal (B)			0.00
Total			0.00

{Define symbols and abbreviations, e.g., — = not available.}

{Notes and footnotes, if any, are next.}

^a Financed by the {e-Asia Fund or Knowledge Partnership Fund}

^b {Leave section heading as is if fund source in heading A is ADB's technical assistance (TA) funding program, or the Japan Special Fund. If TA is cofinanced by a bilateral source (e.g., Government of Spain), change the heading to "Government of Spain Financing," and add heading "C. Government of {name of developing member country (DMC)} Financing." For regional TA, if the fund source in heading A is ADB's TA funding program or the Japan Special Fund, increase the number of headings if funding is to be provided by several DMC governments, e.g., "B. Government of India Financing," "C. Government of Nepal Financing." If funding from several governments is lumped together, leave heading as is, but list the governments in this footnote.

Source: {Asian Development Bank estimates.}

e-ASIA PROGRAM ICT CLASSIFICATION SHEET

{Tick one or more boxes, as applicable}

- The role of governments and all stakeholders in the promotion of information and communication technologies (ICTs) for development
 - National or regional e-strategies
 - Mainstreaming ICTs for Development in International Organizations
 - Establishing functioning Public-Private Partnerships and Multi-Stakeholder Partnerships in developing and implementing national e-strategies
- Information and communication infrastructure
 - Infrastructure projects
 - Convergence of networks
 - Broadening access (ICTs for all)
 - International and regional cooperation
- Access to information and knowledge
 - Policy and legislation
 - Information access
 - Research and Development
 - Community centers
 - Software and open access
 - Digital libraries and archives
- Capacity-building
 - ICT Literacy
 - National policies
 - ICT Professionals and experts
 - Distance learning
 - International and regional cooperation
- Building confidence and security in the use of ICTs
 - National approaches
 - International and regional cooperation
- Enabling Environment
 - Policy, regulatory, and legal reform
 - Internet-related law and governance
 - Entrepreneurship and Small and Medium-Sized Enterprises
 - Consumer-related policy and dispute
- ICT applications: benefits in all aspects of life
 - E-government
 - E-business
 - E-learning
 - E-health
 - E-employment
 - E-environment
 - E-agriculture
 - E-science
 - Disaster Management
- Cultural diversity and identify, linguistic diversity and local content
 - National approaches
 - International and regional cooperation
- Media
- Ethical dimensions of the information society
 - Promoting respect for peace and fundamental shared values of freedom, equality, solidarity
 - Increasing awareness of the ethical dimensions of ICT use
 - Protecting privacy and personal data and taking preventive measures against abusive uses of ICTs
- International and regional cooperation
 - Examples of governmental development assistance programmes
 - Other examples of international and regional cooperation
 - Regional initiatives

e-ASIA AND KNOWLEDGE PARTNERSHIP FUND ANNUAL PROJECT STATUS REPORT TEMPLATE

For the period: _____

A. Basic TA Information:

TA Number:	Responsible Task Officer, Project Analyst and Division {name & contact numbers}:	Country(ies) & Region: {in case of RETA, please also indicate the DMCs & sub-region involved}
Project Title:		
Amount:	Total TA amount: US\$ _____	
e-Asia/KPF Fund Contribution:	E-ASIA – US\$ _____	KPF – US\$ _____
ADB Concept Approval Date: _____		ADB Project Approval Date: _____
GOK Approval Date: _____		
Links to ADB Portfolio {e.g. name of counterpart ADB loan/TA/strategies}:		
Executing Agency(ies) {name & address, Contact person(s) & contact details}:		
Implementing Agency(ies) &/or Consultants: {name & address, Contact person(s) & contact details}:		

B. TA Implementation Status:

Summary of Status (pls. tick <input checked="" type="checkbox"/> as appropriate):			
<input type="checkbox"/> Inception phase	<input type="checkbox"/> TA 100% Completed & Closed –	Date Completed: _____	
<input type="checkbox"/> Mid-term accomplishments	<input type="checkbox"/> Near completion of TA implementation	Date of Financial Closing: _____	
<input type="checkbox"/> TA implementation completed (Financially NOT yet closed)			
Objective:			
Project Components {specify study & investment components}	Targeted/Expected Output	Accomplishment (%)	Notes – Remarks:
Disbursements:			
• Projected Disbursements for Jun–Dec 2006: US\$ _____; Jan–Jun 2007: US\$ _____			
• Total (accumulated) Actual Disbursements – Total: US\$ _____			
Impact/Outcome (For completed projects):			
Problems / Issues		Action Taken / Proposed	
Comments – Suggestions – Remarks, if any:			

**e-ASIA AND KNOWLEDGE PARTNERSHIP FUND APPROVED PROJECTS
JULY 2006–JUNE 2007**

TA/Loan Number	Title	Objective	Sector	Grant (\$ '000)	Program	GOK Approval	ADB Approval	Status*	Problems/ Issues
TA 6358	Preparing the South Asia Subregional Economic Cooperation (SASEC) Information Highway Project	To prepare an investment project that will (i) establish robust data interchange capacity with reduced cost and an increase in reliability and competition, (ii) expand ICT-accessibility in remote rural areas through village networks, and (iii) establish a regional ICT training and research center.	Transport and Communications	500	e-Asia	12 Nov 06	1 Dec 06	Interim phase	None
	Hazard Risk Assessment using Geo-Information Technology	To improve natural disaster prevention, preparedness, and mitigation in Viet Nam, reducing loss of life and property in disaster-prone areas.	Agriculture and Natural Resources	500	e-Asia	12 Nov 06	Not yet approved	Inception phase	Delay in finding a replacement of the project officer contributed to the delay in the processing of TA.
Loan No. 2307-MON	Mongolian Customs Modernization Project	To help improve efficiency, transparency, and sustainability in customs services and administration of Mongolia by strengthening the institutional and human capacity of Mongolian Customs General Administration (MCGA) in project implementation.	Industry and Trade	500	Knowledge Partnership	13 Nov 06	20 Dec 06	Inception phase	Effectiveness of the project was on 21 May 2007, 2 months later than initially planned in early March 2007.
	The Harmonization of Asian Bond Standards	To promote the development of the domestic and regional bond market by (i) assessing policies and standards for government and corporate bonds, and (ii) recommending measures to establish new self regulatory organizations and to strengthen existing ones to	Finance	500	Knowledge Partnership	20 Dec 06	Not yet approved	Inception phase	There was a change in project officer. GOK's request for a more comprehensive coverage led the project officer to seek additional funding from

TA/Loan Number	Title	Objective	Sector	Grant (\$ '000)	Program	GOK Approval	ADB Approval	Status*	Problems/ Issues
		harmonize bond standards across the region.							another source for the project.
	Implementation Support for the Computerization of the National Bank of Cambodia	The impact is a sound market-based financial system. Its outcome will be modern and efficient banking infrastructure in Cambodia.	Finance	500	e-Asia	23 Jan 07	Not yet approved	Inception phase	The TA is being processed together with a financial sector program loan for Cambodia (as a cluster TA) for approval in December 2007. Fact-finding was completed in June 2007.
TA No. 4940-KGZ	Business Process Reengineering and Change Management for Tax Administration Modernization	To improve tax administration through the implementation of critical accompanying measures to reengineer business processes, upgrade the staff's skills in general ICT and business analytics, and conduct change management.	Law, Economic Management, and Public Policy	500	e-Asia	6 Apr 07	14 Jun 07	Inception phase	None
Total				3,000					

* As of 31 May 2007. This is based on the annual progress reports submitted by the project officers.
GOK = Government of the Republic of Korea, ICT = information and communication technology, TA = technical assistance.

ICT CLASSIFICATION OF PROJECTS UNDER E-ASIA PROGRAM

WSIS Action Plans	VIE: Hazard Risk Assessment Using Geo-Information Technology	KGZ: Business Process Reengineering and Change Management for Tax Administration Modernization	CAM: Implementation Support for the Computerization of the National Bank of Cambodia	REG: Preparing the South Asia Subregional Economic Cooperation Information Highway Project
The role of governments and all stakeholders in the promotion of ICTs for development		X	X	X
▪ National or regional e-strategies		X	X	X
▪ Mainstreaming ICTs for Development in International Organizations				
▪ Establishing functioning Public-Private Partnerships and Multi-Stakeholder Partnerships in developing and implementing national e-strategies				
Information and communication infrastructure		X		X
▪ Infrastructure projects		X		X
▪ Convergence of networks				
▪ Broadening access (ICTs for all)		X		
▪ International and regional cooperation				X
Access to information and knowledge	X	X	X	X
▪ Policy and legislation				
▪ Information access	X	X	X	X
▪ Research and Development				X
▪ Community centers				X
▪ Software and open access			X	
▪ Digital libraries and archives				
Capacity-building	X	X	X	X
▪ ICT Literacy	X	X	X	X
▪ National policies				
▪ ICT Professionals and experts		X	X	X
▪ Distance learning				
▪ International and regional cooperation				X
Building confidence and security in the use of ICTs		X	X	
▪ National approaches		X	X	
▪ International and regional cooperation				
Enabling environment		X	X	
▪ Policy, regulatory, and legal reform			X	
▪ Internet-related law and governance		X		

WSIS Action Plans	VIE: Hazard Risk Assessment Using Geo-Information Technology	KGZ: Business Process Reengineering and Change Management for Tax Administration Modernization	CAM: Implementation Support for the Computerization of the National Bank of Cambodia	REG: Preparing the South Asia Subregional Economic Cooperation Information Highway Project
▪ Entrepreneurship and Small and Medium-Sized Enterprises			X	X
▪ Consumer-related policy and dispute				
ICT applications: benefits in all aspects of life	X	X	X	X
▪ E-government		X		
▪ E-business			X	X
▪ E-learning	X			X
▪ E-health				X
▪ E-employment				
▪ E-environment				
▪ E-agriculture				X
▪ E-science				
▪ Disaster Management	X			
Cultural diversity and identify, linguistic diversity and local content				
▪ National approaches				
▪ International and regional cooperation				
Media				
Ethical dimensions of the information society				
▪ Promoting respect for peace and fundamental shared values of freedom, equality, solidarity				
▪ Increasing awareness of the ethical dimensions of ICT use				
▪ Protecting privacy and personal data and taking preventive measures against abusive uses of ICTs				
International and regional cooperation			X	X
▪ Examples of governmental development assistance programs			X	X
▪ Other examples of international and regional cooperation				
▪ Regional initiatives				