



## Evaluation Study

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ADB's Japan Funds: Japan Fund for Poverty Reduction, Japan  
Special Fund, and Japan Scholarship Program Summary Report

Operations Evaluation Department

Asian Development Bank

## ABBREVIATIONS

ADB	–	Asian Development Bank
ADTA	–	advisory technical assistance
CPS	–	country partnership strategy
DMC	–	developing member country
EA	–	executing agency
JFPR	–	Japan Fund for Poverty Reduction
JSF	–	Japan Special Fund
JSP	–	Japan Scholarship Program
NGO	–	nongovernment organization
OCO	–	Office of Cofinancing Operations
OED	–	Operations Evaluation Department
PPTA	–	project preparatory technical assistance
RETA	–	regional technical assistance
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund

## NOTE

In this report, “\$” refers to US\$.

## Key Words

adb, asian development bank, designated institutions, development grant, development projects evaluations, government of japan, grants evaluations, japan fund for poverty reduction, japan scholarship program, japan special fund, jfpr, jsf, jsp, nongovernment organizations, technical assistance

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The guidelines formally adopted by the Operations Evaluation Department (OED) on avoiding conflict of interest in its independent evaluations were observed in the preparation of this report. Jonathan Cook, Michael Heppell, Graham Walter and Joji Watanabe were the international consultants, assisted by Grace Agnes Sevilla and Cherry Ann Santos, national consultants. To the knowledge of the management of OED, there were no conflicts of interest of the persons preparing, reviewing, or approving this report.

## EXECUTIVE SUMMARY

This evaluation of three of the funds provided by Japan to the Asian Development Bank (ADB) has been undertaken by the Operations Evaluation Department (OED) at the request of, and funded by, the Government of Japan. The Office of Cofinancing Operations (OCO) administers the funds on behalf of ADB. The three funds are the (i) Japan Fund for Poverty Reduction (JFPR); (ii) Japan Special Fund (JSF); and (iii) Japan Scholarship Program (JSP).

This report is a summary report covering the evaluation of the three funds. Details of the analysis can be found in stand-alone reports for each fund, which have been released simultaneously with this summary report.

The evaluation concludes that the performance of all three funds has been successful and worth continuing. As shown in Chapter II, the study's main conclusions on the JFPR are that (i) it has been successful; (ii) it strongly supports ADB's Poverty Reduction Strategy; and (iii) it is a valuable modality for ADB to address poverty reduction, providing a visible link and demonstration effect to partners and the public, and is a useful complement to the loan program; but (iv) JFPR processes need to be refined to make them simpler for ADB staff to apply and to reduce the workload on project officers, Management, the Central Operations Services Office, and support staff.

As shown in Chapter III, JSF TA operations have generally been of a good standard, with 65% of JSF ADTA and 67% of JSF PPTA grants rated as successful. These ratings are just below ADB's target for 2010 of 70% of TA operations to be so rated. ADTA operations have frequently addressed very complex issues in areas in which there is a high degree of difficulty, factors that should also be taken into account when assessing the degree of success. The JSF has outperformed challenging benchmarks for effectiveness and efficiency. The relevance rating suggests the need for a more strategic approach to JSF resource allocation. Sustainability is more complex but could be addressed by longer term TA engagement and larger TA projects and/or cluster TA projects.

Chapter IV shows that, overall, the JSP program has been successful. From 1988 to 2006, 2,104 scholarships were awarded. Dropout rates were low (4%), and 83% of candidates completed their chosen fields of study. The program is rated highly relevant. It focuses on capacity building, considered a high priority area of both ADB and its DMCs. The fields of study supported by JSP are relevant to DMC needs, and are consistent with the priorities of ADB.

A strong case can be made to continue all three funds while pursuing process efficiencies and, in the case of JFPR and JSF more strategy-driven allocation. Greater efforts should be placed on disseminating success and lessons emerging from this, particularly for JFPR but also JSF.

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## I. INTRODUCTION

1. This evaluation of three of the funds provided by Japan to the Asian Development Bank (ADB) has been undertaken by the Operations Evaluation Department (OED) at the request of, and funded by, the Government of Japan. The Office of Cofinancing Operations (OCO) administers the funds on behalf of ADB. The three funds are the (i) Japan Fund for Poverty Reduction (JFPR); (ii) Japan Special Fund (JSF); and (iii) Japan Scholarship Program (JSP). Aside from ADB, the Government of Japan also requested the World Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank to conduct evaluations of their Japanese technical cooperation funds.

2. This evaluation seeks to (i) assess the performance of the funds against their stated objectives; (ii) highlight the accomplishments, opportunities, and strengths of the funds, and identify constraints and weaknesses; (iii) review the management and operation of the funds; (iv) assess the extent of the visibility of Japan, and whether coordination arrangements with Japanese embassies and its aid agencies—the Japan Bank for International Cooperation and the Japan International Cooperation Agency—are appropriate; and (v) provide recommendations.

3. This report is a summary report covering the evaluation of the three funds. Details of the analysis, and data backing it up, can be found in stand-alone reports for each fund,<sup>1</sup> which have been released simultaneously with this summary report. The funds fulfill very different purposes and, while efforts were made to see if common points could be drawn out, these were minimal, other than the need to make the different processes more efficient. It was thus concluded that this report would simply summarize the other reports' main findings and recommendations, presenting them separately as below.

## II. JAPAN FUND FOR POVERTY REDUCTION

### A. Introduction

4. The **Japan Fund for Poverty Reduction** was established in May 2000<sup>2</sup> in support of ADB's new Poverty Reduction Strategy, approved in 1999. Unlike most other funds administered by ADB, JFPR grants are not for technical assistance (TA), but are to finance investment grants linked to ADB loans to pilot test innovative poverty reduction approaches that may later be up-scaled under loan conditions and mainstreamed in ADB operations. It provides opportunities for ADB to work more directly with civil society, such as non government organizations (NGOs) and community-based organizations, and with communities themselves. To promote knowledge sharing on poverty reduction, the JFPR was linked to the work of ADB's newly established Poverty Unit. Management of the JFPR was located initially in ADB's Strategy and Policy Department, was moved to the Regional and Sustainable Development Department in 2001, and to OCO in 2003. The evaluation study assessed the extent to which the JFPR has

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<sup>1</sup> The following are the stand-alone reports for each fund: (i) ADB. 2007. *Special Evaluation Study on ADB's Japan Funds: Japan Fund for Poverty Reduction*. Manila; (ii) ADB. 2007. *Special Evaluation Study on ADB's Japan Funds: Japan Special Fund*. Manila; and ADB. 2007. *Special Evaluation Study on ADB's Japan Funds: Japan Scholarship Program*. Manila.

<sup>2</sup> ADB. 2000. *Cooperation with Japan: Japan Fund for Poverty Reduction*. Manila; Arrangement Letter, *Establishment of a Japan Fund for Poverty Reduction* between the Government of Japan and ADB, 24 May. Manila.

met its objectives. The evaluation analyzes issues and constraints, and makes recommendations and suggestions that are intended to assist in future implementation.

5. Between May 2000 and June 2006, the Government of Japan contributed \$360 million to the fund. As at 31 December 2006, 90 projects worth \$244 million had been approved. They include nine grants to Afghanistan totaling \$98 million, and nine tsunami response projects for India, Indonesia, Maldives, and Sri Lanka totaling \$20 million.

## **B. Methodology**

6. The evaluation included both a top-down assessment of the funded program as a whole, examining how the program relates to ADB's overall strategic objectives and priorities, and a bottom-up assessment focusing on the performance of individual JFPR projects in selected countries. At the strategic level, the evaluation examined the relationship and links to ADB's overarching goal of poverty reduction as set out in the Poverty Reduction Strategy (1999) and Long-Term Strategic Framework (2001–2015), and as articulated in two medium-term strategies. However, the main efforts of this evaluation were put into the program and project assessment, covering aspects such as project design, implementation, and performance. The evaluation also examined the procedures, management, and administrative support provided to the program.

7. For the assessment of performance and impact of JFPR projects in individual countries, a case study approach was adopted following a desk review of the JFPR program. The field program focused on countries with a substantial JFPR portfolio under several geopolitical systems that had not been subject to a major recent program evaluation by OED. Five countries were selected for fieldwork: Cambodia, Indonesia, Mongolia, Philippines, and Tajikistan. A total of 19 projects were field evaluated, and five country case studies were prepared based on this, which, together with interviews with a range of stakeholders in-country and in ADB headquarters, formed the basis for the analysis.

## **C. JFPR Performance**

8. The study conclusions on JFPR performance include:

- (i) The JFPR generally aligns well with ADB's strategic objectives as defined in its medium- and long-term strategic frameworks. The individual projects are in line with the country partnership strategies (CPSs) and national poverty reduction strategies.
- (ii) The JFPR has generally met its specific objectives related to innovation and Japan's visibility. The original intention to expand JFPR projects into loan projects has been met in several cases, but overall at a lower level than intended.
- (iii) All ADB staff interviewed at headquarters or in the fieldwork countries considered the JFPR a valuable program that makes ADB better able to deal in a practical way with poverty-related problems. ADB staff reported strong ongoing demand for JFPR projects, as reflected in the substantial project pipeline.
- (iv) The experience in the five fieldwork countries indicates the success of the JFPR overall. Of the 17 completed projects evaluated, 23% were rated *highly successful*, 65% *successful*, and 12% *partly successful*. The proportion of projects rated successful or higher (88%) is much better than the success rate of ADB loans (65% of completed projects).

- (v) Evidence of sound design was not a strong point of many of the JFPR projects evaluated (i.e., they did not include design and monitoring frameworks), yet most projects achieved their intended outcomes, so presumably design was adequate.
- (vi) The administration of JFPR projects does not follow standard ADB process. The projects require approval by the Japanese embassy at the concept stage and by the Government of Japan at the final design stage, in addition to the normal ADB approvals. The design, monitoring, and completion report templates are based on those for the Japan Social Development Fund of the World Bank, and differ from ADB standard templates, give little information about outcomes, and are not integrated with ADB's monitoring systems.
- (vii) Though fund management within OCO is effective, the unit would benefit from the addition of staff for technical and monitoring support. The appointment of focal points in ADB departments would also assist in program development and management.

9. Key reasons for the relative success of the JFPR program include (i) the small scale and manageability of projects, (ii) projects relating to real needs in poor communities, (iii) the close involvement and motivation of project staff, (iv) implementation through or contracted to NGOs that are highly motivated and close to their communities, and (v) consequent reduction in rent seeking and in bureaucratic inefficiency.

10. ADB staff are encouraged to develop JFPR projects that are innovative. All five country programs evaluated scored reasonably well in relation to innovation. For example, in the Cambodian program, JFPR 9006 HIV/AIDS was instrumental in developing NGO involvement in the home-based care approach which is now central to the national HIV/AIDS control program. JFPR 9023 Environmental Improvement established that communities, including the poor, are willing and able to contribute a significant amount to the development of demanded infrastructure, such as water supply, drainage and road improvement. JFPR 9017 pioneered the introduction of psychosocial support into rural development projects, which has significant implications and potential for replication in other areas of the country, where psychological problems can prevent full involvement of many villagers in the economic and social life of the village. Innovation, however, is not risk free and major development projects should not be experiments. Innovation should not be a goal in itself, and should primarily be considered where the approach is agreed to be optimal in relation to poverty reduction in the area or sector.

11. Many JFPR projects have had substantial socioeconomic impacts. Notable have been the HIV/AIDS project, which was evaluated in Cambodia (Box 1), and the project concerning disabled people in Mongolia (Box 2). Projects in the education, rural development and urban waste sectors have also generated significant positive impacts.

12. ADB's LTSF (2001–2015) notes that poverty reduction remains the central challenge in the region, with robust, sustainable growth being essential for significant gains in poverty reduction, addressing the diverse problems of underdevelopment, and more generally for improvements in quality of life. The JFPR program objectives are in line with this and recognize the need for compatibility with national poverty reduction strategies. The JFPR program as a whole has a clear focus on poverty reduction, and poverty is a central concern of the JFPR program in the countries studied.

### Box 1: Successful Collaboration Leads to Better Outcomes and Replication

Poverty is a major factor leading to behaviors that expose people to HIV infection. Consequently, the productive capacities of people with the HIV epidemic are curtailed. JFPR 9006 in Cambodia has yielded high economic returns by limiting the spread of HIV/AIDS and reducing the need for hospital care, which is economically and socially disruptive to the community. The HIV/AIDS project laid down the foundation for mutual trust and a generally excellent working relationship between NGOs and the Ministry of Health National Center for HIV/AIDS, Dermatology, and Sexually Transmitted Diseases. Project techniques were extended to several areas in the country, effectively magnifying project benefits. The HIV/AIDS project was the basis for a current regional loan on communicable disease control with a \$30 million grant component. This shows that a high level of management and a close interest taken by the government can lead to successful project outcomes and a high probability of replication into national base programs.

HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome.

Source: JFPR 9006-CAM: *Community Action for Preventing HIV/AIDS*, for \$8 million, approved May 2001.

### Box 2: Increasing Awareness while Maximizing Human Resources

Some of the poorest and most vulnerable people in Mongolia are the disabled. The JFPR was instrumental in increasing the productivity and welfare of the disabled. Project outputs and outcomes were exceeded. The project also produced excellent synergies in job placements and had a major impact on raising government awareness and that of the population at large concerning the predicament of the disabled and the material contribution they can make to society. Trade fairs also promoted the value of putting the disabled to work and helped them manage small enterprises. Consequently, the project led to other service providers giving increased access to the disabled in businesses as well as to the installation of street crossing aids.

Source: JFPR 9014-MON: *Expanding Employment Opportunities for Poor Disabled Persons*, for \$1 million, approved April 2002.

13. However, while the JFPR has focused on poverty as required by its mandate, it has been difficult to reach the poorest sectors of society. Projects in the health and education sectors generally achieved this objective, and included the poorest as well as the less poor, but livelihood projects often focused on the “enterprising poor,” particularly due to the difficulties experienced in including the very poor in microfinance activities. In Mongolia, JFPR had a specific intervention in increasing productivity and welfare of the disabled, who are among the poorest in the country.

## D. Conclusions

14. In terms of the four evaluation criteria used by OED, the program is considered to have been relevant, efficient, effective and sustainable. Almost all the projects evaluated in this study were *relevant* or *highly relevant* at the time of design and at conclusion, in relation to both ADB and national policies. The program as a whole is highly relevant to ADB’s Poverty Reduction Strategy, and for DMCs own national poverty reduction strategies.

15. Most of the projects evaluated achieved their intended outcomes and were rated as *effective* or higher, although two of the three slum projects in the Philippines did not achieve their intended outcomes and were less effective, due largely to the attempt to apply an integrated approach within a limited period.



16. The overall rating for the JFPR projects evaluated is *efficient*. Efficiency of process was high for several projects, but others were greatly delayed and required several extensions before they could be completed. It was not possible to calculate individual economic rates of return, but it is likely to have been adequate or high for most projects, generating an overall *efficient* rating.

17. All projects were rated *sustainable* or higher apart from the two early slum projects in the Philippines and one in Cambodia, which will require ongoing support from the loan project to which it was attached if project outcomes are to be sustained.

18. The study's main conclusions are that the JFPR (i) has been successful; (ii) strongly supports ADB's Poverty Reduction Strategy; (iii) is a valuable modality for ADB to address poverty reduction, providing a visible link and demonstration effect to partners and the public, and is a useful complement to the loan program; but (iv) JFPR processes need to be refined to make them simpler for ADB staff to apply. It is further considered that the fund represents good "value for money" and should if possible be continued and extended. Table 1 summarizes the strengths and weaknesses of the program as well as opportunities and threats.

**Table 1: Strengths, Weaknesses, Opportunities, and Threats Summary of the JFPR Program**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Strong support for ADB's Poverty Reduction Strategy – LTSF, MTS II</li> <li>• Visible link of ADB operations to poverty reduction – demonstration effect for partners and public at large</li> <li>• Innovative approaches generally successful as individual projects</li> <li>• Substantial socioeconomic impact – projects address real needs of communities, encourage beneficiary participation</li> <li>• Small-scale, manageable projects – flexibility a key factor</li> <li>• Strategic alliances and partnerships with NGOs, CBOs, and communities strengthen ADB's capacity to work with NGOs</li> </ul>	<ul style="list-style-type: none"> <li>• Design and approval process different from usual ADB practice</li> <li>• Lack of integration in ADB's monitoring systems, constraining effective program management and assessment</li> <li>• Pilot, innovative approaches not generally applied on as wide a scale as anticipated</li> <li>• Contribution to improved effectiveness of associated individual loans often less than intended</li> <li>• Difficulty in reaching poorest of the poor; closer monitoring/attention needed</li> <li>• Implementation delays (imprest account replenishment) – NGOs unfamiliar with ADB procedures; financial liquidity/standing of grassroots NGOs often cannot support immediate financial requirements</li> <li>• Limited use by ADB of JFPR grants as strategic instrument in CPS</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Maintenance of visible link to poverty reduction and increased focus on "enterprising poor"</li> <li>• High demand – large pipeline of projects</li> </ul>	<ul style="list-style-type: none"> <li>• Demands on staff time and resources – some ADB divisions reluctant to process more small grants</li> <li>• Uncertainty of continued Government of Japan funding</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• More specific use as a strategic instrument in country operations</li> <li>• Expansion of JFPR assistance, decoupled from loan operations, to more small-scale economies in the Pacific</li> <li>• Increased use of resident missions in design, processing, and supervision; reduced demands on staff at headquarters</li> </ul>	

ADB = Asian Development Bank, CBO = community-based organization, CPS = country partnership strategy, DMC = developing member country, JFPR = Japan Fund for Poverty Reduction, LTSF = Long-Term Strategic Framework, MTSF = Medium-Term Strategy, NGO = nongovernment organization.

## E. Lessons

19. A number of lessons can be drawn from the experience of JFPR projects over the last 7 years. These are summarized in Appendix 1, Table A1.8. Of particular interest are: (i) NGOs are appropriate partners for the JFPR. They are particularly valuable in their ability to respond to local needs and for their knowledge of and relationship with local communities. However, they need to understand that they will have to follow project procedures in relation to reporting and financial control. Small NGOs may need strong support from project management; and (ii) it is difficult to reach the poorest of the poor, as the very poor may be too preoccupied with survival to participate in project activities. Furthermore, they may lack land or other basic means of production. They are often averse to credit, or do not use it effectively. Projects should target the “enterprising poor,” who may come from either the poorest or less-poor categories. Other ways need to be found to assist the very poorest.

## F. Recommendations

20. Appendix 1, Table A1.9 lists strategic recommendations arising from the study, while Appendix 1, Table A1.10 sets out specific operational recommendations. JFPR should be continued because of its good performance, but JFPR systems should be moved closer to ADB’s core business practices, with improved administrative efficiency. Given the innovative and pilot nature of JFPR projects and their potential for expansion, greater emphasis should be given to learning from JFPR projects and disseminating the findings.

# III. JAPAN SPECIAL FUND

## A. Introduction

21. The **Japan Special Fund** was established in March 1988 to provide financial support for ADB’s TA program in the form of an untied grant, with ADB as the administrator of the fund. The fund is to be utilized for supporting the efforts of developing member countries (DMCs) toward industrialization, natural resource development, human resource development, and transfer of technology. Projects eligible for financing or cofinancing include (i) TA projects in the public or private sector for the formulation and preparation of development projects and programs, advisory services, and regional activities; (ii) private sector development projects or programs through equity investments to private entities; and (iii) TA components of public sector development projects or programs financed under loans from ADB. ADB’s regular policies for TA generally apply to JSF-financed TA projects. Financing or cofinancing from the JSF is entirely on a grant basis and is not subject to any reimbursement requirements.

22. From 1988 to 2006, 1,578 JSF TA grants were approved for \$974.8 million, of which 45% was for advisory TA (ADTA), 42% for project preparatory TA (PPTA), and 13% for regional TA (RETA). The fund has received just under \$1 billion in the 20-year period in which it has been active, with amounts varying each year from a high of over \$100 million in 1995 to zero in 1997. In the past 4 years, contributions have been around \$25 million per annum, including special contributions totaling about \$160 million for specific areas of interest in environment, women in development, the private sector, and the financial sector, and for seminars (268 projects were funded this way).

23. Unlike many other special funds, ADB's regular policies for TA generally apply to JSF-financed TA projects. This significantly reduces the transaction costs and administrative burden on ADB staff. Financing or cofinancing from the JSF is entirely on a grant basis and is not subject to any reimbursement requirements. In April 2006, new policy guidelines were issued, which for the first time spelled out general directions for the use of the JSF for the year. These guidelines were reissued for 2007, with only minor changes, including the requirement that, for ADTA and RETA activities, the project profile sent to Japan for approval must include a design and monitoring framework. A ceiling of \$2 million was introduced, which can be exceeded for exceptional reasons. Key points are as follows:

- (i) PPTA and ADTA operations accompanying a loan are preferred.
- (ii) All proposals should be included in the relevant country strategy and program (now CPS) or concept approved by a vice president. Other TA activities (RETA and stand-alone TA projects) should be clearly linked to ADB operations.
- (iii) There is a requirement for coordination with Japanese embassies.
- (iv) Specific and measurable indicators and risks should be identified in all TA proposals except those for PPTA.
- (v) Non-consultant costs are pegged at a maximum of 10% of the total TA amount.
- (vi) Study tours and foreign training are no longer allowed.
- (vii) The importance of signing ceremonies with Japanese embassy officials present is reemphasized.

## **B. Methodology**

24. The evaluation included a broad coverage of ADTA and PPTA funded by the JSF. The JSF is regarded as a core part of ADB's TA program, with administration in accordance with standard practices. Analysis confirmed that there is little difference in JSF and regular TA operations at the strategic, departmental, country, and sector levels. The performance of JSF TA was compared with TA funded under the Technical Assistance Special Fund (TASF) and other trust funds managed by ADB. Given minimal differences, the findings and conclusions of other evaluation studies can be used in the evaluation of the JSF.

25. The study comprised both a desk review of the JSF and TASF programs and fieldwork in four DMCs (Indonesia, Lao People's Democratic Republic, Mongolia, and Nepal). The four countries selected for fieldwork were chosen to represent various geopolitical systems and to cover different countries from prior evaluations. In total the study evaluated 174 JSF TA operations, comprising 99 ADTA and 75 PPTA grants—14% of total JSF ADTAs and 11% of JSF PPTA. In 2006, OED conducted a special evaluation study on the performance of TA<sup>3</sup> that provided valuable data and inputs to this study. The database was further supplemented by the findings of five other OED evaluations that had used the same methodology. The methodology

<sup>3</sup> ADB. 2007. *Special Evaluation Study on the Performance of Technical Assistance*. Manila.

employed survey questionnaires and structured interviews with project officers (including resident mission staff), staff of executing agencies (EAs), and project implementation consultants. Performance assessment used OED's standard evaluation criteria of relevance, effectiveness, efficiency, and sustainability.

### C. Findings

26. **Performance Assessment.** The study rates the overall performance of JSF TA projects *successful*, based on OED's four-point scale (highly successful, successful, partly successful, or unsuccessful), with 65% of JSF ADTA and 67% of PPTA rated successful. Success ratings are just below ADB's target for 2010 of 70% of TA projects to be so rated. ADTA activities in particular have frequently addressed very complex issues in areas with a high degree of difficulty—a factor that should also be taken into account when assessing the degree of success.

27. The JSF is rated *relevant*. JSF approvals have followed the guidelines, and are closely aligned with ADB and DMC priorities and needs. A highly relevant rating is not appropriate due largely to: (i) lack of clarity and consistency in some cases in TA strategic direction at the country level; (ii) some inadequacies in the TA formulation process and problem diagnostics; (iii) quality at entry issues including the quality of design and monitoring frameworks; (iv) lack of coherence in lending and nonlending activities in some cases; and (v) insufficient coordination and complementarities with other development partners.

28. The JSF is rated *effective*. While the success rate is below ADB's recently established target for 2010 of 70% of TAs to be rated successful, the result is close to this future target. The sample JSF ADTAs in this evaluation performed better (65% success rate) than the historical average of TA performance evaluation report ratings (61% success rate). Most ADTAs produced proposals for policy reforms, and executing agencies indicated that training had resulted in positive improvements in staff performance. JSF PPTAs also performed well, in most cases resulting in new loans. A number of factors have been identified as influencing TA effectiveness and success and are summarized in Section D below.

29. The JSF is rated as *partly efficient*. The following factors accounted for this rating (i) long lead time for TA approval; (ii) time overruns; (iii) frequent changes in staff by both ADB and executing agencies; and (iv) costs of procedures, which are not monitored properly by ADB.

30. Rating of sustainability is complicated by the fact that 42% of JSF funds were provided to PPTAs, which, thus, have a short implementation period and finite duration, ending with a design for a possible loan. For ADTAs, sustainability was frequently rated lower than effectiveness. On balance, the sustainability of JSF TAs is rated as *likely*.

31. Although a significant minority of ADTA activities are rated partly successful, this does not mean they have failed. Reasons for partial success vary. Sometimes objectives are overambitious in relation to the resources provided and the implementation period set. The impact of JSF-funded TA projects has been significant in the following respects: (i) policy development ADTA has profound beneficial impacts on the legislative environments governing a number of sectors; (ii) capacity development ADTA have improved the performance of sector and subnational agencies in the delivery of services, especially to the poor; and (iii) about 75% of total ADB PPTA is funded from the JSF and therefore it is responsible for the design of 75% of ADB's loan program. From 2000 to 2004, loans that were preceded by a JSF-financed PPTA totaled \$6.4 billion, about 55 times the amount JSF financed for PPTAs.

32. **Allocations.** While no percentage of allocations was specified in the JSF guidelines, ADB used an indicative planning figure in 2007 that implied that 70% of JSF is targeted for PPTA with 30% for ADTA and RETA. This indicative planning figure allocation is not achievable. The annual value of PPTA is currently about \$50 million, which, if completely allocated to JSF, would represent 63% of the total JSF funds available for 2007. Having all PPTA funded by JSF may not be in the best interest of either ADB or Japan.

33. **Approval Process.** While the requirement by Japan to approve each TA proposal is not onerous, adding 4–5 weeks to the process, it is unclear what value it adds other than building Government of Japan ownership.

34. **ADB Management.** Findings of note from the special evaluation study on TA performance, which were confirmed by this evaluation of the JSF, include the following: (i) Country program strategies do not produce a framework in which TA is coherently and strategically programmed; (ii) the quality of TA management needs to be strengthened; (iii) there are weaknesses in TA management information systems; and (iv) ADB's knowledge management system does not yet provide a readily available set of lessons and good practices from TA projects.

35. **Enhancement of Japanese Profile.** The profile is not high. The one-off nature of JSF interventions contributes to poor awareness. Media attention attached to signing ceremonies for new TA probably has some impact but is short lived. Very few TA operations are implemented by Japanese consultants.

36. **Risk Management.** Generally, all ADTA activities are treated as if they are likely to experience the same level of risk irrespective of sector, theme, or country. Risk assessment of TA, and decisions regarding support required, should be based on factors such as ADB's experience in the country and sector, degree of complexity of the TA, and institutional capacity and ownership.

37. **Client Satisfaction.** This was disappointingly low for TAs in general, including those financed by JSF. The main reasons include (i) ADTA activities frequently promising more than they can deliver, (ii) absence of an exit strategy, (iii) lack of client involvement in design, and (iv) inadequate attention to resolution of problems during implementation.

#### **D. Success Factors**

38. This study identified a number of factors associated with success:

- (i) **Clarity of Objectives.** If objectives are not clear, the executing agency and consultants cannot be sure about what is to be achieved. Management of the intervention also becomes difficult, as milestones are likely to be imprecise. Outcomes as well as outputs need to be specified, along with measurable targets. While ADB has made improvements in recent years to the way in which TA is designed, especially in the requirement for a design and monitoring framework, the findings of this study are that verifiable measures are infrequent. The absence of measures makes management information systems less effective.

- (ii) **Need and Ownership.**
- (a) **Country Ownership and Priority.** This is essential to ensure provision of counterpart budget and engagement at the decision making level.
  - (b) **Agency and Beneficiary Input into Design.** Enabling agencies to determine what they require in a project is one of the conditions for ownership. The study found that there is a strong correlation between client satisfaction and TA design and success. Effectively meeting beneficiary needs is also a factor promoting success.
  - (c) **Selection of Consultants.** Many executing agencies interviewed commented adversely on their lack of inclusion in the consultant selection process. The relevant project administration instruction has now been amended to allow the delegation of consultant selection to executing agencies where appropriate.
  - (d) **Identification of Client.** An important issue in the management of ownership is clear identification of the client. Given the way in which ADB manages TA, (particularly in contracting consultants, supervising them through a project officer, having the consultants first submit all reports to ADB, and remunerating them), the effective client remains ADB, not the Executing Agency. It is important to bind in all stakeholders.
  - (e) **Provision of Counterparts.** In many interventions, particularly capacity building, policy development, and the installation of management information systems, significant inputs are required on the part of an executing agency both during implementation and afterwards. Executing agency staff need to play a substantial part in the design of a project and implementation of the TA. There was a strong correlation in this study between provision of counterparts and TA success (Box 3).

**Box 3: Successful Collaboration between the Consultant Team and Counterpart Staff**

The ADTA assisted the Government of Nepal in facilitating its policy and institutional reforms in the agriculture sector. The TA comprised two components: (i) Part A – Support for the Reforms of the Agriculture Institutions, and (ii) Part B – Strengthening of the Management Capability for Local Infrastructure Development. Under Part A, the EA (Ministry of Agriculture and Cooperatives) assigned a full-time Project Coordinator during TA implementation and worked enthusiastically with the consultant team. Under Part B, the EA (Ministry of Local Development) assigned counterpart staff to assist the consultant team in TA implementation. The counterpart staff provided full attention to TA activities and actively worked with the consultant team. As a result, the TA successfully delivered the expected outputs under both components. The project successfully contributed to the implementation of policy and institutional reforms in line with the Second Agriculture Program Loan. It effectively achieved capacity building of the relevant departments or units in their respective EAs. The ADTA was also instrumental in removing fertilizer subsidies by helping the Fertilizer Monitoring Unit survey four districts to study the effect of such removal. All legislation supporting regulation of pesticides was reviewed and amended by the Unit through the ADTA. The ADTA also attempted to dispose obsolete pesticides, organized pesticides collection, including repackaging and storage.

ADTA = advisory technical assistance, EA = executing agency, TA = technical assistance.

Source: TA 3008 NEP: *Institutional Reforms in the Agriculture Sector*, for \$900,000, approved April 1998.

- (f) **Appropriate Process.** Ownership generally requires that an intervention be under the direct management of the executing agency. Process is an important success factor, because changes sought by a TA need to be accepted by the client to be implemented.

- (iii) **Adequacy of Time and Resources.** In many TA operations, time and resources provided were considered insufficient for the intervention to perform all the tasks necessary to achieve the objectives.
- (iv) **Quality of Consultants.** EAs were generally satisfied with the performance of consultants, with 85% of those responding rating consultant performance as satisfactory or better in both ADTA and PPTA (Box 4).

**Box 4: Successful Implementation Attributed to Better Consultant Performance**

This PPTA built on the findings of the Philippine Education Sector Study (TA 3072-PHI, approved on 22 September 1998), conducted by ADB, the World Bank and the Presidential Commission on Education Reform (1999–2000). The PPTA identified key reforms based on the sector study findings and extensive stakeholder consultations. Consultant performance ranged from satisfactory to excellent and consultants were well respected by their counterparts. The TA was “participatory” throughout its implementation, with a high level of involvement among agencies involved (i.e., Department of Education and the Commission on Higher Education). Collaboration was excellent among agencies, consultants, and the project officer involved in implementation. As a result, the PPTA succeeded in producing an excellent project design that was subsequently approved and funded by the Philippine Government, and a series of background technical reports for which there was high demand. The interventions proposed by the PPTA were either system-wide (pre-baccalaureate year, faculty development) or targeted at critical points of leverage in the system (central management, higher education management, targeted development funds, exit examinations and accreditation). The interventions supported the three project objectives of equity, rationalization of higher education, and system quality improvements. The PPTA also provided forums for discussing and suggesting creative solutions to persistent problems in the education sector. The PPTA did not result in a loan from ADB, but the project is currently being implemented by the Government, albeit on a smaller scale and without some of the inputs planned. Overall, the PPTA had significant development impact because many of its recommendations and strategies were actually implemented by the Commission on Higher Education and some universities, using their own funds when necessary.

ADB = Asian Development Bank, PPTA = project preparatory technical assistance, TA = technical assistance.  
Source: TA 3500-PHI: *Education Sector Development Program*, for \$998,000, approved September 2000.

- (v) **Continuous Alignment of Objectives and Client Priorities.** Agency priorities can change during the course of a TA; consequently, there are occasions when flexibility is required to adjust a TA to ensure that it remains relevant.
- (vi) **Customer Satisfaction and Client Relationship Management.** The study found that customer satisfaction for TAs, including those financed by JSF, generally was disappointing. Most TA operations are managed from ADB headquarters, with little delegation to resident missions, which makes it harder to provide timely support. Second, there needs to be greater realism by clients about the contributions they must make to achieve the desired outcomes.

## **E. Conclusions**

39. JSF TA projects have generally been of a good standard and successful. The annual report on JSF produced by ADB should include an assessment of effectiveness to complement the information currently presented covering volume of assistance. Consultants could be required, as part of their contract, to write a two-page assessment sheet covering key successes and lessons emerging. Translating these into local languages, where necessary,

would add value. It would also promote the JSF more effectively than present methods. The profile of the JSF would also be augmented if ADB were required to focus it on particular programs at the country level.

40. Management of the JSF would be more efficient if Japan were able to fully delegate responsibility for approval to ADB according to guidelines and criteria provided by the Government of Japan. Japan’s vetting would then be *ex-post* rather than *ex-ante*, as currently. Recognizing, however, that this not likely to be a feasible option for Japan, consideration could be given to greater involvement at the concept and design stages, which would offer better opportunities for synergy with bilateral programs (along the lines of the Japan Fund for Poverty Reduction process). It would also increase the predictability of subsequent approval by the Government of Japan.

41. As the survey results reveal, approximately 60% of TA projects are under-resourced to some extent, while 30% are significantly under-resourced. Better scoping of TA is required. There will remain instances when unforeseen difficulties during implementation create the need for additional resources to complete a TA satisfactorily. The current process for mobilizing supplementary funding is cumbersome. Consideration could be given to allocating a proportion of each year’s JSF budget for topping up TA projects where a clear justification can be made.<sup>4</sup> Table 2 highlights the strengths and weaknesses of the program as well as opportunities and threats.

**Table 2: Strengths, Weaknesses, Opportunities, and Threats Summary of the JSF**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Strong support for ADB lending program, both in preparing projects for funding and in funding accompanying advisory support (including capacity building).</li> <li>• Follows regular ADB policies and practices.</li> <li>• TA projects generally good standard and successful; 65% of ADTAs and 67% of PPTAs rated successful.</li> <li>• ADTAs frequently address complex issues and concerns.</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of TA management needs strengthening.</li> <li>• Weak risk assessment.</li> <li>• Weak TA management information system with consequent weak dissemination of lessons learned and good practices.</li> <li>• Lack of ownership by DMCs and consequent low client satisfaction.</li> <li>• Japan’s profile not high.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• High demand remains</li> <li>• Improved DMC ownership and client satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Uncertainty of continued financial support by the Government of Japan.</li> </ul>

ADB = Asian Development Bank, JSP = Japan Scholarship Program.

**F. Recommendations**

42. Recommendations arising from the study for improving the efficiency and effectiveness of JSF are summarized in Appendix 2, Table A2.4. JSF should continue to be targeted at project preparatory TA and accompanying advisory TA (including capacity building), but with no specified target percentage. ADB needs to develop strategies for the use of JSF funds and provide clear guidelines to staff.

<sup>4</sup> ADB’s Cooperation Fund for the Water Sector provides additional funds of up to \$160,000 to finance well justified cost overruns.



## IV. JAPAN SCHOLARSHIP PROGRAM

### A. Introduction

43. The **Japan Scholarship Program** was also established in 1988. The JSP is intended to encourage human resource development in the DMCs through the provision of opportunities to qualified citizens of ADB's DMCs for further studies at selected national and international institutions (termed designated institutions) known for their programs in economics, business and management, science and technology, or any other development-related field.

44. Since its establishment, Japan has contributed more than \$84 million to the JSP. The scholarship program covers tuition, subsistence allowances, travel and thesis/research subsidies, housing and book allowances, and medical insurance, and includes the costs for administering the JSP at the 20 designated institutions located in 10 countries in the Asia and Pacific region. As of 2006, the JSP had awarded 2,104 scholarships, of which 1,739 scholars had completed their studies.

### B. Methodology

45. The evaluation of the JSP involved a desk review of background materials and fieldwork in selected designated institutions in order to identify the development impact of the program and the nature and extent of its impact on the scholarship beneficiaries. The evaluation was conducted through interviews with JSP coordinators, professors and educators, current scholars, alumni, and the JSP scholarship administrator. A tracer study was also prepared using a survey questionnaire sent to current JSP scholars and alumni, while a survey was also conducted among designated institutions. An evaluation of the JSP program had been carried out in 1999, and this study reviewed what action and progress had been made on that study's recommendations.

46. **Designated Institutions.** At the program's inception in 1988, four institutions<sup>5</sup> were selected. However, as program directions and development needs of DMCs evolved, the JSP gradually increased the number of designated institutions. In the same year, an additional four institutions in Japan (International University of Japan), Pakistan (Lahore University of Management Sciences), India (India Institute of Technology, Delhi), and United States (East–West Center) were added. Currently, the JSP has 20 partner institutions in Australia, People's Republic of China, India, Japan, New Zealand, Pakistan, Philippines, Singapore, Thailand, and United States.

47. **Fields of Study.** JSP implementing guidelines stipulate that the scholarship grant is for an advanced study program (in management, technology, or any other development-related field) covering 1–2 years and is awarded at designated institutions. Other fields of study have been added over the years to reflect the evolving directions and priorities of the program. The scholarship currently covers master's,<sup>6</sup> doctorate, and certificate/diploma programs in the following fields of study:

- (i) agriculture, forestry, and aquatic resources;
- (ii) business, management, and finance;

<sup>5</sup> The first four designated institutions selected for the program were the Asian Institute of Management (Philippines), Asian Institute of Technology (Thailand), International Rice Research Institute/University of the Philippines at Los Baños (Philippines), and the University of Sydney (Australia).

<sup>6</sup> The master's program covers the master of arts, master of science, and master in business administration degrees.

- (iii) economics;
- (iv) engineering and technology;
- (v) environmental studies;
- (vi) gender studies;
- (vii) international relations;
- (viii) policy studies;
- (ix) public health; and
- (x) others (including rural sociology, regional planning, etc.).

48. Applicants should meet the following eligibility criteria before they can be considered for the program:

- (i) citizen of an ADB DMC;
- (ii) holding a bachelor's degree or its equivalent, with a superior academic record;
- (iii) having gained admission to an approved degree program at a designated institution (master's or PhD);
- (iv) at least 2 years full-time professional experience;
- (v) proficient in oral and written English communication;
- (vi) in good health;
- (vii) not more than 35 years old at the time of application; and
- (viii) should agree to return to his/her home country after completion of studies.

49. The evaluation discusses issues and challenges related to JSP including:

- (i) candidate selection,
- (ii) scholarship amount and duration of assistance,
- (iii) contribution to capacity building of scholars,
- (iv) contribution to socioeconomic development in DMCs (including obligation to return to home country on completion of studies),
- (v) support to ADB priority areas,
- (vi) contribution to strengthening partnerships between Japan and DMCs,
- (vii) fund management and administrative issues, and
- (viii) alumni activities.

### C. Conclusions

50. The evaluation concludes that overall, the program is *successful*. From 1988 to 2006, 2,104 scholarships were awarded. Dropout rates were low (4%) and 83% of candidates completed their chosen fields of study.

51. The program is rated *highly relevant*. It focuses on capacity building, considered a high priority area of both ADB and its DMCs. The fields of study supported by the JSP are relevant to DMC needs, and are consistent with the priorities of ADB.

52. The program is rated *effective*. Contributions to the socioeconomic development of the scholars' countries appear positive in terms of the nature of employment and the increased scope of responsibilities of returning scholars. Likewise, scholars acquired necessary knowledge and skills to enhance their careers and take on greater responsibilities (Box 5). However, while the scholars reported their own positive contributions to the socioeconomic development of their countries, 30% of the respondents said they were not living in their own countries. Thus, there has been a degree of "brain drain" associated with JSP.

### Box 5: Compliments from Scholars

The JSP is a stepping stone for our careers and provides an excellent opportunity to expose scholars to the wider arena of research.

- *Bijan Gurung, Nepal (MS Environmental Studies [2004], University of Tokyo)*

I commend ADB for the JSP program that made it possible for young professionals like me who want to pursue graduate studies but lack the funding to do so.

- *Mary Rosary Caspillo, Philippines (MS Food Engineering and Bioprocess Technology [2005], Asian Institute of Technology)*

I think the JSP is very beneficial to young people especially in assisting them to gain knowledge to help their home countries. All the courses are very relevant and important in my work.

- *Kimhor Meng, Cambodia (MA Public Policy [2006], National Graduate Institute for Policy Studies)*

Thanks to ADB for providing me with the education at IUJ through the JSP. Without the scholarship, it will be impossible for me to get my degree from an international institution.

- *Eka Putra Yusril, Indonesia (MA International Development [2006], International University of Japan)*

53. The program is rated *efficient*. Considering the complexity of administering the program for the different fields of study in the designated institutions, the scholarship fund has been managed effectively and efficiently. However, a few designated institutions could have managed their scholarships more efficiently with advance payments and promotions if they had communicated better with the JSP team (Box 6). In addition, costs of scholarships vary in different countries. Costs in Australia and New Zealand are 50% higher than in other countries, thus reducing the efficiency of fund usage.

### Box 6: Compliments from Designated Institutions

The JSP has been very effective in allowing us to sponsor students from emerging economies to further their education and prepare them to be business leaders back home.

- *Celia Wu, Head of Student Development, National University of Singapore*

The JSP is a very effective way to strengthen partnerships.

- *Ichiro Abe, Deputy Manager of Student and Partner Service Center, International University of Japan*

The graduates will make use of the knowledge and experience in Japanese universities to significantly contribute to sustainable development in their home countries. In addition, offering access to higher education through the JSP to disadvantaged people in the region certainly has a favorable impact on the perception about ADB and Japan.

- *Makoto Sagane, Deputy Managing Director, Division of International Affairs, Ritsumeikan University*

54. The program is rated *likely sustainable*. The capacity building efforts and scholars' contributions to their own countries are likely to continue. While Japan's funding of the scholarship scheme is uncertain, it is assessed as likely to continue. Overall, these good results are indicators that the sustainability of the program is likely. Despite the good performance of the program, challenges and opportunities remain to improve the administration of the JSP. Table 3 summarizes the JSP's strengths and weaknesses, as well as possible opportunities and threats.

**Table 3: Strengths, Weaknesses, Opportunities, and Threats Summary of the JSP**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Very relevant—fully consistent with priority areas of developing member countries and ADB.</li> <li>• The fields of study (engineering, economics, master of business administration) provide the knowledge and skills needed for essential economic activities.</li> <li>• Efficient program administration.</li> <li>• Support from Japan, and the increase in the number of scholars studying in Japan, raises Japan's profile in region.</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate face-to-face communication between designated institutions and the JSP administrator. Some designated institutions do not fully understand implementation procedures.</li> <li>• Designated institutions in ADB's developing member countries conduct insufficient marketing activities to promote the JSP and to attract candidates.</li> <li>• Alumni gatherings have been arranged one to three times a year, but activities of the Japan-ADB Scholarship Alumni Association have not started.</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• More strategic program administration—relaxing the age limit from 35 to 45 years.</li> <li>• Profile of Japan to be enhanced by encouraging alumni association activities.</li> <li>• Former scholars likely to have a better understanding of ADB's priority areas in developing countries.</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing tuition costs at designated institutions.</li> <li>• Inadequate motivation of designated institutions to attract enough good candidates.</li> <li>• Uncertainty of continued financial support by the Government of Japan.</li> <li>• Scholars might not contribute to their home countries, preferring to stay in more developed countries.</li> </ul>

ADB = Asian Development Bank, JSP = Japan Scholarship Program.

#### **D. Recommendations**

55. While the JSP has been rated *successful*, its implementation could be improved by revisiting the guidelines and procedures, and adopting the recommendations set out in Appendix 3, Table A3.2. These include: (i) more autonomy in candidate selection to some of the more experienced designated institutions; (ii) extending the current 2-year limitation for assistance to 3 years, on a case-by-case basis; (iii) raising the age limit to 45 for candidates in short programs appropriate for senior officials and managers; and (iv) requiring scholarship recipients to work in their home countries for a specified period on completion of the study.

## JAPAN FUND FOR POVERTY REDUCTION

### Table A1.1: JFPR Projects Approved, 2000–2006

Grant No.	Country/ Project Name	Year	Grant (\$ m)	Grant Type	Government of Japan Approval	ADB Approval	LOA Date	Orig. Closing Date	Final Closing Date
<b>Afghanistan</b>									
9019	Community-Based Gender-Sensitive Basic Education for the Poor	2002	4.00	P	Jun 02	Sep 02	Oct 02	Sep 04	Oct 05
9024	Road Employment Project for Settlement and Integration of Returning Refugees and Displaced Persons	2002	15.00	P	Sep 02	Oct 02	Oct 02	May 06	Aug 07
9030	Primary Health Care Partnership for the Poor	2002	3.00	P	Nov 02	Dec 02	May 03	Dec 03	May 07
9037	Emergency Road Rehabilitation	2003	20.00	P	Oct 03	Dec 03	Sep 04	Dec 06	Dec 07
9038	Integrated Community Development in Northern Afghanistan	2003	3.00	P	Dec 03	Dec 03	Mar 04	Dec 07	Dec 07
9039	Rural Recovery through Community-Based Irrigation Rehabilitation	2003	5.00	P	Dec 03	Dec 03	May 04	Jun 06	Aug 08
9060	Balkh River Basin Integrated Water Resources Management	2004	10.00	P	Apr 04	Dec 04	Jan 05	Mar 08	Mar 08
9097	North–South Corridor Project	2006	20.00	P	Jul 06	Sep 06	Dec 06	Dec 10	Dec 10
9100	Rural Business Support	2006	18.00	P	Oct 06	Dec 06	Dec 06	Dec 10	Dec 10
<b>Azerbaijan</b>									
9013	Integration of Internally Displaced Persons in Mingechevir Rayon	2002	2.50	P	Nov 01	Jan 02	Oct 02	Dec 04	Dec 04
9075	Mahalla Business Development (CANCELED)	2005	1.50	P	Jul 05	Sep 05	NA	Sep 09	Canceled
9086	Affordable Services and Water Conservation for the Urban Poor	2006	1.00	P	Dec 05	Feb 06	NA	Jan 08	Canceled
<b>Bangladesh</b>									
9009	Supporting Livelihood Improvement for the Poor through Water Management Associations	2001	0.90	P	May 01	Aug 01	Nov 01	Jun 05	Jun 06
9080	Social Development for Erosion-Affected Persons in the Jamuna-Meghna Floodplains	2005	0.79	P	Nov 02	Dec 05	Jun 06	Dec 09	Dec 09
<b>Bhutan</b>									
9069	Improving the Well-Being of Road Workers	2005	0.50	CB	Jul 05	Aug 05	Sep 05	Aug 08	Aug 08
9093	Rural Electricians Training Program	2006	1.00	P	Dec 05	May 06	Jul 06	May 08	May 08
<b>Cambodia</b>									
9017	Community-Based Livelihood Enhancement for the Rural Poor	2002	1.80	P	Mar 02	Jul 02	Aug 02	Feb 05	Jun 07
9023	Income for the Poor through Community-Based Environmental Improvements in Phnom Penh	2002	1.00	P	Jul 02	Sep 02	Oct 02	Aug 05	Nov 05
9027	Improving the Livelihood of Poor Farmers in Southern Cambodia	2002	1.80	P	Aug 02	Nov 02	Feb 03	Dec 07	Dec 07
9028	Targeted Assistance for Education of Poor Girls and Poor Children in Ethnic Minority Areas	2002	3.00	P	Aug 02	Nov 02	Dec 02	Oct 05	Dec 06
9048	Mainstreaming Labor-Based Road Maintenance to the National Roads Network	2004	2.20	CB	Feb 04	Jun 04	Sep 04	Jun 07	Oct 08

Grant No.	Country/ Project Name	Year	Grant (\$ m)	Grant Type	Government of Japan Approval	ADB Approval	LOA Date	Orig. Closing Date	Final Closing Date
9057	Health Care Financing for the Poor	2004	1.85	P	Feb 04	Nov 04	Feb 05	Dec 08	Dec 08
9061	Improving Primary School Access in Disadvantaged Communes	2005	1.87	P	Oct 04	Jan 05	Feb 05	Feb 08	Dec 08
9064	Improving the Access of Poor Floating Communities on the Tonle Sap to Social Infrastructure and Livelihood Activities	2005	1.00	P	Oct 04	Feb 05	May 05	Feb 08	Feb 08
9081	Women's Development Centers	2005	1.80	P	Oct 05	Dec 05	Mar 06	Dec 09	Dec 09
<b>China, People's Republic of</b>									
9011	Innovations for Participatory Flood Control by the Poor along the Yellow River	2001	1.00	P	Sep 01	Nov 01	Jan 03	Dec 04	Jun 06
<b>India</b>									
9021	Rainwater Harvesting and Slum Development in Rajasthan	2002	1.90	P	Dec 01	Sep 02	Sep 03	Dec 06	Sep 07
9026	Sustaining Income and Basic Human Needs of the Poor in Disaster Prone Areas of Gujarat	2002	3.40	P	Dec 01	Nov 02	Aug 03	Sep 05	Dec 07
9094	Restoration and Diversification of Livelihoods for Tsunami-Affected Poor and Marginalized People in the States of Tamil Nadu and Kerala	2006	5.00	P	Nov 05	Jun 06	Oct 06	Dec 08	Dec 08
<b>Indonesia</b>									
9000	Assisting Girl Street Children at Risk of Sexual Abuse	2000	1.00	P	Aug 00	Oct 00	Nov 00	Mar 02	Apr 06
9016	Supporting the Community-Based Basic Education for the Poor	2002	3.20	P	Dec 01	May 02	Jul 02	Dec 05	Jun 06
9049	Sustainable Livelihood Development for Poor Coastal and Small Island Communities	2004	1.50	P	Feb 04	Jun 04	Oct 04	Dec 07	Dec 07
9065	Enriching Lives of the Urban Poor through Food Fortification	2005	1.75	P	Dec 04	Mar 05	Jun 05	Feb 08	Feb 08
9072	Sustainable Livelihood Development for Coastal Communities in the Special Province of Nanggroe Aceh Darussalam	2005	2.50	P	Jul 05	Sep 05	Dec 05	Aug 07	Feb 09
9073	Rehabilitation of Coral Reef and Mangrove Resources in the Special Province of Nanggroe Aceh Darussalam	2005	1.50	P	Jul 05	Sep 05	Dec 05	Aug 07	Feb 09
9074	Seismically Upgraded Housing in Nanggroe Aceh Darussalam and North Sumatera	2005	2.00	P	Jul 05	Sep 05	Dec 05	Aug 07	Jul 08
9079	Assistance for the Restoration of Microenterprise and Microfinance in Aceh (ARMMA)	2005	2.00	P	Oct 05	Nov 05	May 06	May 08	May 09
9084	Supporting Community Health Care Initiatives in Nanggroe Aceh Darussalam (CANCELED)	2006	2.00	CB	Oct 05	Jan 06	Sep 06	Jun 07	Canceled (22 Dec 06)
<b>Kyrgyz Republic</b>									
9055	Reducing Vulnerability of Poor to Natural Disasters	2004	1.00	CB	Jul 04	Sep 04	Jan 05	Jan 07	Aug 08
9056	Reducing Neonatal Mortality	2004	1.00	CB	Jul 04	Sep 04	Jan 05	Oct 08	Oct 08
9059	Rural Livelihood Development	2004	1.00	P	Oct 04	Dec 04	May 05	May 08	Oct 08

Grant No.	Country/ Project Name	Year	Grant (\$ m)	Grant Type	Government of Japan Approval	ADB Approval	LOA Date	Orig. Closing Date	Final Closing Date
<b>Lao People's Democratic Republic</b>									
9012	Supporting the Community-Managed Livelihood Improvement	2001	1.00	P	Sep 01	Dec 01	Jan 02	Dec 05	Dec 05
9034	Poverty Reduction for Ethnic Minorities in Nam Ngum Basin	2003	0.53	P	Aug 03	Nov 03	Feb 04	Dec 07	Dec 07
9035	Solid Waste Management and Income Generation for Vientiane's Poor	2003	1.00	P	Jun 03	Dec 03	Mar 04	Jan 07	Jun 07
9062	Sustainable Agro-Forestry Systems for Livelihood Enhancement of Rural Poor	2005	1.50	P	Oct 04	Jan 05	Jun 05	Dec 08	Jul 09
9095	Catalyzing Microfinance for the Poor	2006	1.98	CB	May 04	Aug 06	Mar 07	Dec 09	Jun 10
<b>Maldives</b>									
9066	Restoration of Livelihoods of the Tsunami-Affected Farmers in the Maldives	2005	1.00	P	Mar 05	Apr 05	May 05	Apr 07	Jun 08
<b>Mongolia</b>									
9014	Expanding Employment Opportunities for Poor Disabled Persons	2002	1.00	P	Dec 01	Apr 02	May 02	Mar 05	Mar 06
9015	Improving the Living Environment of the Poor in Ger Areas of Mongolia's Cities	2002	2.20	P	Dec 01	May 02	May 03	May 05	May 07
9063	Maternal Mortality Reduction	2005	1.00	P	Dec 04	Feb 05	Mar 05	Feb 08	Feb 08
9085	Non-Formal Skills Training for Unemployed Youth and Adults	2006	1.00	P	Dec 05	Feb 06	Mar 06	Feb 09	Feb 09
<b>Nepal</b>									
9007	Supporting Poor and Disadvantaged Farmers Through Civil Society Organizations	2001	0.80	P	Apr 01	May 01	Oct 01	Dec 04	Dec 05
9032	Optimizing of Poor Water Users Associations	2003	1.00	P	Sep 01	Aug 03	Apr 04	Mar 07	Mar 08
9101	Improving the Livelihoods of Poor Farmers and Disadvantaged Groups in the Eastern Development Region of Nepal	2006	1.00	P	Oct 06	Dec 06	Feb 07	Dec 09	Dec 09
<b>Pakistan</b>									
9031	Mobilizing the Poor for Better Access to Health	2003	3.40	P	Nov 02	May 03	Oct 04	Jun 06	Dec 07
9067	Enhancing Road Improvement Benefits to Poor Communities in North-West Frontier Province	2005	1.00	P	Jan 05	Apr 05	Jul 06	Apr 09	Apr 09
9090	Iron and Folic Acid Fortification in Small Scale Milling to Improve the Lives of the Poor, Especially Women and Children	2006	2.00	P	Dec 05	Mar 06	Jun 06	Mar 09	Cancelled
9092	Immediate Support to Poor and Vulnerable Households in Inaccessible Areas Devastated by the 2005 Earthquake	2006	5.00	P	Feb 06	Mar 06	Jun 06	Mar 07	Dec 07
<b>Philippines</b>									
9001	Supporting the Sustainable Livelihood for the Poor in Southern Philippines	2000	2.80	P	Sep 00	Oct 00	Oct 01	Dec 03	Dec 07
9003	On-Site Urban Upgrading for Vulnerable Slum Communities of Payatas	2000	1.00	P	Sep 00	Dec 00	Jul 01	Feb 04	Feb 04

Grant No.	Country/ Project Name	Year	Grant (\$ m)	Grant Type	Government of Japan Approval	ADB Approval	LOA Date	Orig. Closing Date	Final Closing Date
9004	Off-Site and Off-City Relocation of Vulnerable Slum Communities of Muntinlupa City	2000	1.00	P	Sep 00	Dec 00	Aug 01	Aug 03	Dec 04
9018	Social Protection for Poor Women Vendors in Mindanao Cities	2002	1.00	P	Mar 02	Aug 02	Jan 03	Jan 06	Jun 07
9022	Strategic Private Sector Partnerships for Urban Poverty Reduction in Metro Manila	2002	3.60	P	Jul 02	Sep 02	Nov 02	Oct 05	Jan 07
9042	Renewable Energy and Livelihood Development for the Poor in Negros Occidental	2004	1.50	P	Nov 03	Jan 04	Aug 04	Dec 07	Jul 08
9088	Developing Financial Cooperatives	2006	0.90	CB	Dec 05	Mar 06	May 06	Sep 09	Sep 09
9102	Southern Leyte Landslide Disaster Assistance Project	2006	3.00	P	Nov 06	Dec 06	Dec 06	Jul 09	Jul 09
<b>Papua New Guinea</b>									
9002	Low-Cost Sanitation, Community Awareness and Health Education Program	2000	1.74	P	Sep 00	Dec 00	Feb 03	Dec 03	Dec 06
<b>Sri Lanka</b>									
9025	Infrastructure Maintenance to Reduce Rural Poverty	2002	0.90	P	Aug 02	Oct 02	Feb 03	Nov 05	Aug 07
9045	Power Fund for the Poor	2004	1.50	P	Feb 04	Apr 04	Jun 04	Jul 07	Jul 07
9076	Public Work Restoration and Rehabilitation of Drainage Systems of Tsunami-Affected Local Gov't Roads	2005	2.00	P	Jul 05	Oct 05	Nov 05	Sep 06	May 07
9077	Post Tsunami Utility Connections for the Poor	2005	2.00	P	Jul 05	Oct 05	Nov 05	Oct 06	Nov 07
<b>Tajikistan</b>									
9008	Tajikistan Rural Poverty Reduction	2002	2.90	P	Feb 01	Aug 01	Mar 02	Jul 04	Dec 04
9040	School Improvement Project	2004	2.00	P	Nov 03	Jan 04	Apr 04	Dec 08	Dec 08
9043	Community Participation and Public Information Campaign for Health Improvement	2004	1.00	CB	Nov 03	Jan 04	Apr 04	Dec 07	Dec 07
9078	Community-Based Rural Road Maintenance	2005	1.80	P	Oct 05	Nov 05	Nov 05	Apr 09	Sep 09
9089	Community Based Rural Power Supply	2006	2.00	P	Dec 05	Mar 06	May 06	Jul 07	Nov 07
<b>Uzbekistan</b>									
9010	Supporting Innovative Poverty Reduction in Karakalpakstan	2001	2.54	P	Jun 01	Oct 01	Nov 01	Sep 04	Jun 06
9054	Affordable Services and Water Conservation for the Urban Poor	2004	1.50	CB	May 04	Aug 04	Feb 05	Aug 06	Dec 07
9091	Basic Education for Children with Special Needs	2006	1.50	P	Dec 05	Mar 06	May 06	Mar 09	Mar 09
<b>Viet Nam</b>									
9033	Promoting Silk Income for the Rural Poor in Central Highlands	2003	0.62	CB	Aug 03	Oct 03	Oct 04	Jan 07	Dec 07
9046	Poverty Reduction in Red River Basin Irrigation Systems	2004	0.82	CB	Nov 03	Apr 04	Jun 04	Jul 06	Dec 07
9058	Expanding Benefits to the Poor through Urban Environmental Improvements	2004	1.00	P	Oct 04	Dec 04	May 05	May 08	May 08
9071	Community-Based Agricultural Extension and Training in Mountainous Districts	2005	0.90	P	Jul 05	Aug 05	Aug 06	Aug 08	Feb 10



Grant No.	Country/ Project Name	Year	Grant (\$ m)	Grant Type	Government	ADB Approval	LOA Date	Orig. Closing Date	Final Closing Date
					of Japan Approval				
9083	Nutritious Food for 6–24 Month Old Children Vulnerable to Malnutrition in Poor Areas	2006	1.99	P	Oct 05	Jan 06	Dec 06	Dec 08	Dec 08
9098	Improving Vitamin A Nutrition and Deworming for Poor and Vulnerable Children	2006	1.00	P	Oct 06	Nov 06		Nov 09	Nov 09
9099	Expansion of Learning Opportunities for Ethnic Minority Youth	2006	1.50	CB	Oct 06	Nov 06		Nov 10	Nov 10
<b>Regional</b>									
9005	Improving Nutrition for Poor Mothers and Children (AZE, KAZ, KGZ, MON, TAJ, UZB)	2001	6.85	P	Oct 00	Apr 01	Mar 02	Aug 02	Mar 07
9052	Sustainable Food Fortification in Central Asia and Mongolia (MON, KAZ, KGZ, TAJ, UZB)	2004	2.00	CB	Mar 04	Jul 04	Feb 05	Aug 06	Dec 07
9006	Community Action for Preventing HIV/AIDS (CAM, LAO, VIE)	2001	8.00	P	Oct 00	May 01	Jun 01	Dec 03	Jan 06
9036	Improving Poor Farmers' Livelihoods through Post Harvest Technology (CAM, VIE)	2003	0.75	CB	Nov 03	Dec 03	Jul 05	Dec 06	Dec 08

ADB = Asian Development Bank, AZE = Azerbaijan, CAM = Cambodia, CB (grant type) = capacity building, JFPR = Japan Fund for Poverty Reduction, KAZ = Kazakhstan, KGZ = Kyrgyz Republic, LAO = Lao People's Democratic Republic, LOA = letter of agreement, MON = Mongolia, P (grant type) = project, TAJ = Tajikistan, UZB = Uzbekistan, VIE = Viet Nam.

Source: Office of Cofinancing Operations database.

**Table A1.2: Japan Fund for Poverty Reduction Grant Approvals, by Year (2000–2006)**

Year	Number	% Share	Amount	
			(\$ m)	% Share
2000	5	5.6	7.54	3.1
2001	8	8.9	23.99	9.8
2002	16	17.8	49.30	20.2
2003	9	10.0	35.30	14.5
2004	15	16.7	29.87	12.2
2005	19	21.1	28.41	11.6
2006	18	20.0	69.87	28.6
<b>Total</b>	<b>90</b>	<b>100.0</b>	<b>244.28</b>	<b>100.0</b>

Source: Office of Cofinancing Operations database.

**Table A1.3: Number of Japan Fund for Poverty Reduction Grant Approvals, by Sector (2000–2006)**

Sector	2000	2001	2002	2003	2004	2005	2006	Total	% Share
	Agriculture and Natural Resources	0	3	2	4	4	7	4	24
Education	0	0	3	0	1	1	3	8	8.9
Energy	0	0	0	0	2	0	2	4	4.4
Finance	0	0	0	0	0	2	2	4	4.4
Health, Nutrition, and Social Protection	1	1	2	1	4	5	4	29	32.2
Industry and Trade	0	0	0	0	0	0	0	0	0.0
Transport and Communications	0	0	0	1	0	2	1	5	5.6
Water Supply, Sanitation, and Waste Management	1	1	0	1	2	1	1	10	11.1
Multisector	0	1	3	0	0	1	1	6	6.7
<b>Total</b>	<b>5</b>	<b>8</b>	<b>16</b>	<b>9</b>	<b>15</b>	<b>19</b>	<b>18</b>	<b>90</b>	<b>100.0</b>

Source: Office of Cofinancing Operations database.

**Table A1.4: Amount of Japan Fund for Poverty Reduction Grant Approvals, by Sector (2000–2006)**  
(\$ million)

Sector	2000	2001	2002	2003	2004	2005	2006	Total	% Share
Agriculture and Natural Resources	0.0	2.8	3.6	6.9	13.3	9.2	29.0	64.8	26.5
Education	0.0	0.0	4.8	0.0	0.0	0.8	24.0	18.1	7.4
Energy	0.0	0.0	0.0	0.0	3.0	0.0	3.0	6.0	2.5
Finance	0.0	0.0	0.0	0.0	0.0	3.5	2.9	6.4	2.6
Health, Nutrition, and Social Protection	2.8	1.0	16.0	0.6	6.0	6.5	7.0	62.7	25.7
Industry and Trade	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transport and Communications	0.0	0.0	0.0	3.4	0.0	3.8	20.0	45.0	18.4
Water Supply, Sanitation, and Waste Management	1.0	6.9	0.0	5.0	3.5	1.0	1.0	13.0	5.3
Multisector	0.0	8.0	9.4	0.0	0.0	0.9	3.0	28.2	11.6
<b>Total</b>	<b>7.5</b>	<b>24.0</b>	<b>49.3</b>	<b>35.3</b>	<b>29.9</b>	<b>28.4</b>	<b>69.9</b>	<b>244.3</b>	<b>100.0</b>

Source: Office of Cofinancing Operations database.

**Table A1.5: Japan Fund for Poverty Reduction Grants, by Type and Sector (2000–2006)**

Sector	Capacity Building		Project		Total JFPR	
	Number	Amount	Number	Amount	Number	Amount
Agriculture and Natural Resources	3	2.19	21	62.62	24	64.81
Education	1	1.50	7	16.57	8	18.07
Energy	0	0.00	4	6.00	4	6.00
Finance	2	2.88	2	3.50	4	6.38
Health, Nutrition, and Social Protection	6	7.50	24	59.14	29	62.74
Industry and Trade	0	0.00	0	0.00	0	0.00
Transport and Communications	1	2.20	5	57.80	5	45.00
Water Supply, Sanitation, and Waste Management	1	1.50	9	11.54	10	13.04
Multisector	0	0.00	4	9.34	6	9.34
<b>Total</b>	<b>14</b>	<b>17.77</b>	<b>76</b>	<b>226.51</b>	<b>90</b>	<b>244.28</b>

JFPR = Japan Fund for Poverty Reduction.

Source: Office of Cofinancing Operations database.

**Table A1.6: Number of Japan Fund for Poverty Reduction Grant Approvals, by Recipient Country (2000–2006)**

Country	2000	2001	2002	2003	2004	2005	2006	Total	% Share
Afghanistan	0	0	3	3	1	0	2	9	10.0
Azerbaijan	0	0	1	0	0	1	1	3	3.3
Bangladesh	0	1	0	0	0	1	0	2	2.2
Bhutan	0	0	0	0	0	1	1	2	2.2
Cambodia	0	0	4	0	2	3	0	9	10.0
China, People's Republic of	0	1	0	0	0	0	0	1	1.1
India	0	0	2	0	0	0	1	3	3.3
Indonesia	1	0	1	0	1	5	1	9	10.0
Kyrgyz Republic	0	0	0	0	3	0	0	3	3.3
Lao PDR	0	1	0	2	0	1	1	5	5.6
Maldives	0	0	0	0	0	1	0	1	1.1
Mongolia	0	0	2	0	0	1	1	4	4.4
Nepal	0	1	0	1	0	0	1	3	3.3
Pakistan	0	0	0	1	0	1	2	4	4.4
Papua New Guinea	1	0	0	0	0	0	0	1	1.1
Philippines	3	0	2	0	1	0	2	8	8.9
Sri Lanka	0	0	1	0	1	2	0	4	4.4
Tajikistan	0	1	0	0	2	1	1	5	5.6
Uzbekistan	0	1	0	0	1	0	1	3	3.3
Viet Nam	0	0	0	1	2	1	3	7	7.8
Regional	0	2	0	1	1	0	0	4	4.4
<b>Total</b>	<b>5</b>	<b>8</b>	<b>16</b>	<b>9</b>	<b>15</b>	<b>19</b>	<b>18</b>	<b>90</b>	<b>100.0</b>

Lao PDR = Lao People's Democratic Republic.

Source: Office of Cofinancing Operations database.

**Table A1.7: Amount of Japan Fund for Poverty Reduction Grant Approvals, by Recipient Country (2000–2006)**

Country	2000	2001	2002	2003	2004	2005	2006	Total	% Share
Afghanistan	0.0	0.0	22.0	28.0	10.0	0.0	38.0	98.0	40.1
Azerbaijan	0.0	0.0	2.5	0.0	0.0	1.5	1.0	5.0	2.0
Bangladesh	0.0	0.9	0.0	0.0	0.0	0.8	0.0	1.7	0.7
Bhutan	0.0	0.0	0.0	0.0	0.0	0.5	1.0	1.5	0.6
Cambodia	0.0	0.0	7.6	0.0	4.1	4.7	0.0	16.3	6.7
China, People's Republic of	0.0	1.0	0.0	0.0	0.0	0.0	0.0	1.0	0.4
India	0.0	0.0	5.3	0.0	0.0	0.0	5.0	10.3	4.2
Indonesia	1.0	0.0	3.2	0.0	1.5	9.8	2.0	17.5	7.1
Kyrgyz Republic	0.0	0.0	0.0	0.0	3.0	0.0	0.0	3.0	1.2
Lao PDR	0.0	1.0	0.0	1.5	0.0	1.5	2.0	6.0	2.5
Maldives	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	0.4
Mongolia	0.0	0.0	3.2	0.0	0.0	1.0	1.0	5.2	2.1
Nepal	0.0	0.8	0.0	1.0	0.0	0.0	1.0	2.8	1.1
Pakistan	0.0	0.0	0.0	3.4	0.0	1.0	7.0	11.4	4.7
Papua New Guinea	1.7	0.0	0.0	0.0	0.0	0.0	0.0	1.7	0.7
Philippines	4.8	0.0	4.6	0.0	1.5	0.0	3.9	14.8	6.1
Sri Lanka	0.0	0.0	0.9	0.0	1.5	4.0	0.0	6.4	2.6
Tajikistan	0.0	2.9	0.0	0.0	3.0	1.8	2.0	9.7	4.0
Uzbekistan	0.0	2.5	0.0	0.0	1.5	0.0	1.5	5.5	2.3
Viet Nam	0.0	0.0	0.0	0.6	1.8	0.9	4.5	7.8	3.2
Regional	0.0	14.9	0.0	0.8	2.0	0.0	0.0	17.6	7.2
<b>Total</b>	<b>7.5</b>	<b>24.0</b>	<b>49.3</b>	<b>35.3</b>	<b>29.9</b>	<b>28.4</b>	<b>69.9</b>	<b>244.3</b>	<b>100.0</b>

JFPR = Japan Fund for Poverty Reduction, Lao PDR = Lao People's Democratic Republic.

Source: Office of Cofinancing Operations database.

**Table A1.8: Lessons from JFPR Implementation**

Project Cycle Stage/Factor	Lesson
<b>Finance</b>	<p>Simplified funding mechanisms are desirable, requiring direct contracts between ADB and implementing agencies.</p> <p>Underspending is frequent in JFPR projects. Care is required to monitor fund flows closely to identify underspending at an early stage, and if necessary introduce variations to allow most of the grant amount to be used by the end of the project.</p> <p>Timely replenishment of the project imprest account is a key factor in the achievement of high disbursement rates and timely completion.</p>
<b>Management</b>	<p>Simplicity of reporting is desirable to ensure that the main output of the project is the delivery of services to poor communities and not the preparation of reports and meeting minutes. Midterm reporting should be avoided in most circumstances.</p> <p>Local supervision can result in improved performance.</p>
<b>NGOs</b>	<p>NGOs are appropriate partners for the JFPR. They are particularly valuable in their ability to respond to local needs and for their knowledge of and relationship with local communities. NGO selection needs to take experience and capacity into account.</p> <p>NGOs need to understand that they will have to follow project procedures in relation to reporting and financial control. Project procedures should be clear and written into the grant implementation manual at the start so that all partners have a good understanding of project processes.</p>

<b>Project Cycle Stage/Factor</b>	<b>Lesson</b>
	Small NGOs need strong support from project management in establishing the required systems.
<b>CBOs</b>	The establishment of CBOs needs to take place as early in the project cycle as possible to allow enough time for the organizations to become well established before the end of the project.
<b>Pilot Projects and “Upscaling” Policy and Legislation</b>	Pilot projects need to be implemented at the correct time (e.g., in relation to the start of a loan project) if they are to be useful. Where projects closely align with national policy, success is more likely. Some projects require legislation to be effective.
<b>Poverty</b>	It is difficult to reach the poorest of the poor, as the very poor may be too preoccupied with survival to participate in project activities. Furthermore, they may lack land or other basic means of production. Other ways must be found to assist them.
<b>Microfinance</b>	Project experience confirms that it is difficult to work with the very poor, who can be averse to credit or not use it effectively. Projects, where appropriate, should target the “enterprising poor,” who may come from either the poorest or less-poor categories. It is better to have a project that succeeds and may provide employment, implemented by one of the enterprising poor, rather than a project that fails for one of the poorest members of the community and may leave him or her indebted. This means that beneficiary targeting needs detailed attention during project design and implementation.
<b>Emergency Response</b>	Emergency response projects should be given careful scrutiny before approval. JFPR experience so far indicates that such projects are high-risk. They are probably more suitable for limited local emergencies rather than major disasters such as the Indian Ocean tsunami.

ADB = Asian Development Bank, CBO = community-based organization, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization.

**Table A1.9: Strategic Recommendations, Responsibilities, and Time Frames**

<b>Recommendation</b>	<b>Responsibility</b>	<b>Time Frame</b>
1. Country Partnership Strategies should specifically include a strategy for the use of JFPR if it is intended to access this fund within the country program.	Strategy and Policy Department, regional departments, and the Office of Cofinancing Operations (OCO)	From 2008
2. JFPR systems should be moved closer to ADB’s core business practices.	Strategy and Policy Department, regional departments, OCO, Government of Japan	Mid-2008
3. Grant size restrictions should be reviewed—while the grants should remain of modest size, the possibility of increasing the maximum grant to \$3 million, or even \$5 million, with adequate justification, should be considered.	OCO and Government of Japan	Mid-2008
4. Resident mission staff should be involved in JFPR project design, and	OCO, resident missions/regional departments	From 2008

<b>Recommendation</b>	<b>Responsibility</b>	<b>Time Frame</b>
where appropriate, have responsibility for project supervision.		
5. Careful beneficiary targeting is important and needs detailed attention during project design and implementation. JFPR projects should target mainly the “enterprising poor.”	Regional departments	From 2008
6. The approach to the use of JFPR grants for disaster recovery should be reviewed. JFPR may be best suited to addressing localized disasters rather than larger regional emergencies.	Strategy and Policy Department, regional departments, OCO, Regional and Sustainable Development Department (RSDD) and Government of Japan	Mid-2008
7. The Government of Japan might consider providing increased input at the concept and design stages. While the process would not be shortened, subsequent approval by Japan would be more predictable and final approval more efficient.	Government of Japan	Mid-2008
8. If JFPR funds can be made available, OCO’s staffing resources should be increased to allow greater input in design, and more frequent monitoring in the field. Closer links with RSDD should be sought.	OCO, RSDD	Mid- 2008
9. Given the innovative and pilot nature of JFPR projects and their potential for expansion, greater emphasis should be given to learning from JFPR projects and disseminating the findings.	OCO, regional departments	From 2008

**Table A1.10: Specific Operational Recommendations/Suggestions**

<b>Project Cycle Stage/Factor</b>	<b>Recommendations/Suggestions</b>
<b>Design</b>	<ol style="list-style-type: none"> <li>1. Delinking of relevant projects from ADB loans is supported. However, where appropriate, linkage is desirable and should be encouraged, e.g., in relation to pilot projects and potential upscaling.</li> <li>2. For linked projects in particular, preparation and approval of guidelines and implementation mechanisms needs to be started in advance of approval, to minimize early implementation delays. Since ADB is expected to process bigger infrastructure loans in the future, the use of JFPR grants to mitigate or prevent negative consequences should be considered. For example, grant funds might be used to finance resettlement components that require substantial livelihood restoration or improvement.</li> <li>3. The relatively small size of JFPR projects does not mean that shortcuts can be taken in design. Thus all normal design processes need to be adopted, including beneficiary participation, problem and stakeholder analysis and the use of logical frameworks to</li> </ol>

<b>Project Cycle Stage/Factor</b>	<b>Recommendations/Suggestions</b>
	assist in design (as well as implementation and monitoring). However, design documents should remain brief and focused.
	4. Refine the JFPR project design template, aligning with ADB normal formats, perhaps basing on ADB's current TA template. Extend to include such aspects as stakeholder analysis, lessons from prior interventions, other donor activities and detailed component description.
	5. Designs should be simple, with few components, outputs and implementing agencies. They should take full account of government policies and programs and be consistent with the relevant ADB CSP and poverty partnership agreement.
	6. JFPR should be given more consideration in ADB's CPSs, with explicit analysis of the sectors where projects can be considered, and inclusion of proposed projects, based on completed or approved concept and grant papers.
	7. DMFs should be required for all JFPR project designs that are not integrated with loan projects. They should be used as design tools and not "bolt-ons" prepared to fulfil a requirement of the design system. DMFs should include sufficient indicators to allow adequate monitoring and evaluation.
	8. Innovation is a useful target, but needs to be considered broadly and should not be a precondition for JFPR project approval. Innovation may relate to concepts developed in other sectors or countries or by other agencies. However, JFPR projects should apply proven principles with good potential to achieve positive outcomes for the poor. Projects should not be experiments, which if they fail, can impoverish their intended beneficiaries.
	9. Refine the peer group approach. At least include a member of the relevant RSDD technical division and poverty unit in the peer group.
	10. Consider increasing seed money allocation to say \$40,000, in recognition of the proposed increased size of project and the higher standard of design suggested.
<b>Study tours</b>	11. Consider lifting the restriction relating to study tours, where these are essential to meet grant objectives. This may particularly apply to the transition economies. They should only be permitted to meet specific needs that cannot be met by cheaper alternatives. Expenditure on tours could be limited to a defined percentage of total project budget.
<b>Project system</b>	12. Review signing requirements for JFPR documents, and consider bringing into line with (e.g.) project performance reports. Documents would still be provided to directors general and executing agencies for information and comment. If signing is thought to be useful, move to electronic signing.
<b>Project timing and extension</b>	13. Project extension has negative implications for implementation efficiency, benefit generation and overhead costs. Retain the current time limit of 4 years, but generally design projects to complete in 3 years or less. Extensions beyond 4 years should be considered in exceptional circumstances, where essential to allow project outcomes to be achieved. Divisions should be encouraged to permit extension within this framework where required by a project.
<b>Management</b>	14. Consider closely involving resident mission in project design, and moving responsibility for implementation to the mission when appropriate.

<b>Project Cycle Stage/Factor</b>	<b>Recommendations/Suggestions</b>
	<p>15. Major effort is merited to ensure that imprest account replenishment is timely. Training of staff from the implementing agency and NGOs may be essential at the start of the project. Preparation of the grant implementation manual should be undertaken at commencement or before. A JFPR GIM template could be developed. Introduction of complex new systems mid-project should be avoided.</p> <p>16. JFPR projects at present do not usually finance capacity building for PMO staff or field monitoring costs for EA staff. As most JFPR projects are innovative and intended for replication through associated loan projects, it may be desirable to finance capacity building for relevant PMO staff and financing PMO and EA field monitoring costs to improve implementation and promote replication. JFPR cooperate with COSO to conduct project implementation seminars at the country level and provide training for PMO personnel to obtain basic knowledge of procurement and disbursement processes.</p>
<b>Monitoring</b>	<p>17. Simplicity of reporting is desirable. Exception reporting should be considered when appropriate. Reports should be translated into local official language where necessary to improve communication with project stakeholders</p> <p>18. Consider introducing a new monitoring system, to be termed the grant progress reporting system, similar to the PPR/TPR currently used for loans and TAs.</p> <p>19. Project and program data should be stored electronically in a form that permits easy access and further processing. The storage of scanned pdfs should be discontinued. Where feasible, existing reports should be replaced with document files or searchable pdfs.</p>
<b>Completion</b>	<p>20. Consider introducing a new grant completion reporting system to replace the ICM. The new system would be more evaluative, and be more in line with normal ADB processes, lying between a PCR and TPR, and might remove the current need for signing by multiple stakeholders. Simplicity is desirable. It would focus on self-evaluation of the project by the project officer and staff. Findings could then be included in OED's post-evaluation information system.</p> <p>21. Many projects, in particular pilot projects, should take measures to analyse, write up and disseminate the lessons learned from the project to assist other projects and maximise project impact and (potentially) scaling up. (Philippines slum projects)</p> <p>22. For "delinked" JFPR projects in particular, consider allowing "second phase" or follow up projects for JFPR projects rated highly successful/successful to allow building on the capacity and systems developed. This may be particularly relevant to the social sectors in the light of ADB's planned focus on infrastructure development.</p>
<b>Monitoring and evaluation</b>	<p>23. A higher level of independent monitoring and evaluation is desirable to underpin the information sharing and scaling up objectives of JFPR. OED should consider including JFPR projects in its evaluation program, probably focussing on geographic or thematic clusters. OCO could be consulted to determine whether incremental costs of OED in undertaking such activities can be absorbed by JFPR.</p> <p>24. Once the Afghan program has made more progress, it should be evaluated, as should the tsunami program in four countries. Further evaluations could be considered over the next few years as more projects are completed, either under OED's normal program, or commissioned directly by OCO. OED should explicitly cover JFPR projects in its country and sector assistance program evaluations (CAPEs and SAPEs)</p>

<b>Project Cycle Stage/Factor</b>	<b>Recommendations/Suggestions</b>
	in countries with significant JFPR programs.
	25. In future, PCRs and evaluation reports on loan projects should include detailed assessment of the performance of associated JFPR projects.
<b>NGOs</b>	26. Implementation through NGOs is encouraged. However, closer linkages to government, particularly in relation to supporting government services, and providing implementation and financial information to government agencies, is desirable.
	27. NGO selection should take account of experience and capacity.
	28. Small NGOs need strong support from project management to assist them establish the required systems. Adequate training is needed so that NGO partners can implement project procedures effectively. Effective funding mechanisms are essential for all projects but particularly for those involving NGOs which have limited financial reserves, and cannot afford to fund project activities from their own resources.
<b>OCO staffing and operational support</b>	29. Upgrade OCO staff responsible for Japan funds management. Convert the consultant adviser position into a professional staff position. Increase technical capacity of OCO to advise project staff on design and implementation issues, and to monitor projects in the field.
	30. Following the example of Southeast Asia Agriculture division, divisions with large JFPR programs should be encouraged to appoint focal persons to coordinate JFPR activities in the division, and provide assistance to staff in the preparation and management of JFPR projects.
<b>Performance development plan</b>	31. Application of personnel performance rating for ADB staff should ensure that account is taken of work in developing or supervising JFPR projects.

ADB = Asian Development Bank, CAPE = country assistance program evaluation, COSO = Central Operations Services Office, CPS = country partnership strategy, DMF = design and monitoring framework, EA = executing agency, ICM = implementation completion memorandum, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization, OCO = Office of Cofinancing Operations, OED = Operations Evaluation Department, PMO = project monitoring office, PCR = project completion report, PPR = project performance report, RSDD = Regional and Sustainable Development Department, SAPE = sector assistance program evaluation, TCR = TA completion report, TPR = TA performance report.



## JAPAN SPECIAL FUND

**Table A2.1: Number and Amounts of Approved JSF TA Projects**

Year	ADTA		PPTA		RETA		Total JSF	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
1988	21	8.7	18	7.1	1	0.1	40	15.92
1989	30	13.9	22	10.7	0	0	52	24.61
1990	25	13.1	29	14.5	3	0.3	57	27.97
1991	19	11.7	26	16.4	8	2.7	53	30.91
1992	26	19.8	30	15.7	10	3.3	66	38.71
1993	54	31.5	31	17.7	8	4.9	93	53.97
1994	72	36.8	50	23.8	7	2.8	129	63.41
1995	63	40.2	52	29.9	10	8.2	125	78.30
1996	55	35.8	49	30.9	14	12.5	118	79.12
1997	68	44.5	58	38.2	8	6.0	134	88.77
1998	47	39.0	38	28.4	26	21.0	111	88.26
1999	38	29.6	35	23.9	18	7.5	91	60.96
2000	48	34.3	41	29.2	19	11.1	108	74.53
2001	30	16.2	45	28.0	19	8.3	94	52.45
2002	20	8.9	39	25.6	6	1.9	65	36.37
2003	27	13.3	28	16.4	12	7.2	67	36.89
2004	27	13.8	27	17.7	15	7.8	69	39.22
2005	17	9.2	21	14.8	6	4.0	44	27.85
2006	18	15.9	29	21.6	15	19.0	62	56.59
<b>Total</b>	<b>705</b>	<b>436.2</b>	<b>668</b>	<b>410.2</b>	<b>205</b>	<b>128</b>	<b>1,578</b>	<b>974.8</b>

ADTA = advisory technical assistance, JSF = Japan Special Fund, PPTA = project preparatory technical assistance, RETA = regional technical assistance, TA = technical assistance.

Source of basic data: Asian Development Bank management information systems.

**Table A2.2: Sector Distribution of JSF and TASF ADTA, by Approved Amounts (1988–2006)**

Sector	JSF		TASF		Total		JSF as % of TASF
	Amount	% Share	Amount	% Share	Amount	% Share	
Agriculture and Natural Resources	96.3	22.1	92.2	12.7	188.6	16.2	104.5
Education	22.9	5.2	28.0	3.9	50.9	4.4	81.7
Energy	47.6	10.9	60.8	8.4	108.3	9.3	78.3
Finance	49.8	11.4	93.5	12.9	143.3	12.3	53.2
Health, Nutrition, and Social Protection	20.4	4.7	15.6	2.1	36.0	3.1	130.7
Industry and Trade	26.5	6.1	37.3	5.1	63.8	5.5	71.0
Law, Economic Management, and Public Policy	74.8	17.2	256.2	35.3	331.1	28.5	29.2
Transport and Communications	59.1	13.6	66.8	9.2	125.9	10.8	88.6
Water Supply, Sanitation, and Waste Management	15.7	3.6	19.6	2.7	35.3	3.0	79.8
Multisector	23.1	5.3	56.4	7.8	79.5	6.8	41.0
<b>Total</b>	<b>436.2</b>	<b>100.0</b>	<b>726.4</b>	<b>100.0</b>	<b>1,162.6</b>	<b>100.0</b>	<b>60.0</b>

ADTA = advisory technical assistance, JSF = Japan Special Fund, TASF = Technical Assistance Special Fund.

Source of basic data: Asian Development Bank management information systems.

**Table A2.3: Sector Distribution of JSF and TASF PPTA, by Approved Amounts (1988–2006)**

Sector	JSF		TASF		Total		JSF as % of TASF
	Amount	% Share	Amount	% Share	Amount	% Share	
Agriculture and Natural Resources	110.3	25.3	33.8	4.7	144.1	12.4	326.3
Education	36.0	8.3	12.1	1.7	48.1	4.1	298.5
Energy	40.4	9.3	19.6	2.7	59.9	5.2	206.1
Finance	13.9	3.2	7.9	1.1	21.8	1.9	175.4
Health, Nutrition, and Social Protection	20.3	4.7	3.3	0.5	23.6	2.0	607.2
Industry and Trade	14.3	3.3	7.1	1.0	21.4	1.8	200.7
Law, Economic Management, and Public Policy	18.5	4.2	7.9	1.1	26.5	2.3	233.3
Transport and Communications	79.9	18.3	37.0	5.1	116.9	10.1	215.7
Water Supply, Sanitation, and Waste Management	35.5	8.1	13.3	1.8	48.7	4.2	267.6
Multisector	41.2	9.5	16.8	2.3	58.0	5.0	245.7
<b>Total</b>	<b>410.2</b>	<b>94.1</b>	<b>158.8</b>	<b>21.9</b>	<b>569.1</b>	<b>48.9</b>	<b>258.3</b>

JSF = Japan Special Fund, TASF = Technical Assistance Special Fund, PPTA = project preparatory technical assistance.

Source of basic data: Asian Development Bank management information systems.

**Table A2.4: Recommendations, Responsibilities, and Time Frames**

Recommendation	Responsibility	Time Frame
1. ADB needs to develop strategies for the use of JSF funds and to provide clear guidelines to staff.	Strategy and Policy Department, regional departments, and the Office of the Managing Director General	End-2008
2. Realistic assessment needs to be made of time and resources required for any TA to achieve results—particularly in areas such as capacity development, where a longer term commitment is needed through larger, longer duration TA and cluster TA operations.	Project staff	Immediate
3. Greater Government of Japan involvement is needed at the concept and design stages, with concomitant greater predictability of approval and a more efficient final approval step.	Project staff, OCO, Government of Japan (Ministry of Finance, Japan Bank for International Cooperation, Japan International Cooperation Agency, embassies)	From 2008
4. Continue to require the majority of funding for project preparatory TA and accompanying advisory TA (including capacity building), but with no specified target percentage.	OCO, Government of Japan	From 2008
5. Permit study tours as eligible expenditures, but on a selective basis.	OCO, Government of Japan	From 2008

ADB = Asian Development Bank, JSF = Japan Special Fund, TA = technical assistance.

## JAPAN SCHOLARSHIP PROGRAM

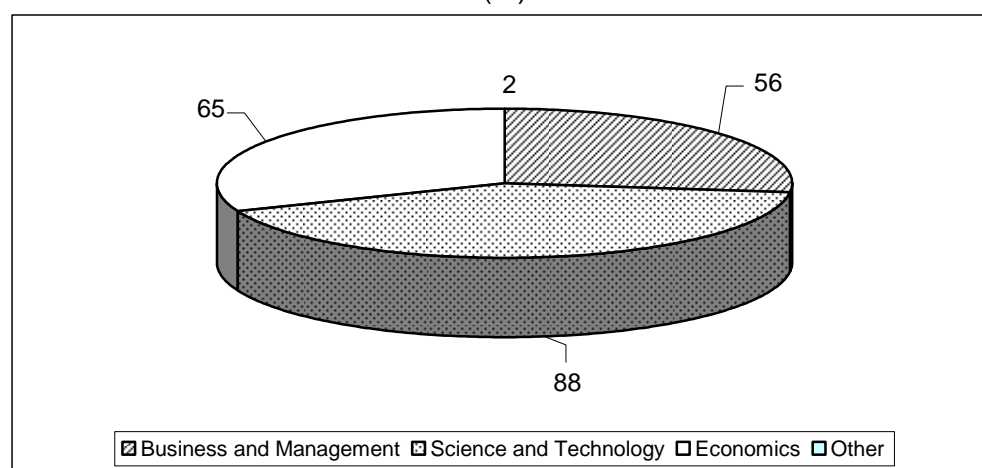
**Table A3.1: Annual Allocation of Scholars, by Designated Institution and by Host Country (1988–2006)**

Designated Institution	Location	Allocation of Scholars																		
		1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
IUJ	Japan	4	8	7	7	7	8	9	15	20	20	20	28	33	37	37	37	37	36	36
UOT-Civil	Japan		4	8	7	7	8	10	15	15	15	15	16	27	27	20	20	19	19	19
UOT-Envi	Japan															8	8	12	12	12
UOT-Health	Japan									5	10	9	13	13	13	13	13	13	12	12
UOT-Urban	Japan															4	5	2	2	2
SU	Japan								5	10	15	18	26	16	20	22	22	22	22	22
GRIPS	Japan													15	18	20	22	22	22	22
GSID	Japan														8	11	13	13	13	13
Keio	Japan																5	5	5	5
RITS	Japan																5	5	5	5
AIM	Philippines	16	34	30	32	31	26	26	26	28	28	28	26	26	24	25	23	23	22	22
IRRI	Philippines	4	8	9	7	5	8	9	10	10	10	7	7	7	7	7	7	7	7	7
AIT	Thailand	10	19	19	20	28	24	24	25	27	27	24	27	27	28	26	23	23	22	22
TU	Thailand											8	5	3	4	6	6	6	6	6
HKU	China		2	4	5	7	5	10	12	17	17	15	16	16	16	15	11	10	10	10
NUS	Singapore		2	6	7	7	9	11	12	17	17	13	11	11	11	11	10	10	10	10
LUMS	Pakistan	3	9	11	11	11	6	8	8	11	11	10	8	7	7	7	4	4	4	4
IITD	India	5	5	8	6	8	6	6	10	10	10	10	6	5	5	5	4	4	4	4
UOS	Australia	4	6	6	6	8	12	8	15	15	15	15	13	13	13	11	11	10	10	10
NCDS	Australia			4	8	6	8	11	14	19	19	19	17	17	17	15	15	12	12	12
UOM	Australia											8	12	11	11	11	10	10	9	8
UOA	New Zealand								5	5	10	14	11	11	11	10	10	10	10	10
EWC	United States	4	5	8	7	6	6	10	14	19	19	19	21	21	21	17	16	12	12	12
<b>Total</b>		<b>50</b>	<b>102</b>	<b>120</b>	<b>123</b>	<b>131</b>	<b>126</b>	<b>142</b>	<b>186</b>	<b>228</b>	<b>259</b>	<b>253</b>	<b>260</b>	<b>280</b>	<b>300</b>	<b>300</b>	<b>290</b>	<b>285</b>	<b>285</b>	

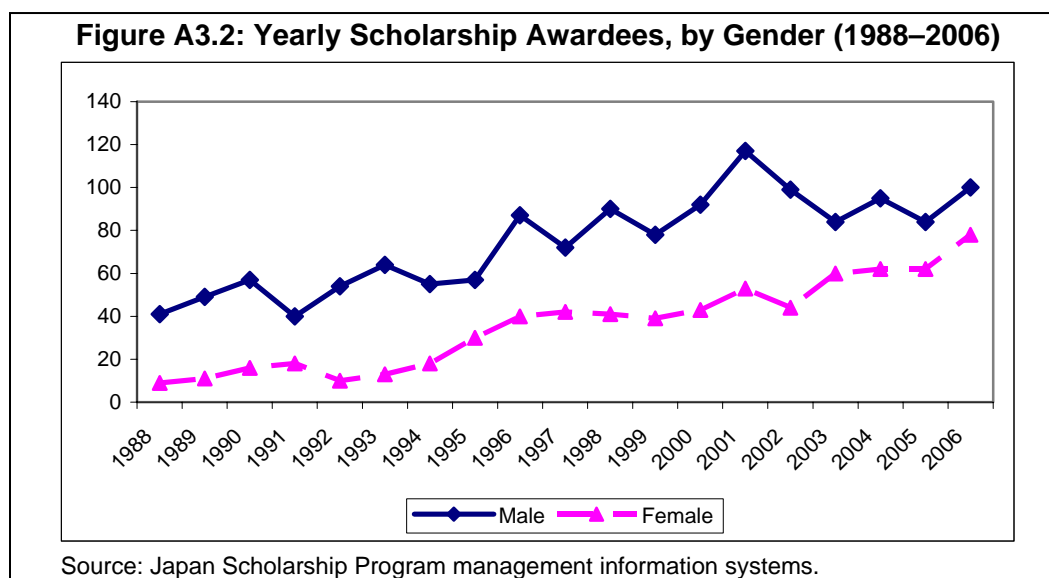
AIM = Asian Institute of Management; AIT = Asian Institute of Technology; EWC = East-West Center; GRIPS = National Graduate Institute of Policy Studies; GSID = Graduate School of International Development; HKU = University of Hong Kong; IITD = Indian Institute of Technology, Delhi; IRRI = International Rice Research Institute; IUJ = International University of Japan; LUMS = Lahore University of Management Sciences; NCDS = National Center for Development Studies; NUS = National University of Singapore; RITS = Ritsumeikan University; SU = Saitama University; TU = Thammasat University; UOA = University of Auckland; UOM = University of Melbourne; UOS = University of Sydney; UOT = University of Tokyo.

Source: Japan Scholarship Program management information systems.

**Figure A3.1: Distribution of Scholars by Field of Study (1988–2006)**  
(%)



Source: Japan Scholarship Program management information systems.

**Table A3.2: Recommendations, Responsibilities and Time Frames**

Recommendation	Responsibility	Time Frame
1. Delegate more autonomy to designated institutions that are relatively experienced in candidate selection by reducing the number of candidates on the short list prepared by these institutions from the current minimum of twice the number of slots to 1.5.	Office of Cofinancing Operations (OCO), in consultation with the Government of Japan	From 2008 (in time for the Academic Year 2008–2009 scholarship intakes)
2. Extend the current 2-year limitation of the assistance to 3 years on a case-by-case basis.	OCO, in consultation with the Government of Japan	From 2008
3. Raise the age limit for candidates in short programs (less than 2 years), which are also appropriate for senior officials and managers, to 45 from 35 years.	OCO, in consultation with the Government of Japan	From 2008
4. Establish annual/regular payment schedules from ADB to designated institutions to facilitate better financial management in these institutions.	OCO	From 2008
5. Add a provision in the implementing guidelines that will require scholarship recipients to work for to the government of their home countries or work in a company based in their home countries for a specified duration.	OCO, in consultation with the Government of Japan	From 2008
6. Upload the JSP implementing guidelines to the JSP website to allow JSP coordinators in the designated	OCO	Immediate

Recommendation	Responsibility	Time Frame
institutions to access and refer to them easily.		
7. Carefully consider the timing and choice of placing advertisements in local newspapers and other modalities of disseminating information for JSP applications, taking into account the preparation period and the different application deadlines of the designated institutions.	OCO	Immediate
8. Encourage the alumni association to strengthen its networking function by establishing alumni chapters in all DMCs, with websites linked but operated independently from the JSP website administered by ADB.	OCO	From 2008

ADB = Asian Development Bank, DMC = developing member country, JSP = Japan Scholarship Program.