

Japan International Cooperation Agency (JICA)

Study on  
JICA's Approach to Formulation of  
Agriculture and Rural Development Projects in  
the People's Republic of Bangladesh  
and  
Its Applicability to Other Overseas JICA Offices

Final Report

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## Executive Summary

### 1. Background and Objective of the Study

- (1) In Bangladesh, the Embassy of Japan and the overseas offices of the Japan International Cooperation Agency (JICA) and the Japan Bank for International Cooperation (JBIC) have been attempting to establish an approach called “the Bangladesh Model” and its practical application since 2001. The approach, characterized as “selection, concentration and collaboration”, was adopted to realize more unified and coherent planning and implementation of ODA through the effective utilization of the limited resources of the ODA-related organizations. JICA’s Rural Development Department has taken note of the fact that the project approval rate (the percentage of projects evaluated as A or B) has improved as shown below, attributing the increased rate to the application of this model.

Fiscal Year		Total No.	A/B	C	D	% of A/B
2003	Entire JICA	51	10	6	35	20
	Rural Development Department	10	2	3	5	20
2004	Entire JICA	43	20	3	20	47
	Rural Development Department	6	2	0	4	33
2005	Entire JICA	43	26	2	15	60
	Rural Development Department	4	3	0	1	75

- (2) Meanwhile, the Rural Development Department has conducted a study to prepare the Guidelines for Identification and Formulation of Agriculture and Rural Development Projects (hereinafter referred to as “the Guidelines”) for some selected countries since April 2004. The Guidelines are to be used as a desktop reference material for the overseas JICA offices to identify and formulate highly feasible projects.
- (3) As part of the work to formulate the Guidelines, this Study aims at obtaining lessons for identification and formulation of agriculture and rural development projects by overseas JICA offices and the Rural Development Department by means of analyzing the approach and process adopted by the Bangladesh Model which is recognized as a pioneering case led by a local ODA task force (hereinafter referred to as “the ODA-TF”) to identify and formulate projects.
- (4) This report consists of: 1) presentation of the assumed roles of overseas JICA offices in project identification and formulation and the approval process for requested projects in view of the current shift to field-oriented management (Chapter 2); 2) presentation of various points of view as conceived by the JICA headquarters staff to examine requested projects (Chapter 3); 3) analysis of the significance and roles of the Bangladesh Model for project identification and formulation and presentation of its information collection methods (Chapter 4); and 4) discussion of the lessons learned from the model and recommendations for effect project identification and formulation in the field of agricultural and rural development (Chapter 5).

### 2. Roles of Overseas JICA Offices in Project Formulation and Approval Process

- (1) Following the move to strengthen the capacity of overseas JICA offices that commenced in FY 2004, the program/project management function is now being transferred from the headquarters to individual overseas offices. In this shift, the assumed roles of the overseas offices in the project identification and formulation stage are largely classified into five categories: 1) consultation and coordination with the ODA-TF; 2) consultation

and coordination with the government of the recipient country and other development partners; 3) interviews with JICA experts, consultants and other resource persons to obtain information and their ideas; 4) examination of project feasibility; and 5) preparation and submission of requested project information sheets.

- (2) The projects identified and formulated based on the activities described in (1) above are compiled in requested project information sheets, which are then submitted to the headquarters. The requested projects are sorted into individual sectors by the relevant regional department. Meanwhile, the relevant department for the proposed development themes (the Rural Development Department in the present context) examines and evaluates them from sectoral and technical points of view, taking into consideration JICA's policies for agriculture and rural development indicated in the JICA Thematic Guidelines and the Approaches for Systematic Planning of Development Projects.

### 3. Points of View of JICA Headquarters Officers for Project Appraisal

- (1) The Study Team conducted interviews with the directors and officers of the Rural Development Department and the relevant regional departments with the intention of verifying a hypothesis that projects formulated by the Bangladesh Model fit their appraisal criteria. At the JICA headquarters, however, there exist no definite or unified criteria for selecting projects to be implemented with a view to allowing a flexible response to field-level needs. Nevertheless, the headquarters directors and officers examine requested project information sheets from certain points of view that are largely classified into six categories as shown below.

Category	Points of View for Examination of Requested Project Information
(1) What is the problem to be tackled? – The problem and its background	It is important for the information sheet to include a concrete description of the problem. Description of the background is equally important so that the status of the problem in view of the economic development and/or agricultural and rural development of the country concerned can be determined.
(2) What should be achieved? – The objective/goal and expected outcomes	It is important for the goals of the project and the (expected) outcomes of its implementation to be clearly described. It is desirable for any program/project to focus on "people".
(3) How can the objective/goal be achieved? – Activities and implementation methods	It is important to present clearly the steps to achieve the objective/goal, i.e., concrete activities, level of inputs (including the selection of a scheme), technical feasibility and planned procedures/methods, etc.
(4) Is the project feasible? – Technical, financial and institutional feasibility	For a requested project to be evaluated as a Grade A or Grade B project, it is essential to convince the evaluator at the headquarters of the feasibility of its implementation in accordance with the indicated steps. Understanding of the situation of the target area and the scope of jurisdiction as well as institutional and financial capacity of the expected implementing agency is important in addition to verification of the technical feasibility of the project.
(5) Is the project consistent with Japan's ODA policy?	First, the requested project must be consistent with: 1) poverty reduction and human security which are the principle policies for JICA's assistance (though points of view for examination may differ depending on the project objective); 2) the priority area established by the Country Assistance Program and the JICA Country Program and; 3) the sector program and assistance policies prepared by the field ODA-TF. Moreover, the Rural Development Department emphasizes the dual viewpoints of agricultural development and rural development in line with the JICA Thematic Guidelines and the Approaches for Systematic Planning of Development Projects. For the implementation of an agricultural development project, the expected improvement of the life of rural people must be clearly indicated as in the case of a rural development project. It is also important to refer to a rough estimate of the budget allocation for the region and/or country prepared by each regional department of JICA in conformity with the ODA policies of the Ministry of Foreign Affairs.

(6) Is the project consistent with the development policy of the recipient country?	Consistency with the policies and development plans of the recipient country is also important. In some cases, the consistency of not only the project goals but also the implementation methods and inputs with the policies of the recipient country are examined.
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- (2) The series of interviews conducted at the JICA headquarters have established that the headquarters officers who are responsible for the examination of requested project information sheets need information that is largely classified into three types relating to: 1) the project framework; 2) the situation of the recipient country and; 3) the situation of Japan. The information here may include the type of information to be obtained during the ex-ante evaluation study that follows project approval. However, it is desirable for the overseas offices to collect a wide range of information using consultants and national staff so that the information can be stored as reference materials therein to answer quickly enquiries made by the headquarters.

#### 4. The Bangladesh Model and Its Significance for Project Formulation

- (1) In the particular aid environment of Bangladesh where a large number of bilateral and multilateral donors provide various kinds of assistance, the Bangladesh Model aims at overcoming the constraints on planning and implementation of Japan's ODA and at providing assistance in a more unified and coherent manner by means of "selection, concentration and collaboration". The basic policies adopted by the Bangladesh Model are as follows.

Selection	<ul style="list-style-type: none"> <li>• Selection of high priority sectors and priority sectors for Japan's ODA taking into account the Country Assistance Program for Bangladesh, ongoing and past Japan's ODA to Bangladesh, the development strategies and plans of the Bangladesh government and the situation of assistance by other donors.</li> </ul>
Concentration	<ul style="list-style-type: none"> <li>• In order to enhance the effectiveness and efficiency of ODA, the available aid resources for input, staff deployment and aid coordination, etc. are concentrated in the high priority and priority sectors.</li> <li>• A sector working group (SWG) is established for each high priority or priority sector for the purpose of sharing and systematically building vital knowledge.</li> </ul>
Collaboration	<ul style="list-style-type: none"> <li>• The Embassy of Japan, the JICA Office and the JBIC Office in Bangladesh assign personnel to each SWG cross-organizationally.</li> <li>• The three organizations jointly participate in discussions with the Bangladesh government and aid coordination and share the obtained information among the organizations.</li> <li>• Collaboration and communication with Japanese NGOs and private enterprises are strengthened through the Study Group on Development Assistance to Bangladesh.</li> <li>• Efforts are made to share information with other members of the donor community through the website of the Embassy of Japan, mailing lists, study meetings, etc.</li> </ul>

- (2) The primary characteristic of activities under the Bangladesh Model is information sharing and the exchange of ideas with other Japanese people engaged in aid efforts in addition to collaboration involving the Embassy of Japan, JICA, JBIC and JETRO. Second, high priority and priority sectors have been selected in line with the development plan (I-PRSP) of Bangladesh. Third, a sector working group (SGW) is set up for each high priority or priority sector and a sector program is formulated for each high priority sector. Fourth, a correlation diagram for the ongoing and planned projects in each sector is prepared to establish the mutual relationship between projects while work is in progress to clarify the timing of introducing new projects and the prospective budgets for these projects through the formulation of a rolling plan.
- (3) The major achievements of the Bangladesh Model in the agricultural and rural development sector up to March 2005 are summarized below.

Selection	<p><b>Narrowing down of the main components</b></p> <ul style="list-style-type: none"> <li>• “Increase in income and productivity”, “provision of rural infrastructure” and “empowerment of local government institutions and the poor” are set as the main components (priority areas within the sector) based on such development issues as “low agriculture productivity and poverty in rural areas”, “insufficient rural infrastructure” and “weak local governance and participation” identified by the Agriculture and Rural Development SWG</li> <li>• Ongoing projects are reviewed to examine the relevance of Japanese assistance hitherto.</li> </ul>
Concentration	<p><b>Concentration of resources in the components mentioned above</b></p> <ul style="list-style-type: none"> <li>• The linkage among ongoing projects has been checked and ongoing and planned projects in the next five years have been examined for each of the main components for the unified and coherent implementation of assistance in the sector as a whole.</li> <li>• The preparation of a rolling plan is in progress as of March 2005 based on the sector program to determine the desirable timing for the introduction of new projects and their likely budgets.</li> </ul>
Collaboration	<p><b>Collaboration between the Embassy of Japan, JICA and JBIC, discussion with the Bangladesh government and coordination with other donors</b></p> <ul style="list-style-type: none"> <li>• All the three organizations have assigned representatives to the SWG to stimulate cross-organizational discussions.</li> <li>• Coordination between the main components has been promoted through the dispatch of a rural development (infrastructure) advisor to LGED and the assignment of a rural development program coordinator to the JICA office.</li> <li>• The Study Group on Development Assistance to Bangladesh has been formed to share and exchange information with other Japanese engaged in aid efforts. (The agriculture and rural development sector has been particularly active in cross-organizational discussions and study meetings on development assistance.)</li> <li>• An English version of the sector program has been prepared (a revised version is being prepared as of March 2005) to indicate the direction of Japanese assistance in the sector to the Bangladesh government and other donors.</li> <li>• The sharing of information is promoted by using websites, mailing lists, etc.</li> </ul>

(4) Coordination between different organizations is vital for the implementation and promotion of the basic policies described above. What is particularly important for smooth coordination is for the parties involved to find sufficient advantages to justify the cost and for the incentives for coordination to be clearly recognized. Coordination between the participating members of the Bangladesh Model is believed to have progressed well because of the following advantages and incentives.

<ul style="list-style-type: none"> <li>• As members discuss various issues with people of different organizations, they develop the ability to formulate and design projects from diverse points of view.</li> <li>• The emphasis on discussions on equal ground makes them both useful and pleasant.</li> <li>• “Better outcomes” and “higher evaluation results” can be achieved through coordination among projects.</li> <li>• Many members are aware of the importance of the Japanese government’s policy of promoting field-oriented/led assistance.</li> <li>• As the Bangladesh Model is attracting much attention from those engaged in Japan’s ODA, participation in the model gives the members a sense of social satisfaction.</li> </ul>
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(5) The present situation of the Bangladesh Model and the SWG for agriculture and rural development is that various associated activities are gradually taking root. These activities range from the reflection of the JICA’s experience and knowledge on the formulation of assistance policies by the ODA-TF and the presentation of such policies to the Bangladesh government and other donors through JICA’s activities to study meetings on development and the seeking of opinions from a much wider scope.

(6) As reported in Chapter 3, the importance of gathering information (making it available upon the request of the JICA headquarters) required for the appraisal of requested projects was repeatedly stated during the interviews conducted at the headquarters. In the Bangladesh Model, the requirements of the headquarters for requested projected information sheets are met by the group effort of active information sharing and the exchange of views among the SWG members and with resource persons in Bangladesh and elsewhere, which is often beyond the capacity of individual officers.

## 5. Lessons of the Bangladesh Model and Recommendations for Effective Formulation of Agriculture and Rural Development Projects

- (1) The lessons learned from the Bangladesh Model in connection with project identification and formulation in the field of agriculture and rural development are shown below. It is believed that these lessons will contribute to an increased approval rate of agricultural and rural development projects for other recipient countries. Among these lessons, the formulation of a sector program can be considered a key to effective project identification and formulation.

<p><b>5.1.1 Select high priority sectors and formulate sector programs</b></p> <ul style="list-style-type: none"> <li>• The Bangladesh Model has set high priority sectors and priority sectors, taking into consideration the size of the aid resources available on the Japanese side and overall development needs. For the high priority sectors, the SWGs have formulated a sector program for their respective sectors. Work is in progress to prepare a correlation diagram as well as a rolling plan of projects based on the sector programs.</li> <li>• The identification and formulation of projects based on such a sector program, correlation diagram and rolling plan will secure “the logical consistency of projects”, enabling the preparation of requested project information sheets that are backed by rich background information and are, therefore, highly persuasive.</li> </ul>
<p><b>5.1.2 Collaborate with ODA-related Japanese and have transparent discussions</b></p> <ul style="list-style-type: none"> <li>• A project that conforms to the policies set forth by the ODA-TF is highly persuasive vis-à-vis the JICA headquarters and is, therefore, likely to be evaluated as a Grade A or Grade B project. Discussions within the ODA-TF based on a strong awareness of the problems that face individual members of the task force not only signify the diversification of viewpoints but also create a sense of unity among the participants and the feeling that they are part of the efforts of “Japan as a nation” to develop valuable projects for the recipient country.</li> <li>• The positive effects described above can be achieved only through transparent discussions and a sense of trust and equality among the participants disregarding their official positions. The contents of the discussions at ODA-TF meetings should be disclosed as much as possible to ensure logical consistency without undue emphasis on the opinions of certain members.</li> </ul>
<p><b>5.1.3 Utilize rich knowledge of the socioeconomic situation of rural areas of the recipient country</b></p> <ul style="list-style-type: none"> <li>• One reason for the successful formulation of the agriculture and rural development sector program by the ODA-TF in Bangladesh is the existence of rich knowledge of the socioeconomic situation and administrative mechanisms of rural areas of Bangladesh which has been accumulated through long-standing efforts such as the Joint Study on Agricultural and Rural Development (JSARD), the Joint Study on Rural Development Experiment (JSRDE) and the Participatory Rural Development Project (PRDP), all assisted by JICA.</li> <li>• For the effective utilization of field experience and knowledge for the formulation of a sector program, a significant factor is the involvement of knowledgeable persons of which a typical example is the expert assigned to the Bangladesh Rural Development Board (BRDB) as an advisor on participatory rural development administration. JICA’s rural development program coordinator is also playing an important role in facilitating smooth coordination and transparent discussions of the Agriculture and Rural Development SWG.</li> </ul>
<p><b>5.1.4 Grasp clearly the jurisdiction and capacity of the implementation agency and establish of a good relationship with them</b></p> <ul style="list-style-type: none"> <li>• The jurisdiction and capacity of a government agency generally change when the policies, the organizational structure and/or the person in charge changes. In recent years, many governments have been making reform efforts, particularly in the field of agriculture and rural development, due to the shift towards a market economy, privatization and decentralization and attention must be paid to these changes. Constant information gathering from the relevant government officials in the recipient country is vital to understand properly the nature and extent of these changes.</li> <li>• There are some cases in which the sustainability of a project is jeopardized due to the limited capacity of the implementing agency in terms of finance and personnel. When the capacity of the assumed implementing agency is questionable or uncertain, it is necessary to alter the purpose of the project to the establishment of a viable project implementation system and/or the strengthening of the capacity of the implementing agency and its staff, or to re-examine the project framework.</li> <li>• It is essential to note that there are needs for diverse areas in the field of agriculture and rural development. Accordingly, clarification of the responsibilities of the implementation agency is essential to determine how far the agency can implement the project.</li> </ul>
<p><b>5.1.5 Share continually information with other donors</b></p> <ul style="list-style-type: none"> <li>• Under the situation where donors are coordinating with each other to achieve unified goals, it is essential to express continually what Japan can do not only to the government of the recipient country but also to other donors to obtain their understanding so that assistance activities can be efficiently and effectively carried out.</li> <li>• Clarification of the roles to be played by Japan/JICA in the donor community will lead to the identification and formulation of projects that can adapt to recent changes in the aid environment.</li> </ul>



- (2) Based on the above-mentioned points of view for the examination of requested project information sheets and the lessons learned from the Bangladesh Model, the Study Team proposes the following four points by which other overseas JICA offices would be able to identify and formulate agriculture and rural development projects more effectively in collaboration with the headquarters.

Recommendations	Relevant Lessons from the Bangladesh Model	Key Points
<b>Recommendations regarding policy formulation</b>		
5.2.1 Redefine “an excellent project” in the field of agricultural and rural development	5.1.1 Select high priority sectors and formulate sector programs 5.1.2 Collaborate with ODA-related Japanese and have transparent discussions	<ul style="list-style-type: none"> <li>• Present the definition of “an excellent project” as conceived by the Rural Development Department to the overseas offices</li> <li>• Clarify the area to be dealt with by the Rural Development Department</li> </ul>
5.2.2 Enhance the logical consistency of requested projects	5.1.1 Select high priority sectors and formulate sector programs 5.1.2 Collaborate with ODA-related Japanese and have transparent discussions 5.1.3 Utilize rich knowledge of the socioeconomic situation of rural areas of the recipient country 5.1.4 Grasp clearly the jurisdiction and capacity of the implementation agency and establish of a good relationship with them 5.1.5 Share continually information with other donors	<ul style="list-style-type: none"> <li>• Optimize projects by the overseas offices based on the definition of “an excellent project” by the headquarters</li> <li>• Identify the needs of the target area</li> <li>• Understand the intended direction for development of the recipient country</li> <li>• Grasp needs that can be fulfilled based on the jurisdiction and capacity of the implementing agency</li> <li>• Clarify the strategic position of each project in the aid trends (for example, donor coordination and SWAp) in the recipient country</li> <li>• Promote information sharing and exchange of views regarding the above points with other Japanese ODA-related organizations, the implementing agency of the government of the recipient country, other donors, etc.</li> </ul>
<b>Recommendations regarding the system and institution</b>		
5.2.3 Strengthen the headquarters' support to the overseas offices	5.1.2 Collaborate with ODA-related Japanese and have transparent discussions 5.1.4 Grasp clearly the jurisdiction and capacity of the implementation agency and establish of a good relationship with them	<ul style="list-style-type: none"> <li>• Provide constantly the overseas offices with information and support by the headquarters</li> <li>• Describe “a good or bad requested project information sheet” and provide a checklist for preparing information sheets to the overseas office</li> </ul>
5.2.4 Utilize external expertise and promote project formulation integrated with implementation	5.1.2 Collaborate with ODA-related Japanese and have transparent discussions 5.1.3 Utilize rich knowledge of the socioeconomic situation of rural areas of the recipient country 5.1.4 Grasp clearly the jurisdiction and capacity of the implementation agency and establish of a good relationship with them	<ul style="list-style-type: none"> <li>• Select priority sectors and development issues compatible with the size of the specific overseas office</li> <li>• Utilize external expertise (i.e., non-JICA staff and experts) more effectively</li> <li>• Ensure consistency from program formulation to implementation and reduce the time and cost of these two stages (improvement of the cost performance by means of the consistent utilization of external human resources)</li> </ul>

## Abbreviations and Acronyms

ADB	Asian Development Bank
ADF	Asian Development Fund
ADP	Annual Development Programme
BRDB	Bangladesh Rural Development Board
CG	Consultative Group
C/P	Counterpart
DFID	Department for International Development
EC/EU	European Commission/European Union
EOJ	Embassy of Japan
ERD	Economic Relations Division (of the Ministry of Finance)
FY	Fiscal (Financial) Year
GDP	Gross Domestic Product
GOB	The Government of Bangladesh
IDA	International Development Association
IDCJ	International Development Center of Japan
IMF	International Monetary Fund
I-PRSP	Interim Poverty Reduction Strategy Paper
JBIC	Japan Bank for International Cooperation
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
JOCV	Japan Overseas Cooperation Volunteers
JSARD	Joint Study on Agricultural and Rural Development
JSRDE	Joint Study on Rural Development Experiment
LCG	Local Consultative Group
LGED	Local Government Engineering Department
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
NGO	Non-Governmental Organization
ODA	Official Development Assistance
ODA-TF	ODA Task Force (locally setup in each country assisted by Japan)
OECD	Organization for Economic Cooperation and Development
PCM	Project Cycle Management
PRDP	Participatory Rural Development Project
PRSP	Poverty Reduction Strategy Paper
R/D	Record of Discussions
S/W	Scope of Work
SWAp	Sector Wide Approach
SWG	Sector Working Group
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
WHO	World Health Organization



## **1. Introduction**

### **1.1 Background and Objective of the Study**

Agriculture is still a leading sector of the economy of many developing countries, accounting for a substantial part of their GDP and export earnings. The majority of the population live in rural areas with agriculture and agriculture-related activities as the mainstay of their living. Since rural people are largely poor in those countries, agriculture and rural development is also significant in the light of poverty reduction and food security at household level. It is indeed recognized as an effective means of poverty reduction in those countries.

Taking into consideration the characteristics that the sector's performance is strongly affected by natural and socioeconomic conditions of the target country/area, the Japanese government, including the Japan International Cooperation Agency (JICA), has been pursuing an approach to agriculture and rural development specific to each country based on the Country Assistance Program. Such an approach has become more important to JICA, which is currently undertaking an institutional reform aimed at strengthening its overseas operations to respond more promptly and effectively to the needs of poor people in developing countries.

Against this background, JICA, as an implementation agency, conducted a study to prepare guidelines for identification and formulation of agriculture and rural development projects for the overseas offices in some selected countries (i.e., the Philippines, Pakistan, Turkey, Ethiopia, Senegal, Tunisia, Bolivia and Honduras) for the period of April 2004 – August 2005. The study was entrusted to the International Development Center of Japan (IDCJ)<sup>1</sup>.

The present study was conducted as part of the above-mentioned study for the purpose of drawing lessons from JICA's approach to project identification and formulation in Bangladesh for its similar tasks in other countries. The approach, called "the Bangladesh Model", is characterized as selection and concentration through collaboration among the members of Japan's field ODA Task Force (ODA-TF), namely, the Embassy of Japan and the overseas offices of JBIC and JICA. The ODA-TF in Bangladesh was the first to be established among ODA-TFs in other countries and has been working closely with major development actors in the country, e.g., the Bangladesh government, other donors and NGOs.

### **1.2 Scope of the Study**

- 1) Analyze the process of program/project formulation and appraisal in JICA.
- 2) Examine JICA's approach to project identification and formulation in Bangladesh, i.e., the *Bangladesh Model*, and its applicability to project identification and formulation in other countries.
- 3) Draw lessons from the Bangladesh Model and present recommendations to JICA for effective identification and formation of agriculture and rural development projects by other overseas offices.
- 4) Prepare a report and finalize it based on comments of the advisory committee set up at the JICA headquarters.

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<sup>1</sup> IDCJ was founded in 1971 as Japan's first non-profit think tank specializing in the field of international cooperation for development and has since been pursuing its vanguard agenda of training, research and consulting activities. Its clientele includes the Ministry of Foreign Affairs, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, JICA and the Japan Bank for International Cooperation (JBIC).

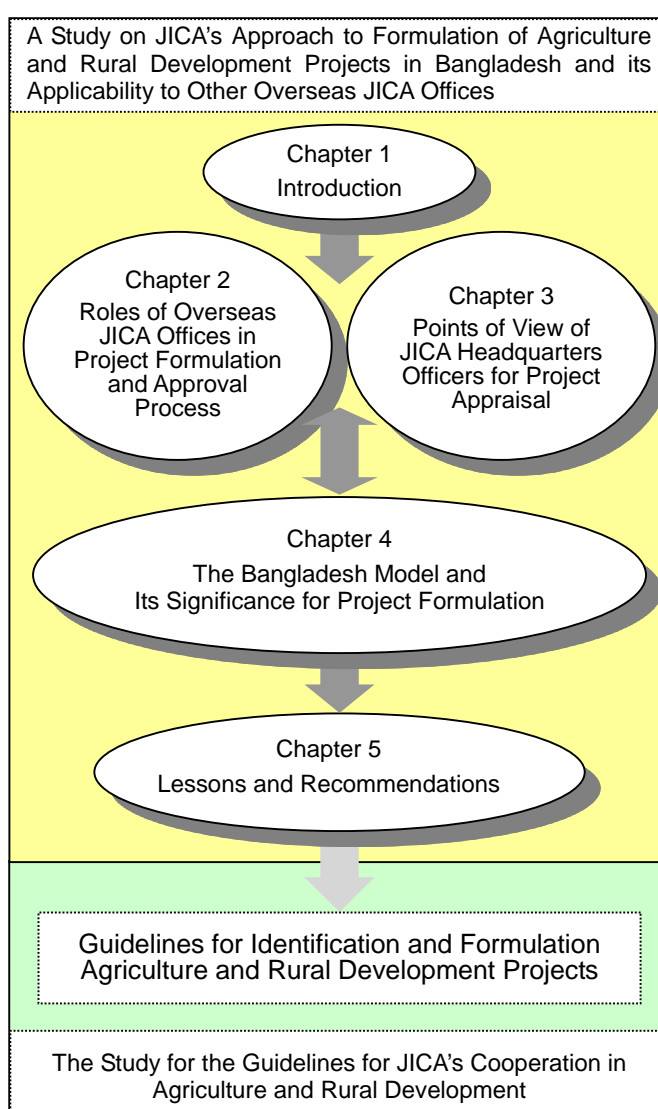
### 1.3 Work Schedule

Task	2005					
	Jan.	Feb.	March	April	May	June
1) Analyze the processes of project identification and formulation and approval in JICA		□				
2) Examine the Bangladesh Model and its applicability to other overseas JICA offices			■			
3) Draw lessons from the Bangladesh Model and present recommendations for project identification and formulation			□			
4) Prepare a draft report			□			
5) Present the draft report to the advisory committee					△	
6) Prepare the final report and English/Spanish/French versions						□

□ Work in Japan    ■ Work in Bangladesh

### 1.4 Organization of this Report

The present report consists of five chapters, including this introductory chapter, as illustrated in Figure 1-1. Chapter 2 explains the roles of overseas JICA offices assumed by the headquarters in project identification and formulation and the approval process that takes place overseas and in Tokyo. Chapter 3 presents points of view from which the JICA headquarters directors and officers interviewed by the Study Team would appraise a project proposal submitted by the overseas office. The interviews conducted at the headquarters were intended to verify a hypothesis that projects formulated by the Bangladesh Model fit their appraisal criteria. Chapter 4 analyzes the situation of the Bangladesh Model, focusing on its background, objectives, activities, significance for project formulation and issues for future improvement. Finally, Chapter 5 discusses lessons learned from the Bangladesh Model that could be utilized in project formulation by other overseas JICA offices and presents some recommendations for effective project identification and formulation.



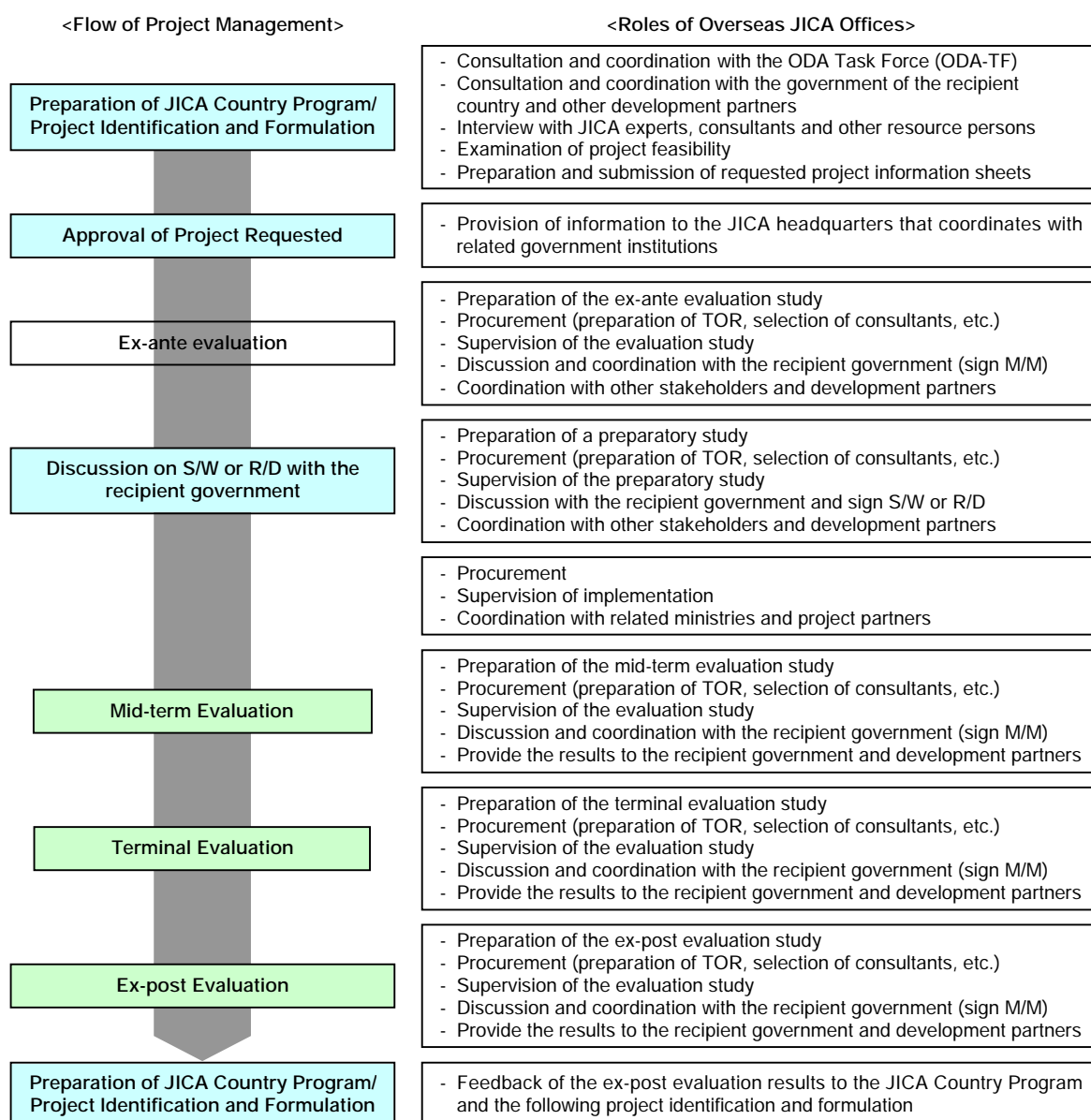
**Figure 1-1 Organization of the Report**

As indicated in Figure 1-1, the results of this study were fed into the Guidelines for Identification and Formulation of Agriculture and Rural Development Projects in the Philippines, Pakistan, Turkey, Ethiopia, Senegal, Tunisia, Bolivia and Honduras, respectively.

## 2. Roles of Overseas JICA Offices in Project Formulation and Approval Process

### 2.1 Flow of Project Management and Roles of Overseas JICA Offices

Starting in April 2004, JICA is devolving responsibility for project management from its headquarters to overseas offices as part of the organizational reform aimed at developing a faster and more efficient decision-making system. The overseas JICA offices are expected to take charge of tasks such as planning (including program/project identification and formulation), procurement, administration and M&E. Project identification and formulation are considered part of project management, together with provision of information for appraisal at the headquarters, ex-ante evaluation, discussion with the recipient government on the Scope of Work (S/W) or the Record of Discussions (R/D) and mid-term, terminal and ex-post evaluation. Figure 2-1 shows major roles of the overseas offices in project management.



**Figure 2-1 Flow of Project Management and Functions of Overseas JICA Offices**

Source : Prepared by the Study Team based on JICA, Planning and Coordination Department, *JICA Guideline for Project Evaluation: Practical Methods for Project Evaluation*, September 2004 and other JICA documents.

## **2.2 Roles of Overseas JICA Offices in Project Formulation**

The following are major five roles that overseas JICA offices are expected to play in project identification and formulation as indicated in Figure 2-1 above.

### **(1) Consultation and coordination with the ODA Task Force (ODA-TF)**

It is important to select priority sectors/areas and concentrate efforts on them in the light of the limited financial and human resources on the Japanese side. Japan's sector assistance policies and programs are formulated by the ODA-TF based on the Country Assistance Program and the national development policy and plans of the recipient country. The ODA-TF's activity is aimed at collaboration among the Embassy of Japan, JICA and JBIC for more effective and efficient implementation of ODA by the Japanese government as a whole.

JICA, as a technical cooperation agency, plays an important role from project identification and formulation through implementation to ex-post evaluation in Japan's ODA. In particular, the overseas office could contribute to the ODA-TF's policy formulation by providing field-level information obtained from its experts and consultants.

### **(2) Consultation and coordination with the government of the recipient country and other development partners**

It is essential to have day-to-day communication with the recipient government to identify and formulate feasible and effective projects. JICA's experience could be reflected through the ODA-TF in the policy consultation with the recipient government. The policy consultation is an important activity that enables the Japanese government to relate systematically its policy (the ODA Charter and the Country Assistance Program) with the implementation of individual projects in line with the recipient country's policy.

Discussion with other donors and NGOs is also indispensable for supporting stakeholder coordination led by the recipient government. The Japanese government should elucidate the ODA policy to avoid duplication and harmonize its assistance with other donors'. The overseas JICA office could also play a part in the ODA-TF's discussion with other donors by feeding back its knowledge and field-level experience thereto.

### **(3) Interview with JICA experts, consultants and other resource persons**

The requests for assistance from the recipient country are often submitted to the overseas office through experts or consultants working for JICA-assisted projects in similar fields. It is necessary to scrutinize the requests carefully according to the sector assistance policies formulated by the ODA-TF and to identify projects most suitable for JICA assistance. It is advisable to interview with JICA experts, consultants and other resource persons such as scholars, NGO professionals and government officials to obtain information and their ideas. In addition, field visits to the target area would help the JICA officer find more concrete information that could verify the interview results and statistical data available in the office.

### **(4) Examination of project feasibility**

The feasibility of the requested project should be examined based on the following:

- The sector policies of Japan and the recipient country, respectively;
- The present situation of the target area;
- Domestic and international environments around development assistance;

- The institutional, financial and technical capacity of the expected implementing agency;
- The appropriate size of assistance (i.e., whether JICA can afford it and the recipient government can afford and absorb it);
- Priority of the project to the Japanese government/JICA and the recipient government;
- Specific purposes of the project; and
- Assistance of other donors in the sector.

### **(5) Preparation and submission of requested project information sheets<sup>2</sup>**

The requested project information sheets should be sent to the JICA headquarters by the end of August. The Checklist for Preparing Requested Project Information Sheets attached to the Guidelines for Identification and Formulation of Agriculture and Rural Development Projects for each of the selected countries mentioned in Chapter 1 above should be referred to for the points to be taken into consideration in preparation of the sheets.

### **2.3 Approval Process**

The requested project information sheets submitted by the overseas offices at the end of August each year are classified by the respective regional departments at the headquarters according to their fields and subjects and appraised from a comprehensive point of view. The Rural Development Department assesses the requests from sectoral and technical points of view indicated in the JICA Thematic Guidelines and the Approaches for Systematic Planning of Development Projects.<sup>3</sup> There are some cases in which a project judged approvable by the Regional Department is assessed differently by the Rural Development Department.

The procedures for appraising requested project information sheets vary by issue-based department. The Rural Development Department, for instance, holds various levels of meetings for appraisal. Requests for development study programs, technical cooperation projects and the dispatch of long-term experts are discussed by the whole department including the Managing Director of the Department. Other schemes that require less input are generally assessed by the Group Director in charge and approved by the Managing Director and the departmental meeting may be held, if necessary. The Regional Department, the Rural Development Department and the Planning and Coordination Department confer under the latter's coordination to examine all the sheets and make a decision as the entire JICA.

The final results are submitted to the Ministry of Foreign Affairs by the Planning and Coordination Department in September – October. The Ministry of Foreign Affairs holds the first inter-ministerial meeting with the Ministry of Agriculture, Forestry and Fisheries in November. If an overseas JICA office could not submit the information sheets by the end of August, therefore, it would be difficult to coordinate necessary tasks between the headquarters and the overseas office and among different departments at the headquarters. This may result in disapproval of a request.

Table 2-1 shows the general process of preparation and examination of requested project information sheets that takes place overseas and in Tokyo.

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<sup>2</sup> *Yosei anken chosahyo* in Japanese, translated by the Study Team.

<sup>3</sup> JICA, Institute for International Cooperation, *JICA Thematic Guidelines on Agricultural Development and Rural Development*, October 2004; and *Approaches for Systematic Planning of Development Projects: Agricultural Development and Rural Development*, August 2004. (Both in Japanese)



**Table 2-1 Process of Preparation and Examination of Requested Project Information Sheets  
(Mainly in the Case of Technical Cooperation Project\*)**

Month	Tasks		Remarks
	Headquarters	Overseas Offices	
Throughout the year		Collect information and request project proposals from the recipient government.	<ul style="list-style-type: none"> <li>- Information is constantly collected from various sources.</li> <li>- Informal project proposals prepared with assistance of JICA experts and consultants are submitted to the overseas office.</li> <li>- Prospective proposals are promptly examined by the JICA headquarters and the Ministry of Foreign Affairs of Japan.</li> <li>- Preparation of the Application Forms for Japan's Technical Cooperation and the information sheets is started.</li> </ul>
June - July	Send forms of and instructions on requested project information sheets.		<ul style="list-style-type: none"> <li>- The Ministry of Foreign Affairs sends forms of and instructions on the information sheets to the Embassy of Japan in June.</li> <li>- The instructions include points of consideration on procedures (e.g., explanation on new schemes) and operational policies.</li> </ul>
		Request officially the recipient government to prepare the Application Form for Japan's Technical Cooperation.	<ul style="list-style-type: none"> <li>- The ODA-TF explains the application procedures to the government of the recipient country (This is done apart from the annual policy conference.).</li> </ul>
		Receive the Application Form from the recipient government.	<ul style="list-style-type: none"> <li>- The government of the recipient country submits the Application Form for Japan's Technical Cooperation to the Embassy of Japan.</li> </ul>
August		Examine and screen the projects requested.	<ul style="list-style-type: none"> <li>- The ODA-TF examines, screens and prioritizes the projects requested by the government of the recipient country.</li> </ul>
		Prepare and submit requested project information sheets.	<ul style="list-style-type: none"> <li>- The Embassy of Japan sends requested project information sheets to the Ministry of Foreign Affairs in Tokyo.</li> <li>- The deadline is August 31.</li> </ul>
Sep. - Oct.	Examine the requested project information sheets submitted by the overseas offices.		<ul style="list-style-type: none"> <li>- At the JICA headquarters, the Regional Departments and the Planning and Coordination Department make a database of the requested projects and request the respective issue-based departments to examine each project.</li> <li>- The issue-based departments discuss and decide which department will take charge if the project is cross-sectoral.</li> <li>- The JICA headquarters presents the results of the examination to the Ministry of Foreign Affairs.</li> </ul>
November	First inter-ministerial appraisal meeting		<ul style="list-style-type: none"> <li>- The Ministry of Foreign Affairs appraises the requested projects individually in consultation with the concerned Ministry.</li> <li>- JICA's Regional Departments and Planning and Coordination Department participate in the inter-ministerial meeting if necessary. The issue-based Departments participate therein as an observer if necessary.</li> </ul>
Nov. - Dec.	Early notification of the approval		<ul style="list-style-type: none"> <li>- The Ministry of Foreign Affairs notifies the Embassy of Japan of the results of the appraisal.</li> </ul>
		Early notification of the approval	<ul style="list-style-type: none"> <li>- The Embassy of Japan notifies the recipient government of the results of the appraisal.</li> <li>- The Embassy of Japan starts to prepare the R/D.</li> </ul>
December	Prepare a budget plan for the next fiscal year.		<ul style="list-style-type: none"> <li>- The issue-based departments prepare a budget plan based on the regional budget allocated by the Regional Departments in December - February.</li> </ul>
January	Second inter-ministerial appraisal meeting		<ul style="list-style-type: none"> <li>- The Ministry of Foreign Affairs formally appraises the requested projects individually in consultation with the concerned Ministry.</li> <li>- JICA's Regional Departments and Planning and Coordination Department participate in the inter-ministerial meeting if necessary. The issue-based Departments participate therein as an observer if necessary.</li> <li>- Pending projects are re-examined at the meeting.</li> </ul>
Jan. - Feb.	General notification of the approval		<ul style="list-style-type: none"> <li>- The Ministry of Foreign Affairs notifies the Embassy of Japan of the results of the appraisal.</li> </ul>
		General notification of the approval	<ul style="list-style-type: none"> <li>- The Embassy of Japan notifies the recipient government of the results of the appraisal.</li> <li>- The Embassy of Japan starts to prepare the R/D.</li> </ul>
February	Finalize the budget plan for the next fiscal year.		<ul style="list-style-type: none"> <li>- Each Department at the JICA headquarters finalizes the budget plan for the next fiscal year based on the project approval.</li> </ul>

Note (\*): There are different application forms for development study programs, grant aid (general and fisheries) and dispatch of experts, but the appraisal procedures for these schemes are basically the same as those for technical cooperation.

Source: Prepared by the Study Team based on information obtained from the Rural Development Department.

### 3. Points of View of JICA Headquarters Officers for Project Appraisal

#### 3.1 Evaluation of Requested Project Information Sheets

In FY 2004, the evaluation of requested project information sheets was changed from the previous “O, and X” system to the “A, B, C and D” system as explained in Table 3-1.

**Table 3-1 Evaluation of Requested Project Information Sheets and their Definitions**

Evaluation Grade	Definition	Remarks
A (Approved)	To be implemented in the following fiscal year.	<ul style="list-style-type: none"> <li>• Equivalent to the previous “O” grade (i.e., approved)</li> <li>• Relevance and feasibility of the project are judged high.</li> <li>• More information may be required for efficient implementation.</li> </ul>
B (Subject to further examination)	To be implemented in the following fiscal year or later if funds are available.	<ul style="list-style-type: none"> <li>• First introduced in JFY 2004.</li> <li>• Relevance and feasibility of the project are as high as A-projects.</li> <li>• Implementation depends on the availability of funds (budget).</li> <li>• More information may be required for efficient implementation.</li> </ul>
C (Subject to further examination)	To be further examined based on additional information provided by the overseas office.	<ul style="list-style-type: none"> <li>• Equivalent to the previous “ ” grade (i.e., to be further examined)</li> <li>• Information on critical issues, e.g., institutional setup and capacity of the government of the recipient, is inadequate.</li> <li>• May be approved in the middle of the following fiscal year, depending on the availability of funds and additional information to be provided by the overseas office.</li> </ul>
D (Not Approved)	Not to be implemented.	<ul style="list-style-type: none"> <li>• Equivalent to the previous “X” grade (i.e., not approved)</li> <li>• Information necessary for the examination is inadequate.</li> <li>• Low priority by the overseas office and the recipient government.</li> </ul>

Note: The definitions and remarks were provided by the Rural Development Department and are not necessarily unified views of the JICA headquarters.

Source: Prepared by the Study Team based on information obtained from the Rural Development Department.

#### 3.2 Points of View of JICA Headquarters Officers for Project Appraisal

The Study Team conducted interviews with the directors and officers of the Rural Development Department and the Regional Departments with the intention of verifying a hypothesis that projects formulated by the Bangladesh Model fit their appraisal criteria. At the JICA headquarters, however, there exist no definite or unified criteria for selecting projects to be implemented with a view to allowing a flexible response to field-level needs. Nevertheless, the headquarters directors and officers examine requested project information sheets from certain points of view as presented in Table 3-2. Those points can be summarized as follows.

##### (1) What is the problem to be tackled? – The problem and its background

The problem to be tackled by the project must be concrete and clearly defined. For the agricultural development projects such as irrigation, technological development and extension, for instance, it is important to explain where the problem stems from, e.g., production techniques, farm management, marketing, the natural environment, etc. The background of the problem must also be clearly described to indicate its priority in the economic policy and the agricultural development plan of the recipient country.

##### (2) What should be achieved? – The objective/goal and expected outcomes

The project objective/goal and expected outcomes must be elucidated. Any project to be assisted by JICA should not be merely for productivity enhancement but must be designed for improving the life of rural people and reducing poverty. A project focusing on “people” is highly desirable. The headquarters would not even request the overseas office to provide additional information if the project objective is not clear.

**(3) How can the objective/goal be achieved? – Activities and implementation methods**

The information sheet must indicate how to achieve the project objective/goal, e.g., what kind of activity is carried out, how much and what kind of input is required for the activity, methods and steps of implementation, etc. In particular, it is desirable to present a systematic explanation on the course from productivity enhancement to income and life improvement. That is, the project needs to include not only technological development and extension but also activities to improve incomes and the life of rural people. In irrigation development, for example, it will be more persuasive if the information sheet explains why irrigation has been selected to increase farm incomes improvement vis-à-vis other means of development.

**(4) It the project feasible? – Technical, financial and institutional feasibility**

It is necessary to make the headquarters officer clearly understand that the project can be implemented by following the course explained above. It is highly important not only to examine technical feasibility but also to grasp the present situation of the target area (e.g., the natural and socioeconomic conditions, motivation of people, security conditions, etc.) and the financial, institutional and technical capacity of the prospective implementing agency. A check on the jurisdiction of the implementing agency is particularly important because it would be almost impossible to change the agency once the project is approved. Lessons that can be drawn from similar projects previously assisted by JICA and other donors in the recipient country would be useful in examining the feasibility of the project.

**(5) Is the project consistent with Japan’s ODA policy?**

With respect to consistency of the project with Japan’s ODA policy, the following questions would be asked in examining a requested project information sheet.

- Will it contribute to poverty reduction and human security?
- Is it consistent with the Country Assistance Program and the JICA Country Program?
- Is it based on the assistance policy and sector program formulated by the ODA-TF?
- Does it correspond to the priority areas designated by the overseas JICA office?
- Does it integrate agricultural development with rural development (i.e., how to improve the life of rural people) in accordance with the JICA Thematic Guidelines and the Approaches for Systematic Planning of Development Projects?
- Is the budget plan prepared by the Regional Department based on Japan’s ODA policy for the recipient country taken into consideration?

**(6) Is the project consistent with the development policy of the recipient country?**

The project, not only its objective but also implementation methods and input, must be consistent with the development policy and strategy of the recipient country. If agricultural development is pursued from the perspective of social development rather than for economic growth, for example, massive investment in productive infrastructure may be inappropriate.

**Table 3-2 Points of View of JICA Headquarters Officers for Examination of Requested Project Information Sheets (as expressed by the officers interviewed by the Study Team)**

Category	Points of View expressed by JICA Headquarters Officers
Comprehensive or combined points of view (comments)	<ul style="list-style-type: none"><li>• The headquarters respects the ideas and needs of the overseas offices and places emphasis on the effectiveness and efficiency of assistance.</li><li>• Are the background, goal, objective and expected outcomes of the project clear? In particular, is it clearly explained how the project will benefit the rural poor and what impact on their life it will bring about?</li><li>• Is the problem analyzed in terms of the farm economy? Will the project broadly benefit the people of the target area? What are major means of living in the area?</li></ul>

	<ul style="list-style-type: none"> <li>• Among JICA's Five Evaluation Criteria<sup>4</sup>, greater emphasis is placed on sustainability and impact of the project. Is the project designed to ensure sustainability and duplicability (as a model) after completion?</li> <li>• Are relevance, impact and sustainability examined? Can it become a model or pilot for projects to be implemented by the government of the recipient country?</li> <li>• Are lessons learned from previous projects included in the information sheet?</li> <li>• Is information sufficient to judge whether the project should be implemented presented in the information sheet? If not, the project may be considered "C".</li> <li>• Has information necessary for the project appraisal been collected?</li> <li>• What are fundamental needs of the beneficiaries? Can JICA financially and technically assist the project? Is the cost estimate reasonable? What is the significance of JICA's cooperation? Who will benefit most from the project?</li> <li>• Can the project be justified from a sector-wide perspective?</li> <li>• Have long-term linkages among various projects in the same sector been examined?</li> <li>• Was the project formulated through an interactive process with the government and related organizations of the recipient country?</li> <li>• Does the project lie in the priority area? Is it possible to recruit required experts? Is it necessary for Japan to assist the project? Where is the project site?</li> </ul>
(1)What is the problem to be tackled? – The problem and its background	<ul style="list-style-type: none"> <li>• Are the problem and its background clearly described?</li> <li>• Have the needs, enthusiasm, motivation and priorities of the implementing agency that cannot necessarily be seen in policy documents been grasped?</li> <li>• Is the problem to be tackled by the project correctly understood? Have major issues for tackling the problem been examined?</li> <li>• Have the problem and measures to solve it been analyzed?</li> <li>• Are the background and problem of the requested project clear?</li> <li>• Is the project suitable for filling the needs of the target area?</li> <li>• Is "the poor" defined? The situation of the poor varies depending on the country and the area and so does the appropriate project design. Information that can justify the target population and approaches is helpful in appraising the project.</li> </ul>
(2)What should be achieved? – The objective/goal and expected outcomes	<ul style="list-style-type: none"> <li>• Is the purpose of implementing the project clear?</li> <li>• Is the project objective clear? How will the project effects be utilized after completion?</li> <li>• Will the project bring about a positive impact on the life of rural people, not merely on agricultural productivity?</li> <li>• Who are the beneficiaries? The project should be formulated from their point of view.</li> <li>• The project should be comprehensive, be need-oriented and focus on the people.</li> <li>• Does the project objective correspond to peoples' needs?</li> <li>• In the case of phase II and follow-up projects, is continued assistance justifiable? It is not necessary to provide assistance immediately after the completion of the first phase but there are alternatives, e.g., dispatch of an expert, strengthening of less successful components, hand-over of the project to the recipient government, etc.</li> <li>• Can the project become a model after completion? The project should be formulated by taking into account the jurisdiction and capacity of the implementing agency.</li> <li>• Has the project been formulated from various points of view such as decentralization and regional development, not merely for agricultural development?</li> <li>• Are the position and way forward of the requested project in the sector made clear? This requires field experience and lessons learned from previous projects.</li> </ul>
(3)How can the objective/goal be achieved? – Activities and implementation methods	<ul style="list-style-type: none"> <li>• Are steps to achieve the project objective clearly described?</li> <li>• Are factors other than agriculture included for rural (comprehensive) development? Have life-improvement components such as health and education been examined?</li> <li>• Does the project take an approach to benefit not only farmers but also the entire population of the target area?</li> <li>• Does the project take an approach to extend its effects to surrounding areas? Will it involve local governments and include marketing components for that purpose?</li> <li>• Have the methods of extension of the developed technologies been examined? It is important to clarify how the recipient government can carry out extension activities. It is desirable to examine a plan for extension for the poor even in a research project.</li> <li>• Is JICA's role clear in generating a linkage between the development policy of the recipient country and activities to improve the life of rural people?</li> <li>• Is it explained how to promote collaboration between the implementing agency and other related institutions?</li> <li>• Is the development stage of the recipient country considered? It is practical to start with basic technological development and rural development for less developed countries, while regional cooperation can be assisted for more developed countries.</li> <li>• Is an appropriate size of assistance examined? If the need is clear, the traditional size</li> </ul>

<sup>4</sup> The five criteria are relevance, effectiveness, efficiency, impact and sustainability. For details, see Appendix.

	<p>of Japan's technical cooperation ("by five experts, for five years and with 500 million yen") could be justified. Otherwise, the project should be smaller-scaled, especially in countries to which JICA's budget allocation is smaller.</p> <ul style="list-style-type: none"> <li>• Has the scheme (e.g., technical cooperation, development study, dispatch of experts, grant aid, etc.) been determined based on the objective and activities of the project? For instance, technical cooperation would be more suitable for a research and extension project while development study would be more effective and efficient when the project is cross-sectoral and requires flexible provision of expertise.</li> <li>• Techniques applied in a project should be selected after analyzing needs and capacity of beneficiaries.</li> <li>• Have technologies been selected from spatial and human points of view, i.e., based on the needs of the people of the target area?</li> <li>• Is the project cost-effective?</li> <li>• Can it be imagined how the project will be completed? If not, the possibility of successful implementation is low.</li> <li>• Have lessons learned from previous projects been taken into consideration?</li> <li>• Are the logic of achieving the objective and relevance of the selected scheme clear?</li> <li>• Does the project include activities to empower the people of the target area and overcome their vulnerabilities in the light of human security?</li> <li>• Can the project become a model? It should be designed so as to be duplicated and disseminated in areas outside the target area.</li> </ul>
(4) Is the project feasible? – Technical, financial and institutional feasibility	<ul style="list-style-type: none"> <li>• Is the technical feasibility of the project clearly indicated?</li> <li>• Is it shown that the practicability of the project is high?</li> <li>• Is the situation of the target area understood? There is a need for information adequate to convince the Managing Director and Group Directors of the Rural Development Department as well as officials of the concerned ministries.</li> <li>• Is the implementing agency proper compared with other possible institutions? It is extremely difficult to change the implementing agency once the project is approved.</li> <li>• Is the implementing agency appropriate? Components to strengthen the institutional and financial capacity of the agency should be included to ensure sustainability.</li> <li>• Has the capacity of the central ministries been carefully examined, especially in the countries where decentralization is in progress?</li> <li>• Is the capacity and fiscal situation of the central government accurately grasped, especially for a project that would require large investment?</li> <li>• Is the institutional setup of the recipient country suitable for the implementation? For example, it would be difficult to cover several provinces in a federal state.</li> <li>• Has the budget of the recipient government been secured for the project? Can they assign full-time staff to the project? Is the prospective counterpart motivated?</li> <li>• Can the government of the recipient country assign counterpart personnel and allocate recurrent budget to the project?</li> </ul>
(5) Is the project consistent with Japan's ODA policy? (Points of view for examination may differ depending on the project objective.)	<ul style="list-style-type: none"> <li>• Is the project aligned with the priority areas designated by the Country Assistance Program and the JICA Country Program?</li> <li>• Is the project related to Japan/JICA's policy and the budget based on the policy?</li> <li>• Is the project in line with JICA's policy, i.e., poverty reduction and human security?</li> <li>• Does the project have a factor contributing to human security? If not, where can the project be situated in the overall sector program?</li> <li>• Does the project cope with poverty reduction and human security?</li> <li>• Does the project place emphasis on poverty reduction and human security?</li> <li>• Is there a balance between software, i.e., institution that links the central government (dissemination of the model), local governments (implementation) and rural areas (beneficiaries), and hardware, i.e., infrastructure and facilities?</li> <li>• Is the project linked with the strategies for the recipient country and region formulated by the Regional Department?</li> <li>• Is the project consistent with the ODA-TF assistance policies and the JICA Country Program? Projects must be formulated according to the policies, in coordination with other donors and by involving the implementing agency of the recipient country.</li> <li>• Is it shown how the life of rural people will be improved in terms of poverty reduction and human security? The Rural Development Department places emphasis on both agricultural development and rural development according to the Thematic Guidelines and the Approaches for Systematic Planning of Development Projects.</li> <li>• Is the project related to poverty reduction, human security and other development issues? In more advanced countries, the project could be formulated for some specific issues such as environment conservation rather than human security.</li> <li>• Is it clear why Japan should provide assistance?</li> <li>• Is the position of the project in the sector program clear?</li> <li>• Is the project significantly located in the sector program and/or development issues?</li> <li>• Are there consistency and complementarity among the requested projects in line with</li> </ul>



	<p>the sector program?</p> <ul style="list-style-type: none"> <li>• Is the project clearly prioritized?</li> <li>• Has the project been examined based on the budget plan for the next fiscal year?</li> <li>• Is the budget plan prepared by the Regional Department based on Japan's ODA policy for the recipient country taken into consideration? The overseas JICA offices prioritize projects in terms of budget, schemes and areas of assistance.</li> </ul>
(6) Is the project consistent with the development policy of the recipient country?	<ul style="list-style-type: none"> <li>• Is it clear how the project is related to the policy of the recipient country?</li> <li>• Is the project related to the policy of the recipient country?</li> <li>• It is desirable to implement projects that use local governments and communities as a platform in the countries where decentralization is in progress. Assistance to minimize regional gaps is also important. Are these points taken into consideration?</li> <li>• Has the role of the agriculture sector in economic development been re-examined for the countries whose fiscal situation is tight?</li> </ul>

Note: The Study Team has attempted to present all the comments made by the headquarters officers. Consequently, some are similar to others, but they are comments made by different officers.

Source: Prepared by the Study Team based on interviews conducted at the JICA headquarters.

Table 3-3 presents some definitions of “an excellent project” provided by the JICA headquarters officers interviewed by the Study Team. It would be more convincing to them if these points are incorporated into requested project information sheets. However, it should be noted that these are not JICA’s official views but their personal views.

**Table 3-3 Definitions of “Excellent Project” provided by JICA Headquarters Officers**

Category	Definition of “Excellent Project”
Project framework	<ul style="list-style-type: none"> <li>• A project whose background, problem, objective and steps to achieve the objective are defined.</li> <li>• A project formulated by taking into account various conditions of the recipient country, e.g., the development stage, fiscal situation and decentralization.</li> </ul>
Policies and development plans	<ul style="list-style-type: none"> <li>• A project that copes with major development issues, for example, human security and poverty reduction.</li> <li>• A project consistent with the ODA-TF assistance policies and the JICA Country Program based on the Country Assistance Program of the Japanese government.</li> <li>• A project whose alignment with the program goal and relationship with other projects in the program are clearly indicated.</li> </ul>
Approaches to achieve the project objective	<ul style="list-style-type: none"> <li>• A project that focuses on rural people. For example, a project that aids primarily at improvement of the life of rural people rather than productivity increase.</li> <li>• A project that links the central government, local governments and rural communities. For a country where decentralization is in progress, for example, a project in which the central government plays a role in monitoring and disseminating the impact, local governments in implementation and rural communities as proactive beneficiaries.</li> </ul>
Impacts and outcomes	<ul style="list-style-type: none"> <li>• A sustainable project, i.e., a project that balances software (policy support, institution building, etc.) with hardware (improvement of infrastructure and facilities) so that its impacts will be sustained after completion.</li> <li>• A sustainable project, i.e., a project whose activities can be continued by using locally available resources (including human resources and institutions) in the target area.</li> <li>• A project whose impacts will be disseminated as a model outside the target area.</li> <li>• A project that requires less input but is expected to bring about a positive impact.</li> <li>• A project that can be completed without subsequent phases or follow-ups.</li> </ul>
Project formulation process	<ul style="list-style-type: none"> <li>• A project based on lessons learned from previous projects.</li> <li>• A project formulated through transparent discussions with the parties concerned from various points of view.</li> <li>• A project formulated through day-to-day contact with the government officials and stakeholders of the recipient country.</li> </ul>

Note: These are not JICA’s official views but personal views of the headquarters officers interviewed by the Study Team.

Source: Prepared by the Study Team based on interviews conducted at the JICA headquarters.

### 3.3 Information Required for Project Appraisal at the JICA Headquarters

Table 3-4 shows information required by the headquarters officers for their project appraisal. The overseas offices are expected to collect these kinds of information in the course of project

formulation so that it can be promptly provided to the headquarters upon request. Although some of them may be obtained during ex-ante evaluation, the provision of information would facilitate decision-making by the JICA headquarters and the Ministry of Foreign Affairs.

**Table 3-4 Information Required for Project Appraisal at the JICA Headquarters**

1. Project Framework	Types of Information Required by the Headquarters
The problem and its background	<ul style="list-style-type: none"> <li>The roles of agriculture and rural development in social and economic development of the recipient country</li> <li>Complementarities among projects in the sector program</li> <li>Problem analysis from the point of view of the farm economy (management)</li> <li>The possibility of obtaining information necessary for formulation and appraisal of the project such as statistics, maps and references</li> </ul>
Activities and implementation methods	<ul style="list-style-type: none"> <li>Examination results of activities and methods of widely benefiting the people of the target area</li> </ul>
Target area	<ul style="list-style-type: none"> <li>Appropriateness of the target area (For example, it is advisable not to include several provinces in a federal state.)</li> </ul>
Lessons learned from previous projects	<ul style="list-style-type: none"> <li>Existence of similar projects, completed and/or on-going, assisted by other donors and by JICA itself within the target area or the country</li> <li>Lessons learned from those projects</li> </ul>
Duplication or collaboration with other donors	<ul style="list-style-type: none"> <li>Significance of JICA's assistance if some other donor is assisting a similar projects</li> <li>The possibility of collaboration with the donor assisting a similar project</li> <li>The possibility of JICA's assistance for the project in a country with SWAp.</li> </ul>
Consensus with the recipient government	<ul style="list-style-type: none"> <li>Consensus with the recipient government and the prospective implementing agency on the project objective, activities, input, methods, timing, etc.</li> </ul>
2. Situation of the Recipient Country	Types of Information Required by the Headquarters
Policies and development plans	<ul style="list-style-type: none"> <li>Consistency with the national policy and development plan of the recipient country</li> <li>Alignment of activities and input with the policy framework of the recipient country</li> </ul>
Implementing agency (counterpart agency)	<ul style="list-style-type: none"> <li>Appropriateness of the prospective implementing agency in terms of its jurisdiction and capacity compared with other possible institutions of the recipient country</li> <li>Effects of the market economy, privatization and decentralization on the roles of the prospective implementing agency</li> <li>Priority issues of the implementing agency that may not be explicitly explained with the national policy and development plan of the recipient country</li> <li>The capacity (potential) of the implementing agency to disseminate the impacts of the project outside the target area</li> </ul>
Fiscal situation	<ul style="list-style-type: none"> <li>Appropriateness of the project scale with respect to the fiscal situation of the recipient country, i.e., can the government provide counterpart funds to the project?</li> <li>The amount of budget, recurrent costs in particular, to be allocated to the project</li> </ul>
Project formulation and approval process	<ul style="list-style-type: none"> <li>The process of project formulation, i.e., is it done through day-to-day contact with the government officials and stakeholders of the recipient country?</li> <li>Procedures for the project implementation after approval</li> <li>Conditions that could affect the project implementation, e.g., laws and public finance</li> </ul>
Situation of the target area and beneficiaries	<ul style="list-style-type: none"> <li>The socio-economic, cultural and political situation of the prospective beneficiaries (including the definition of "the poor" if necessary)</li> <li>Principal means of living in the target area</li> <li>Needs of the target area and beneficiaries and relevance of the project to the needs</li> <li>The perception of the prospective beneficiaries about the project and possible collaboration with them in the project implementation</li> <li>The natural and socio-economic conditions and security situation of the target area</li> </ul>
3. Situation of Japan	Types of Information Required by the Headquarters
ODA Policy	<ul style="list-style-type: none"> <li>Conformity with the Country Assistance Program and the JICA Country Program</li> <li>Consistency with JICA's policy, especially poverty reduction and human security</li> <li>Alignment with the assistance policy and sector program formulated by the ODA-TF</li> <li>Conformity with the priority areas set by the overseas office</li> <li>Utilization of the JICA Thematic Guidelines and the Approaches for Systematic Planning of Development Projects</li> </ul>
JICA's budget	<ul style="list-style-type: none"> <li>Incorporation of the budget information provided by the Regional Department</li> <li>Prioritization according to the budget constraints set by the headquarters</li> </ul>
Other policies	<ul style="list-style-type: none"> <li>Consideration of any boomerang effect on Japan's agriculture</li> </ul>

Note: These are not JICA's official views but personal views of the headquarters officers interviewed by the Study Team.

Source: Prepared by the Study Team based on interviews conducted at the JICA headquarters.

#### 4. The Bangladesh Model and Its Significance for Project Formulation

Table 4-1 compares the number of the projects approved by the Ministry of Foreign Affairs for Bangladesh with that for Country A (anonymous but a country in South Asia). Three out of the four requested projects in the field of agriculture and rural development presented by the JICA Bangladesh Office were approved for FY 2005, while seven out of 14 projects were brought into implementation for FY 2003. The overall approval rates also increased from 20% in FY 2003 to 60% in FY 2005.

**Table 4-1 Approval of Requested Projects in Bangladesh and Country A in FY 2003 - FY2005**

		Bangladesh				
		Total	O (A/B)	(C)	X (D)	% of O
FY 2003	All JICA	51	10	6	35	20
	Former Agricultural Development Cooperation Department plus Agriculture, Forestry and Fisheries Development Study Department	10	2	3	5	20
FY 2004	All JICA	43	20	3	20	47
	Two Former Agricultural Departments (ditto.)	6	2	0	4	33
FY 2005	All JICA	43	26	2	15	60
	Rural Development Department	4	3	0	1	75
		Country A				
		Total	O (A/B)	(C)	X (D)	% of O
FY 2003	All JICA	92	16	19	57	17
	Former Agricultural Development Cooperation Department plus Agriculture, Forestry and Fisheries Development Study Department	14	7	4	3	50
FY 2004	All JICA	122	19	13	90	16
	Two Former Agricultural Departments (ditto.)	15	0	0	15	0
FY 2005	All JICA	66	19	3	44	29
	Rural Development Department	7	3	2	2	43

Notes: 1) "All JICA" includes all the newly requested projects whose information sheets were submitted by the overseas offices to the headquarters (i.e., those in the requested project information database at the headquarters).  
 2) The columns for O and refer to the number of projects for which the overseas offices were informed of the appraisal results, while those for X to the number of projects for which the overseas offices were informed of the appraisal results plus the number of projects that were not examined by the JICA headquarters.  
 3) O in FY 2003 corresponds to A and B in FY 2004 and thereafter, to C and X to D, following the change in the evaluation system of requested projects in FY 2004 (See Table 3-1).

Source: Prepared by the Rural Development Department based on the requested project information database.

The increased number of approved projects can be attributed to the approach to project formulation practiced by Japan's ODA-TF in Bangladesh since 2001. The approach, called "the Bangladesh Model", is characterized as selection and concentration through collaboration among the members of the ODA-TF, namely, the Embassy of Japan, JICA and JBIC. While it is pointed out that the increase is due to the inclusion of phase II projects and concentration of assistance on a capable implementing agency (i.e., the Local Government Engineering Department),<sup>5</sup> the Rural Development Department recognizes the effectiveness of project formulation based on the sector program prepared by the ODA-TF.<sup>6</sup>

Based on this recognition, this chapter discusses the background, objective, activities and issues for future improvement of the Bangladesh Model.

<sup>5</sup> Based on the interview conducted at the JICA Bangladesh Office on February 27, 2005.

<sup>6</sup> Pointed out by the Group III Director of the Department during the interview conducted on March 8, 2005.



## 4.1 The Bangladesh Model: Background, Objective and Activity

### 4.1.1 Background: Environment surrounding Japan's ODA to Bangladesh

A large number of bilateral and multilateral donors provide financial and technical assistance to Bangladesh, coordinating each other by forming the Local Consultative Group (LGC) that has more than 20 sub-groups organized by sub-sector. Local and international NGOs are also actively engaged in development activities, particularly for social and rural development. The donors are expected to contribute to poverty reduction in the unified framework of the Interim Poverty Reduction Strategy Paper (I-PRSP), or A National Strategy for Economic Growth, Poverty Reduction and Social Development, formulated in 2003 for the goal of halving the incidence poverty by 2015, following the Millennium Development Goals (MDGs).

In this situation, Japan, the second largest donor to Bangladesh after the World Bank, has been driven to present the definite direction of its ODA policy to the donor community and provide assistance more effectively contributing towards the national goal of Bangladesh by pulling together locally available resources including the ODA-related organizations. In the meantime, JICA has been accelerating the reorganization of various projects under a sector program with a single development objective. Thus, the JICA Bangladesh Office has sought to formulate sector programs in collaboration with the Embassy of Japan and JBIC in Bangladesh. These moves were the genesis of the Bangladesh Model.

### 4.1.2 Objective: Overcoming constraints on implementation of Japan's ODA

The Bangladesh Model aims at overcoming the following constraints on the planning and implementation of Japan's ODA.<sup>7</sup>

- A limited number of officials and experts engaged in ODA implementation
- Inadequate accumulation of knowledge and information on priority areas and sectors of Japan's ODA to Bangladesh in the ODA-related organizations as a whole
- Absence of a comprehensive policy or plan for various development assistance schemes such as grant aid, technical cooperation and loan aid

**Table 4-2 "Selection, Concentration and Collaboration" under the Bangladesh Model**

Selection	<ul style="list-style-type: none"><li>• Selection of high priority sectors and priority sectors for Japan's ODA taking into account the Country Assistance Program for Bangladesh, ongoing and past Japan's ODA to Bangladesh, the development strategies and plans of the Bangladesh government and the situation of assistance by other donors.</li></ul>
Concentration	<ul style="list-style-type: none"><li>• In order to enhance the effectiveness and efficiency of ODA, the available aid resources for input, staff deployment and aid coordination, etc. are concentrated in the high priority and priority sectors.</li><li>• A sector working group (SWG) is established for each high priority or priority sector for the purpose of sharing and systematically building vital knowledge.</li></ul>
Collaboration	<ul style="list-style-type: none"><li>• The Embassy of Japan, the JICA Office and the JBIC Office in Bangladesh assign personnel to each SWG cross-organizationally.</li><li>• The three organizations jointly participate in discussions with the Bangladesh government and aid coordination and share the obtained information among the organizations.</li><li>• Collaboration and communication with Japanese NGOs and private enterprises are strengthened through the Study Group on Development Assistance to Bangladesh.</li><li>• Efforts are made to share information with other members of the donor community through the website of the Embassy of Japan, mailing lists, study meetings, etc.</li></ul>

Source: Embassy of Japan in Bangladesh (<http://www.bd.emb-japan.go.jp/collab1.htm>).

<sup>7</sup> Embassy of Japan in Bangladesh (<http://www.bd.emb-japan.go.jp/collab1.htm>).

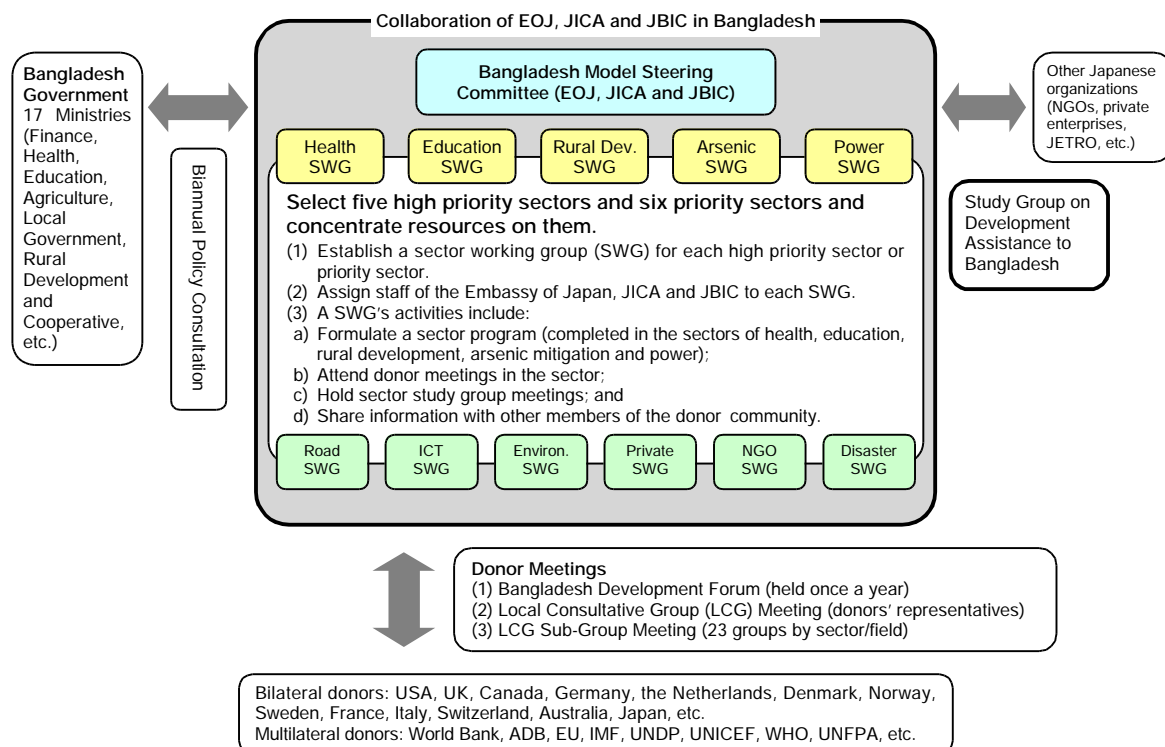
The main characteristic of the Bangladesh Model is to “select, concentrate and collaborate” for the efficient utilization of human resources of the ODA-related organizations, i.e., the Embassy of Japan, JICA and JBIC, as explained in Table 4-2 above. It is an attempt to implement ODA in a unified and coherent manner. “Collaboration” also includes information sharing and coordination with the Bangladesh government, other Japanese organizations (NGOs, private enterprises, academics, etc.), other donors and NGOs with a view to providing assistance most effectively and efficiently under the conditions existing in Bangladesh.

#### 4.1.3 Activity: Realizing “Selection, Concentration and Collaboration”

##### (1) Formulation of sector programs for priority sectors through collaboration

The first activity under the Bangladesh Model was to set up a steering committee involving the Embassy of Japan, JICA, JBIC and JETRO, which joined in the model later. The establishment of an environment for collaboration would facilitate the formulation and implementation of projects in a unified and coherent manner. The ODA-TF encourages not only free and open discussions among its members but also information sharing with the people outside the ODA-TF through the website of the Embassy of Japan in Bangladesh and the Study Group on Development Assistance to Bangladesh.

Second, five high priority sectors and six priority sectors have been selected in line with I-PRSP of Bangladesh as well as with the Country Assistance Program and the JICA Country Program for Bangladesh as indicated in Figure 4-1. The points taken into consideration in the selection are: 1) human and financial resources have been provided before or can be provided in the near future; and 2) there is a possibility of publicizing the impacts to the Bangladesh government and the donor community as well as to the Japanese public.



**Figure 4-1 Concept Chart of the Bangladesh Model**

Note: Currently, the total number of high priority sectors and priority sectors is twelve.  
 Source: Embassy of Japan in Bangladesh (<http://www.bd.emb-japan.go.jp/collab1.htm>).

Third, a sector working group (SWG) has been formed for each high priority or priority sector for the purposes of collecting and sharing information from the stage of project identification and formulation and of working together for aid coordination with other donors. Furthermore, a sector program has been formulated for each high priority sector to discuss and scrutinize the projects requested by the Bangladesh government (Table 4-3). The sector program is finalized through discussions with the Bangladesh government and other Japanese ODA stakeholders and then explained to the Bangladesh government at the annual policy consultation. It is expected to become a basis for requests to the Japanese government.

**Table 4-3 Agriculture and Rural Development Sector Program in Bangladesh formulated by the Japanese ODA-TF for FY 2004**

Item	Contents
Sector Issues	<ul style="list-style-type: none"> <li>• Low agriculture productivity and poverty in rural areas</li> <li>• Insufficient rural infrastructure</li> <li>• Weak local governance and participation</li> </ul>
Principles	<ul style="list-style-type: none"> <li>• Objective: To contribute to agriculture-based economic growth and poverty reduction in rural areas.</li> <li>• Major components:               <ol style="list-style-type: none"> <li>(1) Increase in income and productivity</li> <li>(2) Provision of rural infrastructure</li> <li>(3) Empowerment of local government institutions and the poor</li> </ol>               Coordination/collaboration among sub-sectors will be given importance for synergistic effects of the three components.             </li> <li>• Remarks:               <ol style="list-style-type: none"> <li>1) Establish feedback channels from the projects to the planning divisions of the central government.</li> <li>2) Encourage collaboration between the implementing agencies and other related agencies.</li> <li>3) Collaborate with other donors and NGOs for more effective assistance, if necessary</li> <li>4) Place special emphasis on the environment for sustainable agricultural development</li> </ol> </li> </ul>
Project Summary	<ol style="list-style-type: none"> <li>(1) Increase in Income and Productivity           <ul style="list-style-type: none"> <li>• Poultry Management Technique Improvement Project (PMTIP): Follow-up of Extension Planning to Small-scale Poultry Farmers (JICA) June 03 – June 05</li> <li>• Project Identification Study on Crop Sector Development and Diversification in Bangladesh (JICA) April 04 – March 05</li> <li>• Poultry Management Technique Improvement and Extension Project (Grant Assistance for Grassroots Human Security Projects) January – December 2005</li> <li>• In-Country Training for Improving Agricultural Production through Outreach Programme of Bangabandhu Shaikh Mujibur Rahman Agricultural University SMRAU (JICA) 2005 –</li> <li>• Poultry Technique Extension and Development Model Project (JICA) 2005 –</li> <li>• Advisor on Agriculture (JICA) 2005 –</li> </ul> </li> <li>(2) Provision of Rural Infrastructure           <ul style="list-style-type: none"> <li>• Northern Rural Infrastructure Development Project (JBIC) July 97-</li> <li>• Greater Faridpur Rural Infrastructure Development Project (JBIC) July 01- December 05</li> <li>• Rural Development Engineering Centre (RDEC) Setting-up Project (JICA) Jan. 03 – Jan. 06</li> <li>• Portable Steel Bridge Construction of Feeder and Rural Roads (Grant Aid) 2004 –</li> <li>• Master Plan Study on Small-scale Water Resources Development in Greater Mymensingh (JICA) July 04 – October 05</li> <li>• Eastern Bangladesh Rural Infrastructure Development Project (JBIC) March 05 –</li> <li>• Rural Development in Most Vulnerable Areas by Flood (Char &amp; Hoar) (Grant Aid) Oct. 05 –</li> <li>• Project for Strengthening of Activities in Rural Development Engineering Centre (RDEC) 06 –</li> </ul> </li> <li>(3) Empowerment of Local Government Institutions and the Poor           <ul style="list-style-type: none"> <li>• Participatory Rural Development Project Advisor (JICA) April 00 – April 05</li> <li>• Participatory Rural Development Advisor to LGED (JICA) April 03 –</li> <li>• Community Development (JOCV/JICA) 2002 –</li> <li>• Participatory Integrated Rural Development Project in Ishwarganji (JICA Partnership Program in collaboration with Shapla Neer, Japanese NGO) August 04 – July 08</li> <li>• Participatory Rural Development Project Phase 2 (JICA) 2005 – 2010</li> <li>• Capacity Building of Traditional and Elected Leaders for Development (Grant Assistance for Grassroots Human Security Projects) March 05 – February 06</li> </ul> </li> <li>(4) Coordination/Collaboration among Sub-sectors           <ul style="list-style-type: none"> <li>• Rural Infrastructure Development Advisor to LGED (JICA) July 02 –</li> <li>• Programme Coordinator for Rural Development (JICA) October 03 – (2years)</li> </ul> </li> </ol>

Sources: Japanese Embassy in Bangladesh, JICA Bangladesh Office and JBIC Representative Office in Dhaka, "Agriculture and Rural Development Sector Programme in Bangladesh (Draft for FY 2004)", January 19, 2005. (In Japanese)

Fourth and finally, a correlation diagram of projects in each sector is prepared to identify what should be added to achieve the sector objective. In some sectors, a rolling plan is also being formulated on trial to clarify the cost and implementation period of the ongoing projects, as well as the timing of introducing new projects and the budget necessary for them.

In other words, the Bangladesh Model is a framework in which each member makes an effort to find what he or she should do to make Japan's ODA more effective and efficient and to share the idea and information within the SWG and with the headquarters of each ODA-related organizations based on the perception: "If the fundamental issues of each sector are correctly understood and the direction of Japan's assistance is clearly shown to the government of the recipient country, then it would be possible to identify and formulate projects more definite and logically consistent with the sector program."

## (2) Annual activity cycle of the Bangladesh Model

The Bangladesh Model has developed an annual activity cycle as shown in Table 4-4.

**Table 4-4 Annual Activity Cycle of the Bangladesh Model**

Month	Schedule of Bangladesh Government	Schedule of Bangladesh Model/SWG
January	<ul style="list-style-type: none"> <li>Preparation of the national budget plan (first draft)</li> </ul>	<ul style="list-style-type: none"> <li>Internal discussions by sector</li> <li>Briefing on revised sector programs and new projects to the concerned ministries by respective SWGs</li> </ul>
February	<ul style="list-style-type: none"> <li>Inter-ministerial review meeting on the national budget plan, coordinated by the Ministry of Finance</li> </ul>	<ul style="list-style-type: none"> <li>Discussions on the implementation of each scheme in the next Japanese fiscal year</li> <li>Steering Committee Meeting</li> </ul>
March	<ul style="list-style-type: none"> <li>Preparation of the budget plan for donor-assisted projects by the Ministry of Planning</li> <li>Budget request to the Ministry of Finance on the Annual Development Programme (ADP)</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of rolling plans (Japanese and English versions)</li> <li>Finalization of revised sector programs (Japanese and English versions)</li> </ul>
April	<ul style="list-style-type: none"> <li>Inter-ministerial program committee meeting for approval of new projects in ADP, coordinated by the Ministry of Planning</li> </ul>	<ul style="list-style-type: none"> <li>Request to the ministries concerned for preparation of the Application Forms for Japan's Technical Cooperation</li> <li>Biannual Policy Consultation Meeting</li> </ul>
May	<ul style="list-style-type: none"> <li>Approval and incorporation of ADP into the national budget plan, coordinated by the Ministry of Finance</li> <li>Printing of the national budget plan for the next fiscal year</li> </ul>	
June	<ul style="list-style-type: none"> <li>Presentation of the national budget plan to Parliament</li> </ul>	<ul style="list-style-type: none"> <li>Formal request to the ministries concerned for preparation of the Application Forms for Japan's Technical Cooperation</li> </ul>
July	<ul style="list-style-type: none"> <li>Beginning of a new fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Reception of the Application Forms from the Bangladesh government by the Embassy of Japan</li> </ul>
August	<ul style="list-style-type: none"> <li>Request to each ministry for budget proposals for the next fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Submission of requested project information sheets to Tokyo by the Embassy of Japan</li> </ul>
September	<ul style="list-style-type: none"> <li>Local Consultative Group Meeting</li> </ul>	
October	<ul style="list-style-type: none"> <li>Submission of budget proposals by ministries to the Ministry of Finance</li> </ul>	<ul style="list-style-type: none"> <li>Biannual Policy Consultation Meeting</li> </ul>
November	<ul style="list-style-type: none"> <li>Compilation of ministerial budget proposals by the Ministry of Finance</li> </ul>	
December	<ul style="list-style-type: none"> <li>Examination of ministerial budget proposals by the Ministry of Finance</li> </ul>	

Notes: 1) The Bangladesh Model Steering Committee and the Study Group on Bangladesh Development Assistance hold meetings once every month, respectively.

2) Some SWG members attend the meetings of relevant sub-groups of the Local Consultative Group.

Source: Prepared by the Study Team based on information obtained from the Bangladesh Model Steering Committee, February 2005 (<http://www.bd.emb-japan.go.jp/collab1.htm>).

Characteristics of the Bangladesh Model activities can be summarized as follows.

- The activities are harmonized with the planning and budget process of the Bangladesh government as indicated in Table 4-4 above.
- The Embassy of Japan requests the Bangladesh government to prepare the Application Forms for Japan’s Technical Cooperation (and for other assistance schemes) upon the finalization of the Annual Development Programme (ADP) in April. This allows the Bangladesh government to scrutinize project proposals and prepare more realistic requests sufficiently in advance of the deadline for submitting the Application Forms in July.
- The steering committee holds policy consultation with the Bangladesh government twice a year to explain Japan’s ODA policy, including the Country Assistance Program and sector programs, and discuss ongoing and planned projects and other relevant issues. This contrasts well with the annual policy consultation led by Tokyo in most other countries.

## 4.2 Significance and Issues of the Bangladesh Model for Project Formulation

This section discusses the significance of the Bangladesh Model for project identification and formulation and issues for future improvement of the model based on the outline of the model described above and the interviews with the people concerned with the model conducted in Bangladesh in February – March 2005.

### 4.2.1 Major achievements in the agriculture and rural development sector

Table 4-5 summarizes the major achievements of the Bangladesh Model in the agriculture and rural development sector up to March 2005.

**Table 4-5 Achievements of the Bangladesh Model in the Agriculture and Rural Development Sector**

Selection	<p><b>Narrowing down of the main components</b></p> <ul style="list-style-type: none"> <li>• “Increase in income and productivity”, “provision of rural infrastructure” and “empowerment of local government institutions and the poor” are set as the main components (priority areas within the sector) based on such development issues as “low agriculture productivity and poverty in rural areas”, “insufficient rural infrastructure” and “weak local governance and participation” identified by the Agriculture and Rural Development SWG</li> <li>• Ongoing projects are reviewed to examine the relevance of Japanese assistance hitherto.</li> </ul>
Concentration	<p><b>Concentration of resources in the components mentioned above</b></p> <ul style="list-style-type: none"> <li>• The linkage among ongoing projects has been checked and ongoing and planned projects in the next five years have been examined for each of the main components for the unified and coherent implementation of assistance in the sector as a whole.</li> <li>• The preparation of a rolling plan is in progress as of March 2005 based on the sector program to determine the desirable timing for the introduction of new projects and their likely budgets.</li> </ul>
Collaboration	<p><b>Collaboration between the Embassy of Japan, JICA and JBIC, discussion with the Bangladesh government and coordination with other donors</b></p> <ul style="list-style-type: none"> <li>• All the three institutions have assigned representatives to the SWG to stimulate cross-organizational discussions.</li> <li>• Coordination between the main components has been promoted through the dispatch of a rural development (infrastructure) advisor to LGED and the assignment of a rural development program coordinator to the JICA office.</li> <li>• The Study Group on Development Assistance to Bangladesh has been formed to share and exchange information with other Japanese engaged in aid efforts. (The agriculture and rural development sector has been particularly active in cross-organizational discussions and study meetings on development assistance.)</li> <li>• An English version of the sector program has been prepared (a revised version is being prepared as of March, 2005) to indicate the direction of Japanese assistance in the sector to the Bangladesh government and other donors.</li> <li>• The sharing of information is promoted by using websites, mailing lists, etc.</li> </ul>

Source: Prepared by the Study Team based on the field study results and the Draft Agricultural and Rural Development Sector Programme (the final draft for FY 2004 published on January 19, 2005) formulated by the Embassy of Japan in Bangladesh, the JICA Bangladesh Office and the JBIC Representative Office in Dhaka.

The Agriculture and Rural Development SWG has just finished examining the relevance of Japanese assistance by reviewing ongoing and completed projects. According to the JICA Bangladesh Office, therefore, the SWG activities may not necessarily have contributed to the increase approval rate of new projects as shown in Table 4-1 above. The higher approval rate for FY 2005 is rather because many of the requests were phase 2 or follow-up projects and they are still struggling to get new projects approved at the headquarters.

Nevertheless, it can be considered a grand step towards effective project formulation that the Bangladesh Model has clarified the positions of ongoing projects in the sector program as well as the linkage among ongoing projects therein and that the ODA-related organizations meet regularly to share information and discuss important sector issues and goals.

In the Agriculture and Rural Development SWG, the JICA Rural Development Program Coordinator is vigorously engaged in coordination and management of the SWG activities as an assistant to the second secretary of the Japanese embassy who is the leader of the SWG. In addition, the members ardently discuss at the SWG meetings how they should support the agriculture and rural development of Bangladesh and seriously grapple with the issues in practice. These are the bases of the Agriculture and Rural Development SWG.

#### **4.2.2 Significance of the Bangladesh Model for project formulation**

In order to build a mechanism that enables the ODA-related organizations collaborate each other, the Embassy of Japan in Bangladesh takes the initiative in creating an environment for mature and proactive discussions among the ODA-TF members no matter which organization the member belongs to. It is remarkable that most of the persons interviewed by the Study Team in Bangladesh (including other donors) pointed out the strong leadership of the Japanese Ambassador to Bangladesh in promoting the Bangladesh Model.

With regard to collaboration with other donors, it is significant that the SWG members who participate in the LCG's sub-group meetings provide information about the policy and situation of Japan's ODA to other LCG members and share information about the moves of other donors with other SWG members to incorporate it into their activities. This is also a measure to overcome the limited human resources of the ODA-TF.

Coordination among different organizations is vital for the promotion of the Bangladesh Model. However, it also requires "a coordination cost", i.e., time and patience of the participants. What is particularly important for smooth coordination is that the participants can find sufficient advantages to justify the cost and clearly recognize the incentives for coordination. It is believed that coordination among the members of the Bangladesh Model has moved forward because of the following advantages and incentives.

- As members discuss various issues with people of different organizations, they develop the ability to formulate and design projects from diverse points of view.
- The emphasis on discussions on equal ground makes them both useful and pleasant.
- "Better outcomes" and "higher evaluation results" can be achieved through coordination among different projects.
- Many members are aware of the importance of the Japanese government's policy of promoting field-oriented/led assistance.
- As the Bangladesh Model is attracting much attention from those engaged in Japan's ODA, participation in the model gives the members a sense of social satisfaction.

Although the Bangladesh Model values communication with the Bangladesh government through the biannual meetings, the LCG meetings and day-to-day contact, it seems to be less emphasized compared with collaboration and coordination among the Japanese ODA-related organizations and with other donors. This may stem from the limited leadership and capacity of the Bangladesh government as pointed out by the Bangladesh Model members as well as by other donors and national and international NGOs.

Other significant points of the Bangladesh Model include: 1) the sharing of information on the Bangladesh Model and SWG activities with people outside the model through the website of the Japanese embassy; and 2) the sector rolling plans to grasp the possible implementation period and budget size of all Japanese ODA projects in the high priority sectors as well as to inform the Bangladesh government of the same. The first point is considered outstanding in view of the traditional way of discussion on Japan's ODA in general and project formulation in particular, both of which take place only within certain circles of the Japanese government and ODA-related organizations.

#### **4.2.3 Issues for effective project formulation**

Main issues for future improvement of the Bangladesh Model pointed out by the Embassy of Japan and the JICA Bangladesh Office are: 1) concrete contribution to expanding the positive impacts of Japan's ODA; 2) enhancement of consistency between policy and implementation; 3) information sharing from project formulation through implementation to evaluation; and 4) consolidation of the division of functional responsibilities among the Japanese ODA-related organizations in Bangladesh.

Taking the above into account, the Study Team has identified the following issues for future improvement of the Bangladesh Model, especially in the light of more effective and efficient project formulation. The issues are divided into those related to "selection and concentration", which are integral to each other, and those related to "collaboration".

##### **A. Issues related to "Selection and Concentration"**

###### **(1) Logical consistency of individual projects with the sector program**

It is necessary to examine areas/fields to be assisted by Japan based on the situation analysis, the sector program and the correlation diagram of ongoing projects prepared by the Agriculture and Rural Development SWG. Examination by paying attention to logical consistency of individual projects with the sector program would facilitate the formulation of a project most appropriate within the framework of the sector program. Under the Bangladesh Model that includes different ODA-related organizations, it is important to clarify which assistance scheme (e.g., technical cooperation, grant aid, loan aid, etc.) should be the principal means to tackle a core problem indemnified by the sector analysis and how other schemes/projects should be related to the principal means and to each other.

In addition to the rolling plan currently prepared by the SWG, it would be necessary to introduce program evaluation, i.e., to evaluate how individual projects contribute to achieving the objectives of the sector program, in order to strengthen the consistency of individual projects with the sector program.

###### **(2) Examination of lessons learned from previous projects assisted by Japan**

The Bangladesh Model is preparing a list of projects implemented in the past 30 years, which



will be used as a reference for new project formulation and follow-up and as information for the public. It is advisable to draw systematically lessons from those projects based on which “an excellent project” should be defined in the context of agriculture and rural development in Bangladesh. Such an effort would contribute to improving the impact of Japan’s ODA.

## **B. Issues related to “Collaboration”**

### **(1) Collaboration with the Bangladesh government**

As implied above, collaboration with the Bangladesh government has yet to be strengthened. The following three areas of collaboration can be underscored.

First, it is important to ensure that the Bangladesh government allocates recurrent budget and assigns counterpart personnel to the project. This kind of collaboration is essential to internalizing knowledge and technology transferred by the project after its completion and thus to sustaining the effects brought about by the project.

Second, it is desirable to carry out monitoring activity in collaboration with the Bangladesh government. Currently, the SWG leaders are responsible for monitoring, as well as for the formulation of the respective sector policies and programs. Therefore, it is also necessary to improve the monitoring system of the Japanese ODA-related organizations in Bangladesh.

Third, it would be worth trying to have a positive influence on the development policies and plans of the Bangladesh government through the biannual policy consultation with a view to strengthening their ownership and leadership for self-reliant development.

### **(2) Coordination with other donors**

It is necessary to coordinate with other donors to avoid duplication of efforts since many other donors and NGOs are providing assistance in the field of agriculture and rural development in Bangladesh. However, collaboration is difficult in practice because each donor has own procedures for project formulation and implementation and may have to obtain approval from its headquarters on a matter agreed upon with other donors. Moreover, it usually takes a long time to build a consensus among various donors.

Although SWAp has not been introduced in the agricultural sector of Bangladesh, donors have virtually agreed to coordinate each other at the policy level to improve the overall efficiency and effectiveness of development efforts of the donor community. Therefore, it is important to render support in collaboration with other donors to create an environment that would facilitate the government-led stakeholder coordination. The collaboration would also provide the Japanese ODA-TF with an opportunity to explain Japan’s ODA policy and practice to the donor community and also to learn other donors’ strategies and experience in the sector, based on which the strategy and implementation methods of Japan’s ODA could be re-examined.

### **(3) Networking of training program participants**

The Bangladesh Model plans to involve those who have participated in Japan’s ODA training programs into the process of project formulation and staff recruitment. It would be possible to establish a network of those ex-participants with the help of their association. It is also important to utilize local and regional consultancy expertise wherever possible and make explicit efforts to develop local consulting capabilities.



#### (4) Utilization of accomplished Bangladeshi staff

It can be suggested that the accomplished Bangladeshi staff of the JICA office should be fully utilized to promote the Bangladesh Model. While Japanese officers are generally transferred back to the headquarters after a few-year assignment, many of them have long been engaged in the present work and therefore more knowledgeable about the system and process of development planning and project implementation of Bangladesh.

In order to involve them effectively into the Bangladesh Model, it is essential to explain to them both verbally and in written form the policies, schemes, procedures and other matters relevant to Japan's ODA in general and JICA's assistance in particular. It would also be necessary to provide them with professional training and other types of incentives.

#### (5) Consolidation of the sector programs in Japan's ODA policy

It is vital to consolidate the position of the sector program formulated by SWG within Japan's ODA policy. At present, it is not a program officially approved by the Ministry of Foreign Affairs and JICA headquarters, though both organizations generally recognize it as a unified view of the ODA-TF developed through numerous discussions by the TF members and agreed upon with the Bangladesh government. Important is a standpoint that respects ideas and efforts of the overseas offices. This is also to practice JICA's policy of "the decentralization of decision-making authority from the headquarters to each overseas office".<sup>8</sup>

### 4.3 Information Collection Methods of the JICA Bangladesh Office

As reported in Chapter 3, the importance of gathering information (making it available upon the request of the JICA headquarters) required for the appraisal of requested projects was repeatedly stated during the interviews conducted at the headquarters. In the Bangladesh Model, the requirements of the headquarters for requested projected information sheets are met by the group effort of active information sharing and the exchange of views among the SWG members and with resource persons in Bangladesh and elsewhere, which is often beyond the capacity of individual officers. Table 4-6 illustrates activities of the JICA Bangladesh Office for each of the assumed roles in project formulation explained in Section 2.2, while Table 4-7 presents the information collection methods practiced by the JICA office.

**Table 4-6 Activities of the JICA Bangladesh Office for Project Formulation**

Assumed roles	Activities of JICA Bangladesh Office
1. Consultation and coordination with ODA-TF	<ul style="list-style-type: none"><li>The JICA office, as a technical cooperation agency, utilizes field-level information and knowledge obtained from the experts, JOCVs and consultants in the formulation of the sector program by the SWG.</li></ul>
2. Consultation and coordination with the government of the recipient country and other development partners	<ul style="list-style-type: none"><li>The Bangladesh Model Steering Committee holds policy consultation with the Bangladesh government twice a year to explain Japan's ODA policy.</li><li>The JICA staff members who participate in the biannual meetings explain the sector program to the Bangladesh government (at director-level meetings).</li><li>The JICA staff members (Japanese and Bangladeshis) who participate in LCG meetings provide information about Japan's programs/projects to the LCG members and collect information about the moves of other donors.</li></ul>
3. Interview with JICA experts, consultants and other resource persons	<ul style="list-style-type: none"><li>JICA staff members conduct interviews with knowledgeable persons in Bangladesh and utilize the obtained information in project formulation.</li><li>JICA staff members in each sector participate in study meetings attended by people in and outside the Bangladesh Model and utilize the obtained information in project formulation.</li></ul>

<sup>8</sup> Japan International Cooperation Agency, "JICA Organization Reform", April 2004 (?). (Pamphlet)

4. Examination of project feasibility	<ul style="list-style-type: none"> <li>• A correlation diagram of projects in each high priority sectors is prepared to identify what should be added to achieve the sector objective by constructing logical consistency of individual projects with the sector program.</li> <li>• In some sectors, a rolling plan is also being formulated on trial to clarify the costs and implementation period of the ongoing projects, as well as the timing of introducing new projects and the budget necessary for them.</li> <li>• The JICA office preliminarily screens requested projects.</li> <li>• It tries to create an environment in which JICA staff members (Japanese and Bangladeshis), experts and JOCVs could express his/her opinions freely.<sup>(*)</sup></li> </ul>
5. Preparation and submission of requested project information sheets	<ul style="list-style-type: none"> <li>• The JICA office explains the sector program to the Bangladesh government and asks them for comments on the program before April so that the latter could better understand Japan's policies and make feasible requests.</li> <li>• The Embassy of Japan requests the Bangladesh government to prepare the application forms for Japan's assistance in April. This allows the Bangladesh government to start preparing requests sufficiently in advance of the deadline for submitting the application forms in July.</li> </ul>

Note (\*):The JICA Bangladesh Office considers that the involvement of Bangladeshi staff could facilitate the sharing of information and knowledge within the office and consequently the strengthening of the Bangladesh Model.

Source: Prepared by the Study Team based on information obtained from the JICA Bangladesh Office.

**Table 4-7 Information Collection Methods of the JICA Bangladesh Office**

1. Project Framework	Information Collection Methods of JICA Bangladesh Office
The problem and its background	<ul style="list-style-type: none"> <li>• Discuss the relevance of requested projects to Bangladesh's policy at SWG meetings.</li> <li>• Collect information extensively by inviting people outside the Bangladesh Model to the steering committee meetings and SWG study meetings.</li> <li>• Try to construct a database of ongoing and completed projects.</li> </ul>
Activities and methods	• The same as above
Target area	• The same as above.
Lessons learned from previous projects	• The same as above.
Duplication or collaboration with other donors	<ul style="list-style-type: none"> <li>• Learn other donors' experience by participating in LCG's sub-group meetings.</li> <li>• Present the situation and results of Japanese-assisted programs/projects to LCG members and obtain comments and advice from them.</li> </ul>
Consensus with the recipient government	<ul style="list-style-type: none"> <li>• Present Japan's policy to the Bangladesh government at the biannual meetings.</li> <li>• Screen requested projects based on Japan's policy and discuss the short list.</li> <li>• Explain Japan's selection criteria based on the sector program to the Bangladesh government and obtain an understanding of the results of prioritization and selection.</li> </ul>
2. Situation of the Recipient Country	Information Collection Methods of JICA Bangladesh Office
Policies and development plans	<ul style="list-style-type: none"> <li>• Understand Bangladesh's policies and ideas through the biannual meetings.</li> <li>• Formulate sector programs based on I-PRSP.</li> <li>• Interview local resource persons in the priority sectors.</li> </ul>
Implementing agency (counterpart agency)	• Foster good relationships with reliable agencies such as LGED and continue long-term relationships with mutually trusted agencies such as BRDB.
Fiscal situation	• The same as above.
Project formulation and approval process	<ul style="list-style-type: none"> <li>• Invite the Ministry of Foreign Affairs and the Ministry of Finance in addition to the prospective implementing agency to the biannual policy consultation meetings.</li> <li>• Involve Bangladeshi staff members knowledgeable of the approval process.</li> </ul>
Situation of the target area and beneficiaries	<ul style="list-style-type: none"> <li>• Utilize the information and knowledge on the conditions of rural areas accumulated through research and technical cooperation with BRDB since the 1980s.</li> <li>• Actively share and exchange information with the JBIC office.</li> <li>• Collect information extensively by inviting people outside the Bangladesh Model to the steering committee meetings and SWG study meetings.</li> <li>• Interview local resource persons in the priority sectors.</li> </ul>
3. Situation of Japan	Information Collection Methods of JICA Bangladesh Office
ODA Policy	<ul style="list-style-type: none"> <li>• Actively share and exchange information with the headquarters.</li> <li>• Discuss the consistency of requested projects with Japan's policy at SWG meetings.</li> </ul>
JICA's budget	<ul style="list-style-type: none"> <li>• Refer principally to the previous year's budget.</li> <li>• Formulate a rolling plan to grasp the budget necessary for ongoing and new projects.</li> </ul>
Other policies	<ul style="list-style-type: none"> <li>• Discuss the feasibility of requested projects in various aspects at SWG meetings.</li> <li>• Collect information extensively by inviting people outside the Bangladesh Model to the steering committee meetings and SWG study meetings.</li> </ul>

Source: Prepared by the Study Team based on interviews with the staff of the JICA Bangladesh Office and the Embassy of Japan (including its website <http://www.bd.emb-japan.go.jp/collab1.htm>).

## **5. Lessons of the Bangladesh Model and Recommendations for Effective Formulation of Agriculture and Rural Development Projects**

### **5.1 Lessons Learned from the Bangladesh Model**

This section presents lessons learned from the Bangladesh Model for project identification and formulation in the field of agriculture and rural development. It is believed that these lessons will contribute to an increased approval rate of agriculture and rural development projects for other recipient countries.

#### **5.1.1 Select high priority sectors and formulate sector programs**

It is essential to select priority sectors/areas based on Japan's assistance policies and capacity, as well as on the development policies and capacity of the recipient country, in order to utilize fully the limited resources of the Japanese ODA-related organizations. The Bangladesh Model has set high priority sectors and priority sectors, taking into consideration the size of the aid resources available on the Japanese side and overall development needs. For the high priority sectors, the SWGs have formulated a sector program for their respective sectors. Agriculture and rural development is one of the high priority areas.

Each SWG has also prepared or is preparing a correlation diagram of ongoing projects to identify and formulate projects consistent with the sector objective. In some sectors, a rolling plan is also being formulated on trial to grasp the size of possible assistance vis-à-vis the expected financial resources, the timing of introducing new projects and the budget necessary for them. Information obtained from other Japanese concerned with ODA, the Bangladesh government and other donors is incorporated into the sector programs and rolling plans. Thus, this is considered a planning process that makes the most of field information.

The identification and formulation of projects based on such a sector program, correlation diagram and rolling plan will secure "the logical consistency of projects", enabling the preparation of requested project information sheets that are backed by rich background information and are, therefore, highly persuasive.

#### **5.1.2 Collaborate with ODA-related Japanese and have transparent discussions**

The greatest advantage of the ODA-TF that is positively functioning is that it can increase the possibility of reflecting JICA's experience in field operations in Japan's assistance policies and the possibility of formulating and implementing projects that conform to the policies. The coherence in policy and implementation could be a good guiding principle in the formulation of projects clearly orientated towards the development goals of the recipient country.

A project that conforms to the policies set forth by the ODA-TF is highly persuasive vis-à-vis the JICA headquarters and is, therefore, likely to be evaluated as a Grade A or Grade B project. Discussions within the ODA-TF based on a strong awareness of the problems that face individual members of the task force not only signify the diversification of points of view but also create a sense of unity among the participants and the feeling that they are part of the efforts of "Japan as a nation" to develop valuable projects for the recipient country.

However, the positive effects described above can be achieved only through transparent discussions and a sense of trust and equality among the participants disregarding their official

positions. The contents of the discussions at ODA-TF meetings should be disclosed as much as possible to ensure logical consistency without undue emphasis on the opinions of certain members. Therefore, the ODA-TF in Bangladesh promotes information sharing within and without through websites, mailing lists, study meetings, etc. Activity from policy formulation to implementation incorporating the voices inside and outside the ODA-TF is an important achievement of the Bangladesh Model.

### **5.1.3 Utilize rich knowledge of the socioeconomic situation of rural areas of the recipient country**

One reason for the successful formulation of the agriculture and rural development sector program by the ODA-TF in Bangladesh is the existence of rich knowledge of the socioeconomic situation and administrative mechanisms of rural areas of Bangladesh which has been accumulated through long-standing efforts such as the Joint Study on Agricultural and Rural Development (JSARD), the Joint Study on Rural Development Experiment (JSRDE) and the Participatory Rural Development Project (PRDP), all assisted by JICA.

For the effective utilization of field experience and knowledge for the formulation of a sector program, a significant factor is the involvement of knowledgeable persons of which a typical example is the expert assigned to the Bangladesh Rural Development Board (BRDB) as an advisor on participatory rural development administration. JICA's rural development program coordinator is also playing an important role in facilitating smooth coordination and transparent discussions of the Agriculture and Rural Development SWG.

### **5.1.4 Grasp clearly the jurisdiction and capacity of the implementation agency and establish of a good relationship with them**

The jurisdiction and capacity of a government agency generally change when the policies, the organizational structure and/or the person in charge changes. In recent years, many governments have been making reform efforts, particularly in the field of agriculture and rural development, due to the shift towards a market economy, privatization and decentralization and attention must be paid to these changes. Constant information gathering from the relevant government officials of the recipient country is vital to understand properly the nature and extent of these changes. It is important to formulate a project compatible with the jurisdiction and capacity of the assumed implementing agency in close collaboration with them.

There are some cases in which the sustainability of a project is jeopardized due to the limited capacity of the implementing agency in terms of finance and personnel. When the capacity of the assumed implementing agency is questionable or uncertain, it is necessary to alter the purpose of the project to the establishment of a viable project implementation system and/or the strengthening of the capacity of the implementing agency and its staff, or to re-examine the project framework, including reselection of the implementation agency and scaling-down of the project. In other words, project formulation through consultation with the prospective implementing agency can be considered to constitute a foundation for finding measures, or even a step itself, to strengthen the capacity of the agency.

It is essential to note that there are needs for diverse areas in the field of agriculture and rural development, e.g., agriculture in the narrow sense, livestock production, fisheries, organization, marketing and processing, rural finance, nutritional improvement, health, education, etc. Accordingly, clarification of the responsibilities of the implementation agency

is essential to determine how far the agency can implement the project. If the agency were not able to handle all the project components, it would be necessary to focus on some major components and coordinate with other agencies for the remaining components.

The Japanese ODA-related organizations in Bangladesh have an adequate understanding of the capacity of government agencies in the field of agriculture and rural development such as BRDB and the Local Government Engineering Department (LGED) due to their long-term relationships with these agencies. This is considered one of the factors contributing to the high approval rate of agriculture and rural development projects for Bangladesh.

### **5.1.5 Share continually information with other donors**

Under the situation where donors are coordinating with each other to achieve unified goals, it is essential to express continually what Japan can do not only to the government of the recipient country but also to other donors in order to obtain their understanding and support so that assistance activities can be efficiently and effectively carried out. Clarification of the roles to be played by Japan/JICA in the donor community will lead to the identification and formulation of projects that can adapt to recent changes in the aid environment.

The ODA-TF in Bangladesh is fully aware of the importance of donor coordination. Therefore, it distributes English translated versions of the sector programs to other donors, as well as to the Bangladesh government, and has the SWG members regularly attend the respective LCG sub-group meetings.<sup>9</sup> Also, the JICA office tries to inform other donors of its activities as often as possible, for instance, by inviting some donors to the sites of PRDP.

The lesson described in Section 5.1.1 is a base for the lessons in Sections 5.1.2 – 5.1.5. Among these lessons, therefore, the formulation of a sector program can be considered a key to effective project identification and formulation.

## **5.2 Recommendations for Effective Formulation of Agriculture and Rural Development Projects**

The Bangladesh Model has been fostering diverse points of view among the members through information sharing and dialogs within the model and coordination with the Bangladesh government and other donors. As a result, it has established a foundation for formulating projects with logical coherence among identified critical issues, development objectives and methods of achieving the objectives. However, field-led project formulation would require the JICA headquarters to take additional measures such as more explicit criteria for appraising requested projects and an improved system to support the activities of the overseas offices, in addition to strengthening of the institutional and technical capacity of the overseas offices.

Based on the above-mentioned points of view for the examination of requested project information sheets and the lessons learned from the Bangladesh Model, the Study Team proposes the following four points by which other overseas JICA offices would be able to identify and formulate agriculture and rural development projects more effectively in collaboration with the headquarters. Table 5-1 summarizes the four points along with the lessons learned from the Bangladesh Model.

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<sup>9</sup> The agriculture sub-group is chaired by the World Bank and co-chaired by DFID and UNDP.

**Table 5-1 Recommendations for Effective Project Identification and Formulation in the Field of Agriculture and Rural Development**

Recommendations	Relevant Lessons from the Bangladesh Model	Key Points
<b>Recommendations regarding policy formulation</b>		
5.2.1 Redefine “an excellent project” in the field of agricultural and rural development	5.1.1 Select high priority sectors and formulate sector programs 5.1.2 Collaborate with ODA-related Japanese and have transparent discussions	<ul style="list-style-type: none"> <li>• Present the definition of “an excellent project” as conceived by the Rural Development Department to the overseas offices</li> <li>• Clarify the area to be dealt with by the Rural Development Department</li> </ul>
5.2.2 Enhance the logical consistency of requested projects	5.1.1 Select high priority sectors and formulate sector programs 5.1.2 Collaborate with ODA-related Japanese and have transparent discussions 5.1.3 Utilize rich knowledge of the socioeconomic situation of rural areas of the recipient country 5.1.4 Grasp clearly the jurisdiction and capacity of the implementation agency and establish of a good relationship with them 5.1.5 Share continually information with other donors	<ul style="list-style-type: none"> <li>• Optimize projects by the overseas offices based on the definition of “an excellent project” by the headquarters</li> <li>• Identify the needs of the target area</li> <li>• Understand the intended direction for development of the recipient country</li> <li>• Grasp needs that can be fulfilled based on the jurisdiction and capacity of the implementing agency</li> <li>• Clarify the strategic position of each project in the aid trends (for example, donor coordination and SWAp) in the recipient country</li> <li>• Promote information sharing and exchange of views regarding the above points with other Japanese ODA-related organizations, the implementing agency of the government of the recipient country, other donors, etc.</li> </ul>
<b>Recommendations regarding the system and institution</b>		
5.2.3 Strengthen the headquarters’ support to the overseas offices	5.1.2 Collaborate with ODA-related Japanese and have transparent discussions 5.1.4 Grasp clearly the jurisdiction and capacity of the implementation agency and establish of a good relationship with them	<ul style="list-style-type: none"> <li>• Provide constantly the overseas offices with information and support by the headquarters</li> <li>• Describe “a good or bad requested project information sheet” and provide a checklist for preparing information sheets to the overseas office</li> </ul>
5.2.4 Utilize external expertise and promote project formulation integrated with implementation	5.1.2 Collaborate with ODA-related Japanese and have transparent discussions 5.1.3 Utilize rich knowledge of the socioeconomic situation of rural areas of the recipient country 5.1.4 Grasp clearly the jurisdiction and capacity of the implementation agency and establish of a good relationship with them	<ul style="list-style-type: none"> <li>• Select priority sectors and development issues compatible with the size of the specific overseas office</li> <li>• Utilize external expertise (i.e., non-JICA staff and experts) more effectively</li> <li>• Ensure consistency from program formulation to implementation and reduce the time and cost of these two stages (improvement of the cost performance by means of the consistent utilization of external human resources)</li> </ul>

Source: Prepared by the Study Team based on the study results.

### 5.2.1 Redefine “an excellent project” for agricultural and rural development

It is necessary to redefine “an excellent project” in the field of agricultural and rural development in order to promote effective project identification and formulation, which will make the criteria for appraising projects clearer and the transparency of appraisal higher. Redefinition based on the classification of potential projects by sub-sector, objective and assistance scheme would be more helpful since there are various kinds of projects in this field.

Chapter 3 above has indicated personal points of view expressed by the headquarters directors and officers for the examination of request projects, but it is essential to present the official definition of “an excellent project” of the Rural Development Department or JICA to the overseas offices. It is necessary to do so particularly because JICA is required to alter the objectives, activities and methods of its projects under changing circumstances such as: 1) the importance of the agricultural sector in the national economy is rapidly declining; 2) the role of the central government, JICA’s traditional counterpart, is diminishing under market-oriented economic reform, privatization and decentralization; 3) agriculture’s terms of trade are deteriorating due to regional economic integration and free trade agreements; and 4) donor coordination and SWAp are in progress in many developing countries.

One possible measure is to include the definition of “an excellent project” as conceived by the Rural Development Department, as well as to clarify the area to be dealt with by the department, in the JICA Thematic Guidelines and the Approaches for Systematic Planning of Development Projects. Such information provided by the headquarters will help the overseas offices formulate its policies and sector programs at country level. Conformity between the headquarters and the overseas offices is indispensable for effective project formulation.

The method of evaluating a project by using “the achievement level of the expected effects” has become general in recent years, but the achievement is not the sufficient condition for an excellent project. It is even dangerous to conclude that the project in which the evaluation indicators are greatly improved is an excellent project, though it is important to set qualitative or quantitative evaluation indicators to measure the effects of the project. In other words, it is necessary to evaluate the project in various aspects including: 1) the project is based on needs of the people in the target area; 2) the socially vulnerable such as women and children will not be alienated; and 3) there is a device to ensure the sustainability of the effects. In this sense, it is significant to follow steadily JICA’s Guidelines for Project Evaluation.

## **5.2.2 Enhance the logical consistency of requested projects**

It is necessary for an overseas office to be able to demonstrate sufficient logical consistency in requested project information sheets in two respects, i.e., “the logical consistency of the project” and “the strategic position of each project in the recipient country”.

### **(1) Logical consistency of the project**

A basis for examining “the logical consistency of the project” is the definition of “an excellent project”. A project should be formulated upon the examination of its effectiveness and feasibility based on the definition.

However, it is important to avoid seeing project approval as the ultimate purpose and formulating a project that merely respects the headquarters’ definition but does not match the needs of the target area. It is a role of the overseas office to optimize “an excellent project” defined by the headquarters in the context of the recipient country. For the optimization, therefore, it is essential to understand crucial issues and needs of the target area through field visits and interviews with the people concerned and then to formulate a project with logical consistency among the identified issues and needs, the objectives and methods to achieving the objectives, as well as the policies and sector strategies of the recipient country.

In addition, it is necessary to grasp the jurisdiction and capacity of the expected implementing agency accurately and identify their needs. The needs should be understood as “needs that can



be fulfilled” based on the policies of the recipient country and on the jurisdiction and capacity of the agency that may not be explicitly shown in those kinds of information. It is important to share ideas with the people concerned through workshops and organization analysis.

The sector program formulated by the Agriculture and Rural Development SWG in Bangladesh and the information sharing and exchange of views among the people concerned are deemed to play an important role in securing logical consistency of a project.

## **(2) Strategic position of each project in the recipient country**

The following four cases should be considered with respect to the strategic position of each project in the recipient country.

First, the recipient country has a sector development strategy or a sector program, and donors are actively coordinating their efforts within the framework. In this case, the project to be assisted by JICA should be unambiguously positioned within the sector strategy, without which the project could not be justified in the donor community.

Second, the recipient country has a sector development strategy, but donors are not actively coordinating. In this case, as the Agriculture and Rural Development SWG in Bangladesh is doing, it is necessary to formulate a sector program for Japan’s assistance consistent with the sector development strategy of the recipient country and position the project in the Japanese sector program. It is also important to avoid duplication of aid efforts by exchanging information with other donors.

Third, the recipient country does not have a sector development strategy, but donors are actively coordinating. In this case, it is essential that the representative of the Japanese ODA-related organizations share information with other donors, particularly on Japan’s ODA policy and activity. For this purpose, too, it is necessary to formulate a sector strategy and/or program for Japan’s assistance based on which a project should be formulated.

Fourth, the recipient country does not have a sector development strategy, and donors are not actively coordinating. Also in this case, it is necessary to formulate a sector strategy and/or program for Japan’s assistance and avoid duplication of aid efforts.

In all the four cases, it is important to prepare a sector strategy and/or program based on a clear understanding of the aid trends and the importance of agriculture and rural development in the economy and society of the recipient country. It is then necessary to examine the relation (supplement, duplication, etc.) between the project being formulated and the projects being implemented and to be implemented from the point view what kind of project is most appropriate to achieve the objectives of the sector strategy and program.

### **5.2.3 Strengthen the headquarters’ support to the overseas offices**

It is important for the headquarters to provide information constantly to the overseas offices about previous excellent projects assisted by JICA and other donors in different countries and regions, critical changes in assistance policies and the environment surrounding ODA to promote the identification and formation of excellent projects. The headquarters could also supply information that facilitates the preparation of requested project information sheets, for instance, some samples of “a good or bad requested project information sheet” and a checklist for preparing requested project information sheets.

It may be worth introducing a system in which the staff members of the overseas offices and the headquarters engaged in project identification and formulation could participate in mid-term, terminal and ex-post evaluation even after they are transferred to other posts. Such a system could be helpful in bringing a project judged to be excellent in the formulation stage into a real excellent project in the implementation stage or even after the project completion since it is more likely that the staff members formulate a project with the intention of making it successful through the project cycle.

This system is considered significant in the following two aspects. First, the staff member could learn various lessons to be drawn from the project formulated by himself/herself. The experience could help him/her contemplate it more logically and analytically when he/she formulates another project or supervises someone else engaged in project identification and formulation. Second, the system in which the staff member engaged in project identification and formulation is more or less responsible for the results would demand more deliberate project identification and formulation. That is, his/her sense of responsibility for the project would be improved, which would lead him/her to try to formulate a more effective project. As a result, projects that lack logical consistency are expected to decrease.

#### **5.2.4 Utilize external expertise and promote project formulation integrated with implementation**

Project identification and formulation led by an overseas office is advantageous in that it can reflect more adequately and promptly the local needs of the recipient country. However, it would become difficult for the overseas office to handle it when the amount of the work is too large compared with the size of the staff, no matter how high their morale may be. Effective project identification and formulation require a certain amount of human resources and time. It is therefore necessary to establish a system for project identification and formulation in each overseas office, including “selection and concentration” according to the size of the office and the recruitment of appropriate expertise (e.g., staff in charge of coordination with the embassy, JBIC, experts, consultants, etc.).

The utilization of external and locally procurable expertise will be particularly effective, when special technology and experience are needed. It is also helpful to hire an agriculture and rural development specialist who has not only ample knowledge of the sector but also the ability to formulate a development plan by getting the whole picture of the sector and to discuss policy issues with the policy and planning divisions of the government of the recipient country and other donors. European and US aid agencies widely utilize policy consultants.

In some assistance schemes such as technical cooperation projects and development study programs, the utilization of the same external expertise through the process from formulation to implementation would be more beneficial to JICA for the following two reasons.

First, the modification of the project during the implementation can be minimized by hiring the same expertise through the process. If the cost spent on such activity is reduced, the cost performance of the entire project can be improved. Second, the time and cost required in the whole process can be reduced without the procurement of new experts if formulation is integrated with implementation. More effects can be expected by reducing the time from project formulation to implementation because needs change as time passes. The long process of project formulation may also bring about an unpopular reputation in the recipient country that a JICA project takes a long time to be formulated.

## Appendix: JICA's Five Evaluation Criteria<sup>10</sup>

Evaluation is undertaken for the purpose of making a value judgment based on the achievement of results. JICA adopted Five Evaluation Criteria for conducting an evaluation (mainly project evaluation), which was proposed by the Development Assistance Committee (DAC) at the Organization for Economic Cooperation and Development (OECD) in 1991. These five criteria, as shown below, are meant to be used for evaluating development assistance activities from a comprehensive range of criteria.

**Relevance:** A criterion for considering the validity and necessity of a project regarding whether the expected effects of a project (or project purpose and overall goal) meet with the needs of target beneficiaries; whether a project intervention is appropriate as a solution for problems concerned; whether the contents of a project is consistent with policies; whether project strategies and approaches are relevant, and whether a project is justified to be implemented with public funds of ODA.

**Effectiveness:** A criterion for considering whether the implementation of project has benefited (or will benefit) the intended beneficiaries or the target society

**Efficiency:** A criterion for considering how economic resource/inputs are converted to results. The main focus is on the relationship between project cost and effects.

**Impact:** A criterion for considering the effects of the project with an eye on the longer-term effects including direct or indirect, positive or negative, intended or unintended.

**Sustainability:** A criterion for considering whether produced effects continue after the termination of the assistance.

Five Evaluation Criteria are used to evaluate the value of conducting a project from a comprehensive point of view. The evaluator examines the effects of a project as well as the appropriateness of the volume of resources for producing the effects (i.e. efficiency). The value of conducting a project would possibly decrease if it costs more than necessary even though it produced enormous effects, or if effects were limited despite the fact that a large scale of inputs were used. Also, in order to judge the validity of an aid intervention, the *relevance* of strategies is examined as well as the *sustainability* of the effects after the termination of the assistance. Thus, evaluating a project using the five criteria makes it possible to see the value of a project from different viewpoints, and as a result, various factors that influence the success or the failure of the project can be specified. When evaluating projects, whether to assess performance or to foresee the future, perspectives will differ depending on the timing of evaluation study in operating cycle. Focus of each criterion also will vary among projects. However, JICA decided to basically cover all five criteria in any type of evaluation study. The table below shows the relations between the Five Evaluation Criteria and the logical framework.

**Five Evaluation Criteria and Logical Framework**

	Relevance	Effectiveness	Efficiency	Impact	Sustainability
Overall Goal	Conformity of Project Purpose and Overall Goal to the recipient country's needs at the time of evaluation	Degree to which the achievement of Project Purpose is seen in the Output	Extent to which Inputs are effectively converted into Outputs	Positive and negative influences that appeared directly and indirectly as a result of the project	Extent to which benefits gained through the project are sustained even after the completion of cooperation
Project Purpose					
Output					
Input					

<sup>10</sup> JICA, Planning and Coordination Department, *JICA Guideline for Project Evaluation: Practical Methods for Project Evaluation*, September 2004, pp. 21-22 (refer to Table 2-2-1 of the Guideline for more detailed explanation of these criteria); and JICA's English website on evaluation. These references can be obtained from: <http://www.jica.go.jp/english/evaluation/index.html>

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<sup>11</sup> The titles of references in Japanese are translated by the Study Team.

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