

# 2010 JICA

## Toward Inclusive and Dynamic Development



Photographs by:  
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## PREFACE

Project evaluation is a key component of JICA's overall development strategy, particularly in an era of increasingly complex operational and full public disclosure requirements.

In a 2008 major restructuring of Japan's Official Development Assistance 'new' JICA for the first time became responsible for implementing the three major components of ODA: technical cooperation, ODA loans and grant aid.

In this more exacting development environment it has become increasingly important to evaluate and accurately assess the impact and effectiveness of the organization's projects which have been undertaken in 147 countries and regions.

Such evaluations provide invaluable 'lessons learned', recommendations for improving future projects and by making such reports more accessible to key stakeholders such as the general public will help ensure their fuller understanding and support.

I trust this Annual Evaluation Report 2010, highlighting ex-post evaluations conducted by external evaluators, will provide a clear understanding of JICA's aims and activities and ensure your continued support and encouragement.

March 2011  
Sadako Ogata, President  
Japan International Cooperation Agency

A handwritten signature in black ink, appearing to read 'Sadako Ogata', written over a light grey background.

# Part 1

## Project Evaluation in JICA

Chapter 1. What is JICA's Evaluation System?

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Chapter 3. Topics

A variety of organizations and groups including governments, international organizations, NGOs, and private companies carry out economic cooperation to support socio-economic development in developing countries. Financial and technical cooperation extended by governments for development purposes is called Official Development Assistance (ODA). ODA is classified into two types: bilateral aid and multilateral aid (investment and contributions provided to international organizations).

Among Japan's ODA, JICA provides bilateral aid in the form of Technical Cooperation, ODA Loans, and Grant Aid\* in an integrated manner. Part 1 describes the evaluation system for these projects of JICA and efforts to improve the system.

★An overview of JICA's programs is available on the JICA website:

<http://www.jica.go.jp/english/index.html>

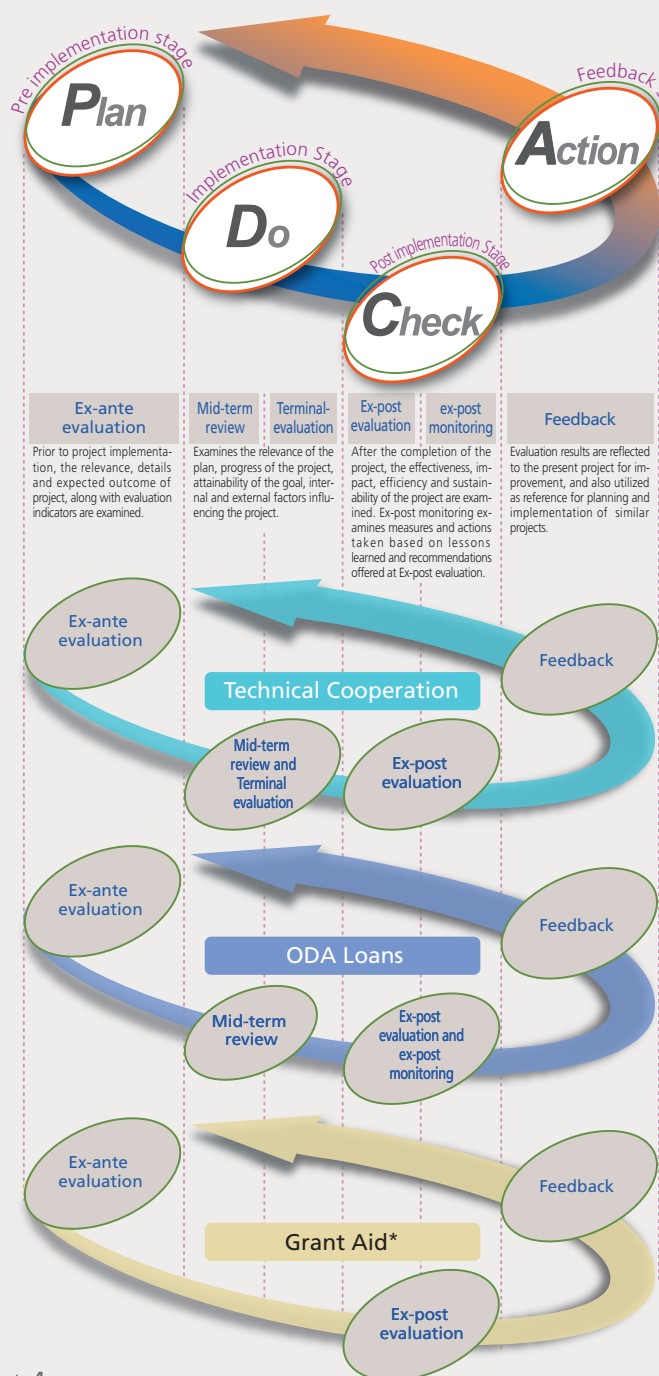
\* Excluding those directly implemented by the Ministry of Foreign Affairs.

## The Evaluation System in JICA

In an effort to improve its projects and ensure accountability to the Japanese tax payers, JICA has introduced an evaluation system that will apply to each and every project, based on a PDCA (Plan, Do, Check and Action) cycle.

### 1 Consistent throughout the project by reflecting project's PDCA cycle

The PDCA cycle is a management cycle that promotes the continuous improvement of project activities. It has four steps; Plan, Do, Check and Action. For all projects, regardless of the schemes of the assistance, JICA's evaluation is conducted based on the PDCA cycle. Considering the characteristics of the scheme of assistance, such as the assistance period and timeframe for expected results, JICA conducts the evaluation within a consistent framework at each stage of the project (planning, implementation, post-implementation and feedback). By conducting the evaluation at each stage of the PDCA cycle, it aims to improve the development results of the project. Evaluation details at each stage shall be introduced from page 6 onwards.



### 2 Coherent methodologies and criteria for all three schemes of assistance

JICA has developed an evaluation system that provides cross-sectoral methodologies and criteria applicable to all schemes of assistance. With JICA taking over a part of the evaluation of Grant Aid in FY2009, it continues to focus on establishing a consistent evaluation system applicable to all three assistance schemes.

JICA aims to conduct the evaluation and to utilize the findings based on a consistent philosophy and a standard evaluation framework, while it takes into consideration the characteristics of each assistance scheme.

Specifically, an evaluation framework that reflects: 1) Project-level evaluation based on the PDCA cycle, 2) Evaluation applying the DAC Criteria for evaluating development assistance laid out by OECD-DAC (Organization for Economic Co-operation and Development/ Development Assistance Committee) and internationally accepted as ODA evaluation method, and 3) Publication of evaluation results based on a standard rating system.

#### Evaluation perspective applying the five DAC criteria

##### Relevance

Examines the extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor: Does the goal of the aid activity meet the needs of beneficiaries? Are the activities and outputs of the program consistent with the overall goal and the attainment of its objectives?

##### Effectiveness

Measures the extent to which a program or a project attains its objectives.

##### Efficiency

Measures the outputs in relation to the inputs to determine whether the aid uses the least costly resources possible to achieve the desired results.

##### Impact

Examines positive and negative changes as a result of the project. This includes direct and indirect effects and expected and unexpected effects.

##### Sustainability

Relates to whether the benefits of the project are likely to continue after the closure of the project.

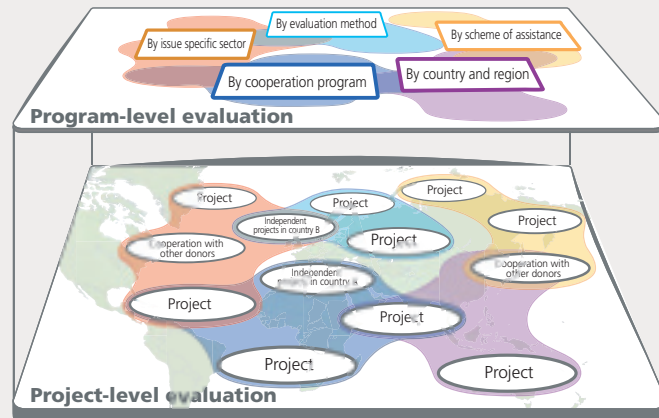


Evaluation system in JICA has 5 features shown on the right.

- 1 Consistency throughout the project by reflecting the PDCA cycle
- 2 Coherent methodologies and criteria for all three schemes of assistance
- 3 Cross-sectoral and comprehensive evaluation offered at program-level evaluation
- 4 Ensuring objectivity and transparency
- 5 Emphasizing use of evaluation results

### 3 Cross-sectional and comprehensive evaluation offered at program-level evaluation

DAC defines program evaluation as “evaluation of a set of interventions, marshaled to attain specific global, regional, country, or sector development objectives.” Program evaluation is a comprehensive and cross-sectional evaluation and analysis of multiple projects, grouped together according to a specific development issue (e.g., primary education, maternal health) or type of cooperation (e.g., community empowerment program, emergency disaster relief program). The goal of evaluating individual projects under a common theme by specific viewpoint into derive recommendations and lessons learned which can be shared across projects. In addition to specific development issues and type of cooperation, in future evaluations JICA will evaluate projects based on country, region, and assistance methodology. JICA will also be taking steps to evaluate “cooperation programs”, which are part of a strategic framework to support developing countries achieve specific mid- and long-term development objectives.



### 4 Ensuring objectivity and transparency

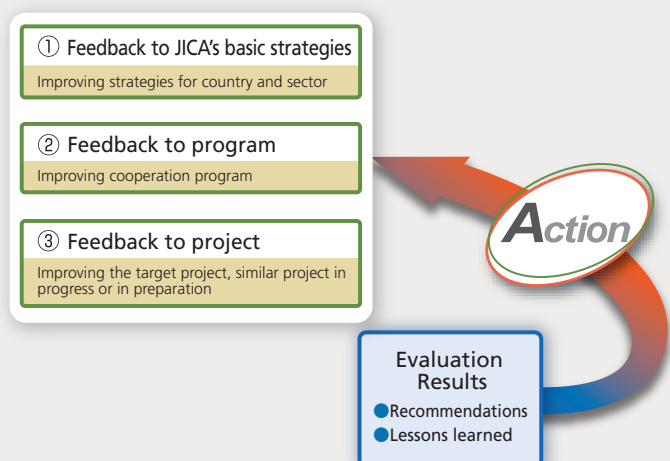
JICA has incorporated external evaluations in the ex-post evaluations which require objective verification of project implementation results for all three schemes of assistance, and the findings are made available on the JICA website. JICA will continue its efforts for increasing objectivity and transparency in its evaluations.

JICA has set up mechanisms by which the viewpoints of external parties are reflected in the project evaluation system. In this context, JICA receives advice on evaluation policy, as well as on the evaluation system and methodology from the Advisory Committee on Evaluation consisting third-party experts. (See p.8)

### 5 Emphasize utilization of evaluation results

JICA is strengthening its feedback system. The findings from each evaluation stage are reflected in the “Action” phase within the PDCA cycle. This feedback is utilized as recommendations for improvement of the present project and lessons learned for similar projects that are in operation or in preparation. JICA intends to reflect evaluation results on the cooperation programs as well as JICA’s basic strategies for country and sector.

At the same time, JICA makes efforts to reflect evaluation results to the project, program and upper level plan, such as the partner government’s development policies, through providing feedback of evaluation findings to the partner government and conducting joint evaluation.



Evaluation results are published at JICA’s website.  
<http://www.jica.go.jp/english/operations/evaluation/>

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## ■ Pre implementation stage Evaluation (Ex-ante Evaluation)

In order to determine the necessity of the project as well as to set targets for outcome, JICA conducts ex-ante evaluation and publishes the results in "Ex-ante Evaluation Report".

JICA conducts ex-ante evaluations prior to project implementation to verify the relevance and effectiveness of the project as well as the content of project.

The results from ex-ante evaluation will be reflected to the decision-making for project implementation and project contents. Once the project starts running, subsequent evaluations are conducted using the evaluation design and indicators set at the time of the ex-ante

evaluation.

JICA conducts ex-ante evaluation for all projects to confirm the relevance of projects prior to their implementation, as well as to formulate the future evaluation plans. At this stage, JICA ensures that past lessons learned are being applied appropriately. These evaluation findings are published on the JICA website following the conclusion of the respective project agreement with the partner country.

### ■ Number of Ex-ante Evaluations Performed in FY2009

ODA Loans	60 projects	Technical Cooperation	139 projects	Grant Aid	85 projects
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More information is available on the JICA website:

<http://www.jica.go.jp/english/operations/evaluation/index.html>

## ■ Implementation stage Evaluation (Mid-term Review and Terminal Evaluation)

Mid-term reviews and terminal evaluations are conducted in order to assess relevance of the project plan, attainability of goals and effectiveness, and to examine internal and external factors affecting the projects.

JICA conducts mid-term review and terminal evaluation for ongoing projects. These are intended to examine the relevance, progress, attainability of goals and the internal and external factors. The results from these will be utilized in revising the project plan and project management system, and decision-making on the termination or continuation of projects. Lessons learned from the evaluation will be used for the improvements of similar projects in the future.

Mid-term reviews are conducted on relatively long-term projects after a lapse of time from the project launch, the purpose is to examine the relevance and to verify attainability of its goals in terms of effectiveness and efficiency, as well as to analyze the promoting factors and project obstacles and their respective trends. The results from this evaluation would be applied to project plan revisions. As regards ODA Loan projects

including large and complex civil engineering work, a mid-term review (safety measure) is also conducted to confirm the status of the safety measures for special ODA Loan projects and Special Terms for Economic Partnership (STEP) projects.

Terminal Evaluation is conducted about six months prior to project termination. The purpose is to examine the attainability of project outcome, efficiency and sustainability, so that JICA can draw up the project plan of the remaining period with the recipient's government and decide the prospects of terminating the project and/or necessary follow-ups in the future. This is the evaluation and monitoring scheme unique to Technical Cooperation projects where effectiveness is verifiable during the implementation phase.

### ■ Number of Mid-term Reviews and Terminal Evaluations Performed in FY2009

ODA Loans (Mid-term Review)	2 projects	Technical Cooperation(Mid-term Review)	75 projects
		Technical Cooperation(Terminal Evaluation)	114 projects

More information is available on the JICA website:

<http://www.jica.go.jp/english/operations/evaluation/index.html>

## Post implementation stage Evaluation (Ex-post Evaluation and Ex-post Monitoring)

JICA performs Ex-post Evaluation and Ex-post Monitoring in order to evaluate terminated projects comprehensively and monitor if effectiveness, sustainability and impact continue to materialize after the project termination.

JICA performs ex-post evaluation and ex-post monitoring after project termination. Comparing with other evaluation schemes, evaluations at post implementation stage place more importance on the aspect of accountability, therefore "External Evaluation" is encouraged.

The lessons learned and recommendations gathered from these evaluations will be applied towards improving the target project, as well as to the planning and implementation of similar projects in the future.

All three assistance schemes are subject to ex-post evaluation, of which there are two types: detailed (in principle projects over 1 billion yen) and simplified (projects over 200 million yen and under 1 billion yen) (see p.18 and onwards for more information). After the completion of each project, JICA conducts a comprehensive evaluation using the DAC

Criteria for evaluating development effectiveness. One distinctive feature of the detailed ex-post evaluation is the application of a standardized rating system\* for all three schemes in order for the published results to be easily understood. Since FY2009, JICA has introduced an integrated rating methodology that used to be different by scheme.

Ex-post monitoring is usually conducted 7 years after project completion of Japanese ODA Loan projects, where there were concerns in project effectiveness and its sustainability as the results from ex-post evaluation. It re-examines the effectiveness, impact, and sustainability as well as monitors the progress from recommendations drawn from the ex-post evaluation phase. Through these, it aims to extract lessons learned and recommendations necessary for the project impact to be sustained and improved as a whole.

### Number of Evaluation Performed in 2009

ODA Loans	(detailed) 61 projects	Technical Cooperation	(detailed) 7 projects (simplified)39 projects	Grant Aid	(detailed) 17 projects (simplified)51 projects
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More information is available on the JICA website:URL:

Ex-post evaluation (Technical Cooperation): [http://www.jica.go.jp/english/operations/evaluation/tech\\_and\\_grant/project/ex\\_post/index.html](http://www.jica.go.jp/english/operations/evaluation/tech_and_grant/project/ex_post/index.html)

Ex-post evaluation (ODA Loan): [http://www.jica.go.jp/english/operations/evaluation/oda\\_loan/post/index.html](http://www.jica.go.jp/english/operations/evaluation/oda_loan/post/index.html)

Ex-post monitoring (ODA Loan): [http://www.jica.go.jp/english/operations/evaluation/oda\\_loan/monitoring/index.html](http://www.jica.go.jp/english/operations/evaluation/oda_loan/monitoring/index.html)

Ex-post evaluation (Grant Aid): [http://www.jica.go.jp/english/operations/evaluation/grant\\_aid/post/index.html](http://www.jica.go.jp/english/operations/evaluation/grant_aid/post/index.html)

## Program-level Evaluation

JICA conducts comprehensive evaluation and analysis on JICA's cooperation in relation to a specific theme or development goal, and the evaluation results are utilized for future cooperation planning and implementation to be more effective.

JICA performs program-level evaluation to comprehensively evaluate its cooperation in relation to specific themes or development goals. From this evaluation, the common recommendations and lessons learned are extracted by theme or goal and utilized for project implementation and future project planning. Program-level evaluation includes "Cooperation program evaluation" and "Thematic Evaluation".

"Cooperation program evaluation" is conducted on "Cooperation programs" which are strategic frameworks for JICA to assist developing countries achieving their specific mid to long term development goals.

"Thematic evaluation" is conducted based on a specific theme, such

as region, sector, and assistance methodology, and those of related projects are evaluated with the evaluation standard set for specific theme. This includes "Comprehensive analysis", which extracts trends and problems common to a particular issue, or compares several projects and categorizes them to extract common features and good practices. Comprehensive analysis and examination of evaluation results make it possible to obtain the recommendations and lessons learned relating to the specific theme. Moreover, JICA conducts the evaluation based on evaluation methodologies in order to develop a new evaluation methodology.

ODA Loans	Technical Cooperation
<ul style="list-style-type: none"> <li>● Impact Evaluation on Small Scale Irrigation Project (Indonesia)</li> <li>● Impact Evaluation on Third Elementary Education Project (Philippines)</li> <li>● Impact Evaluation on Bohol Irrigation Project (Philippines)</li> <li>● Impact Evaluation of Pasak Irrigation Project (Thailand)</li> </ul>	<ul style="list-style-type: none"> <li>● Thematic Evaluation on JICA's role in Citizen Participation in International Cooperation</li> </ul>

More information is available on the JICA website:

[http://www.jica.go.jp/english/operations/evaluation/tech\\_and\\_grant/program/index.html](http://www.jica.go.jp/english/operations/evaluation/tech_and_grant/program/index.html)

\*See p.18 and onwards for outline and method for rating system.

# Advisory Committee on Evaluation

JICA has set up the Advisory Committee on Evaluation to obtain advice on project evaluation. The recommendations from the Committee are fed back into the evaluation system and method for further improvement.

In July 2010, JICA reorganized the Committee in order to better ensure evaluation accountability, enhance the quality of evaluations, and strengthen feedback of the evaluation results.

The Committee, chaired by Shinji Asanuma, Visiting Professor at the

School of International and Public Policy, Hitotsubashi University, includes experts in international aid and evaluation from international organizations, academia, NGO, media, and private sector groups.

Below is an outline of the expert advice provided from the Committee members during the first and second meetings convened in 2010. The wide range of advice will help JICA to further improve project evaluations.

## From the 1st Meeting

### 1) Enhancing quality of evaluations

- ODA projects should not be evaluated against today's criteria if project environment or objective has changed from the time of implementation.
- It is not appropriate to apply same evaluation methods to different types of aid modalities, such as technical cooperation, micro credit, and loans.
- Given the large number of projects that JICA operates, an "evaluation strategy" is needed for JICA to review the breadth and depth of its evaluation activities.
- Selection and concentration is the key to enhance quality of evaluations. Possibilities include evaluating overall plans or programs of developing countries, evaluating executing agencies, or evaluating projects grouped by sector/project type.
- As there are a wide range of studies and papers available to public, JICA can apply these research findings to its project evaluation with the cooperation of the JICA Research Institute as well as external researchers.
- JICA should facilitate the use of human resources of overseas research

institutes, think tanks, etc.

### 2) Strengthening feedback

- If a project is off-track at the time of monitoring or mid-term evaluation, necessary adjustments should continue to be made wherever feasible.
- A mechanism is needed for a project to reflect findings of rigorous evaluation during transition from phase 1 to phase 2.

### 3) Ensuring accountability

- Ensuring accountability and strengthening the feedback mechanism are different and therefore need to be examined separately.
- Feedback should be directed at different actors, depending on who takes responsibility for project success/failure.
- The contents of evaluation reports need to be divided into those that are easy to understand for the general audience and those aimed at experts.
- Beneficiary evaluations that are conducted by beneficiaries should be implemented, and the findings should be disclosed to the public. External evaluations should be conducted as secondary evaluations afterwards.

## From the 2nd Meeting

### 1) Enhancing quality of evaluations

- If the number of ex-post evaluations is not decreased, measures to lessen the work burden, including a detailed manual, should be developed.
- The framework of detailed evaluation leaves more space for selection and concentration. Some of the projects over one billion yen may be assessed based on existent evidences and therefore may not require extra survey or analysis.
- The evaluation system of the three schemes should be consistent, while the analysis method should correspond with the characteristics of each project.
- It is highly welcome that field offices with in-depth knowledge about the local situation are in charge of the evaluations. Budget should allow for use of local human resources, including local consultants, for the implementation of evaluations.

### 2) Strengthening feedback

- New progress was made: Launch of project evaluation database on website and disclosure of external evaluation reports.

### 3) On the Analysis of FY2009 ex-post evaluation findings and the overview of the draft Annual Evaluation

### Report 2010

- There are gaps in interpretation of evaluation findings between the general public and ODA experts. Providing a sufficient explanation of Japan's vital role in international community for achievement of MDGs as well as implementation status of projects under difficult constraints, will contribute to deepen public understanding.
- The benchmark for the overall ratings, flowchart, and explanation of evaluation results can be made a little clearer.
- Analysis of relevance is insufficient. Evaluations should confirm not only consistency with policies, but also consistency with strategies in line with the country's current situation.
- As private consultants, it is desirable that JICA will further strengthen the mechanism of sharing evaluation findings.

### 4) Way forward (from JICA Evaluation Department)

- As a member of DAC, we will continue to use the internationally required methods of evaluation. We would like to improve the way the ratings are illustrated.
- Regarding the representation of evaluation findings, we would like to explore ways of presenting them more visually, including other media than the Annual Evaluation Report.



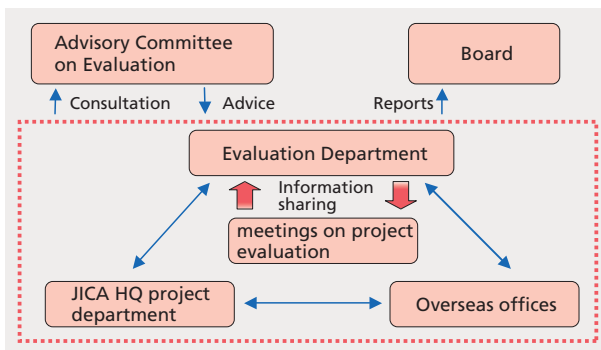
# Improving the Evaluation System

In order to improve project management and increase development impact, JICA is taking steps to improve its evaluation system. In particular, priority is placed on strengthening feedback by making use of lessons learned and recommendations from evaluation findings and improving accountability through evaluations.

## Approach 1 Strengthening feedback

### Strengthening information sharing between evaluation and project implementation departments

To improve projects, the feedback of lessons learned and recommendations from evaluation findings into follow-on and similar projects is important. In order to further strengthen information sharing between the evaluation and project implementation departments, meeting on project evaluation was newly introduced at JICA. The meeting in principle is held twice a year to share information and exchange opinions on project evaluation between the evaluation and project implementation departments.



### Improving evaluation quality and promoting use of evaluation findings

To conduct evaluations in line with project needs and increase the evaluation-related knowledge and capacity of staff and stakeholders, JICA does the following:

#### 1. Address new evaluation needs

JICA is developing new evaluation methods to improve project management and impact (e.g., cooperation program evaluation method and impact evaluation method [see p.11]) and is applying them in practice.

#### 2. Reinforce the evaluation capacity of staff

To promote the use of the New JICA Project Evaluation Guideline, which outlines the project evaluation system and method of JICA since its merger, JICA has created multimedia materials for the guideline (Japanese, English, and Spanish). It also held distance learning seminars on project evaluation (Japanese, English, Spanish, and French) for Japanese and national staffs of JICA's field offices.

In addition, in August 2010, special training was held for JICA staff engaged in evaluation work. The lecture given by an outside instructor on "social survey methods for gauging project impact" covered a range of topics from social survey design to data collection and analysis methods. Furthermore, as part of the "social survey for JICA projects", a workshop was held on the purpose, methods, and implementation

challenges of impact evaluations in particular, which are being employed more frequently in recent years. JICA thereby strived to raise awareness about the importance of social surveys in project evaluations as a tool for improving projects.



Project evaluation multimedia material (<http://jica-net.jica.go.jp/dspace/handle/10410/668>)

### Mechanism for promoting the use of evaluation findings

To improve information disclosure and strengthen its accountability to the people, while also bearing in mind the needs that were confirmed from a questionnaire administered to stakeholders in 2009 to promote feedback, JICA set up the "Project Evaluation Search Database" on its website at the end of September 2010. The database includes the evaluation findings for Technical Cooperation, ODA Loans, and Grant Aid. The evaluations are searchable by project title, region/country, sector, scheme, evaluation type, and start year.

The creation of the database has made evaluation information more accessible to people interested in JICA's projects and evaluations. In addition, it has enabled the smooth feedback of evaluation information to those engaged in project design and planning, project implementation and management, and project evaluation and monitoring.

Evaluation findings now searchable on the JICA website. (<http://www2.jica.go.jp/ja/evaluation/index.php>) Japanese only.

## Examples of Uses of Evaluation Findings

### (1) Cambodia “Technical Service Center for Irrigation System Project” (Technical Cooperation)

#### Lesson learned: Partnership with government agency

This project aims to contribute to the achievement of efficient water resources management and stable agricultural production through improving the management techniques of irrigation projects in the project area.

In a similar project carried out in Pakistan, the “Irrigation Management Transfer/Water Management Expert Project in Punjab Province”, while the importance of the partnership between the agriculture and irrigation authorities was acknowledged, a variety of problems came to light, including lack of partnership due to the government’s vertical administrative structure and lack of transparency in the partnership arrangements.

In Cambodia, too, it is essential that the Ministry of Water Resources and Meteorology in charge of irrigation development and management and the Ministry of Agriculture, Forestry and Fisheries in charge of agriculture management work together, and thus, JICA has consistently urged both ministries to do so from the time of the implementation of a preceding project. However, as with the project in Pakistan, the partnership between the ministries did not fully function. Bearing this in mind, this project confirmed that there are few obstacles to partnership at the field level and promotes partnership at the field level. The provincial agricultural authority in the project site was identified as one of the counterparts, and this project serves as a model irrigation project to generate impacts, including improved agricultural management.

### (2) Viet Nam “Energy Efficiency and Renewable Energy Promoting Project” (ODA Loan)

#### Lesson learned: Establishment of interest rate, ensure relevance with environment policy

This project, through a two-step loan via the Vietnam Development Bank, aims to provide the necessary mid- to long-term funds for the promotion of energy efficiency and renewable energy use by companies in the country, and to raise the awareness of these companies.

In the “Environmental Protection Promotion Program” in Thailand and the “Small and Micro Industries Leader and Entrepreneur Promotion Project” in Sri Lanka, the market interest rate declined, and thus, the projects’ merit of having a low interest rate decreased. From both projects, the lesson learned was that in accordance with the changes in the economic situation, the projects should have allowed for the flexible application of the lending rate for the two-step loan. Drawing on this lesson, this project establishes a sub-loan interest rate that is linked to the national interest rate which fluctuates with market changes, so that it is a preferential interest rate that is suitable for the Vietnamese market.

In addition, in the “Mexico City Sulfur Dioxide Emission Reduction Project” in Mexico, it was recommended that when providing a two-step loan type assistance in the environmental conservation field, it is necessary to analyze the project’s relationship with related projects and subsidies provided by other government agencies and coordinate with them. Bearing this in mind, this project established an advisory committee consisting of relevant organizations and government agencies to discuss the project’s relevance with the policy trends in energy efficiency and renewable energy.

### (3) Montenegro “The Project for Urgent Rehabilitation of Water Supply System in the Capital City of Podgorica” (Grant Aid)

#### Lesson learned: Monitoring system

This project aims to rehabilitate the water distribution system in Podgorica, and through monitoring the system’s operations and water distribution situation, provide a stable water supply service to the people of the city.

Regarding monitoring systems of water supplies, a lesson from the “Project for the Improvement of Water Supply System in Belgrade City” in then Serbia and Montenegro was that the after-sales service contract with a local company contributed to the appropriate utilization of the monitoring system. For the said project, JICA proposed to the executing agency during the assessment phase to do the same, and the same measure is scheduled to be implemented.

## Approach 2 Improving accountability

### 1. Expanding the rating system

To make the evaluation findings easy to understand for the people, the rating method was applied to illustrate the evaluation findings for the three aid schemes of ODA Loans, Technical Cooperation (experimented in FY2008), and Grant Aid (since FY2009 ex-post evaluations).

### 2. Improving the disclosure of evaluation findings

In addition to the Project Evaluation Search Database on the JICA website (see p.9), JICA will continue to make efforts to employ simpler, easy to understand language in its evaluation reports, including this report. Similarly, JICA will appropriately disclose expert analyses useful from an evaluation standpoint.

### 3. Promoting results-based management

To ensure that the project goal and outcome indicators (the basis for project management) are appropriately established, JICA’s evaluation department conducts cross-cutting quality management for its ex-ante evaluations across the various aid schemes and sectors. It also provides

support to improve logicity until the project achieves its goal and increase evaluation feasibility. In the ex-ante evaluations of Grant Aid which began in FY2009 (projects transferred to JICA, FY2009: 85 projects), the evaluation department decided to develop quantitative effect indicators for all projects, and has been working with the department in charge of the project to quantify the outcomes.

In order to ensure project transparency and accountability, JICA intends to swiftly disclose the evaluation findings on its website after the agreement of the project with the partner country.

### 4. Drawing on external experts

In July 2010, JICA launched a new committee to further develop the Advisory Committee on Evaluation (see p.8). The committee, consisting of external experts, will offer recommendations on improving the project evaluations and evaluation system, as well as useful advice for strengthening JICA’s accountability to the people.

# Impact Evaluation Efforts

## What is Impact Evaluation?

Impact Evaluation method rigorously measures the changes in beneficiary communities that were generated by a policy or project. It ideally does this by comparing outcomes after a project has been implemented and what would have been the outcomes in the absence of the project. However, unlike in a laboratory, such comparisons are not easy to do for development projects, whose beneficiaries are actual communities in which people live. As an alternative simpler method, the comparison of outcomes between before and after project implementation or between in the beneficiary and in non-beneficiary areas are often conducted. However, in many cases, these approaches are not appropriate comparisons and can cause the overestimation or underestimation

of the change in indicators (the scale of project outcomes).

Through devising methods for determining project beneficiaries, data collection, and analysis techniques, Impact Evaluations can conduct more rigorous comparisons and accurately assess the changes generated by the project.

With greater priority being placed on results, including improvements in aid effectiveness and “Value for Money (VFM)”, international organizations, beginning with the World Bank, as well as bilateral aid agencies have also promoted the implementation of Impact Evaluations. JICA, too, has been introducing the Impact Evaluation method for the future operation.

## Applications of Impact Evaluation

### Application to the projects

The implementation of Impact Evaluations is considered at various stages of the project. After a pilot project is implemented, Impact Evaluations can verify the presence of impacts and the cost-effectiveness of the project, which contribute to decision-making about whether or not to expand the project area. For example, in Bangladesh, JICA has created a development model to improve governance at the local government level. The Bangladeshi side has expanded the project area, and therefore, JICA is exploring ways to conduct detailed assessments of the project's impact.

During project implementation, the effects of multiple intervention approaches can be compared for the purpose to determine a more efficient methodology. One example is a participatory approach-based school management project in Senegal. Regarding the ways of establishing a school management committee, the effectiveness of multiple approaches was questioned. Thus, at the start of phase 2 of the project, the Impact Evaluation method was applied to search for the most effective approach.

### Dissemination of the impact information

Highly credible evidence is essential for disseminating any information about project impact or for expanding the area of the project. Impact Evaluations are intended to rigorously assess the project impact, and are capable of providing evidence that meets internationally accepted standards regarding the impact of JICA's projects.

JICA, bearing in mind the international challenge of conducting Impact Evaluations for infrastructure projects, is undertaking Impact Evaluations of irrigation projects in four Asian countries (see p.56-57). In addition, the JICA Research Institute and Evaluation Department have presented the impact of its projects (e.g., construction of irrigation facilities, dissemination of new agricultural techniques, dissemination of maternal and child health handbooks, improvements in school-based management) at academic meetings and conferences domestically and internationally, and have contributed to making this information international public goods.

## Challenges on Impact Evaluation

Accurate assessments of project impact require wide-ranging and detailed data, including data on project beneficiaries and non-project beneficiaries. Careful planning of project design is also needed. Depending on the nature of the project, there are many projects which have difficulties to meet these requirements. For example, in large-scale infrastructure projects such as the construction of airports or ports, or financial aid projects involving policy dialogues to carry out institutional reforms in a country, it is

difficult to determine the extent to which the project had impact. Since it is hard to obtain data for areas not affected by the project, Impact Evaluations are not always feasible.

In light of these limitations, it is important to select projects for Impact Evaluations, considering such factors as clear ways of using the evaluation results, unique development models, timing of information dissemination, and interests of the international community.

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# Mr. Masaichi Nosaka, editorial writer for Yomiuri Shimbun, toured ODA projects in Kenya, the regional base for JICA's East Africa projects

## “Visible aid” which draws on Japan’s characteristics: Towards better targeted assistance

To spread the message of JICA's evaluation efforts, the effect of ODA projects, and the importance of international cooperation, JICA has, since FY2004, invited journalists and celebrities on ODA project tours and shared their experiences with the Japanese public.

Below is the report of journalist Mr. Masaichi Nosaka, who toured ODA projects in Kenya from February 7 to 12, 2010.

I observed the status of ODA projects in Kenya, JICA's base in East Africa. In 2008, the Kenyan Government unveiled Vision 2030 and declared it will aim to join the ranks of middle-income countries by 2030. However, this goal does not seem easy to achieve. Japan has long supported human resources development, technical transfers, and infrastructure development in Kenya. My visit focused on the theme of what does Kenya expect from Japan and how should Japan aid Kenya.

### Human resources is the foundation for state-building

The development of human resources is critical as they form the foundation for state-building. I was able to confirm that Japan's persistent assistance has produced positive outcomes in the education sector.

The first is the development of Jomo Kenyatta University of Agriculture and Technology. With the objective of fostering skilled technicians in agriculture and technology, Japan provided aid for 22 years from 1978 to 2000. In addition to agriculture and technology, the university now has six programs, including computing and construction. As many as 15,000 students attend, including graduate students, and the campus was full of energy. Although Japan's assistance has lessened and the university is in the hands of the Kenyan side, the university still has close ties with Japan.

I will not forget the words of Registrar Isaac Inoti, who has studied at Kyoto University. He told me, “We continue to grow. I am grateful to JICA. I look forward to working with Japan in the industry field”.

The second is the Strengthening of Mathematics and Science Education (SMASE) Project, through which Japan supported the training of primary and secondary school teachers and efforts to improve education. It was a project unique to Japan that was consistent with Kenya's needs. In the neighboring countries as well, a scaled up project, SMASE-WECSA\*1, is currently underway. Human resources development projects are very significant.

### A large rice producer like Japan

Mwea, about a 2.5-hour drive from Nairobi, resembled the farming communities in Japan's Tohoku region. The Kenyan National Irrigation Board (NIB) is located in the middle of a large rice paddy, and Japan provided technical cooperation to the MIAD\*2 Center under NIB in the form of NERICA rice cultivation (pilot) as well as farmer training through a small-scale irrigation project. About 7,860 ha of land is now cultivated



Mr. Masaichi Nosaka

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Visited projects	
ODA Loans	Mwea Irrigation Development Project Sondur-Miriu Hydropower Project
Technical Cooperation	Strengthening Mathematics and Science Education (SMASE) Project Jomo Kenyatta University of Agriculture and Technology (JKUAT)/(Training) Strengthening Management for Health in Nyanza Province Project Japan Overseas Cooperation Volunteer (HIV/AIDS Control) Mwea Irrigation and Agriculture Development Plan
Grant Aid	The Project for Improvement of District Hospital in the Western Region The Programme for Community-based Flood Disaster Management to Adapt to Climate Change in the Nyando River Basin



Experienced rice cultivation specialist of the MIAD Center showing off his crop and Mwea produces over 50% of the country's rice, making it Kenya's no.1 rice producer.

With agriculture making up about 24% of GDP, over 50% of the labor force, and around 50% of all export revenue in Kenya, agriculture

\*1 WECSA: Western, Eastern, Central and Southern Africa  
\*2 MIAD: Mwea Irrigation Agriculture Development  
\*3 TICAD IV: The Fourth Tokyo International Conference on African Development



holds the key to economic development. At TICAD IV\*<sup>3</sup>, Japan pledged to increase Africa's agricultural productivity, including doubling rice production. To this end, the Coalition for African Rice Development (CARD) was set up around JICA, in which Kenya plays a central role. This is expected to further increase rice cultivation in Mwea, where the irrigation facilities are aging and securing irrigation water is a challenge. In this context, hopes run high that Japan will support the rehabilitation of existing irrigation networks and development of new networks.

### Enhancement of health services

Kenya's infant mortality rate exceeds the average for developing countries. In particular, Nyanza Province in Western Kenya has the worst rate in the country. The malaria, HIV/AIDS, and tuberculosis infection rate is also high. Unless the problems facing this region are resolved, the health indicators for the country as a whole will not improve. Problems include lack of and deterioration of medical supplies and decline in the quality and volume of health services. I visited a local hospital financed by Japan's Grant Aid. An emergency care unit including an obstetric department and other facilities were constructed next to the old hospital. Japan also provides medical supplies including equipment for emergency operations. I expect this project will contribute to improving the local health system.

The Strengthening Management for Health in Nyanza Province Project is also partnered with this hospital. When I visited, three long-term JICA experts, including Dr. Tomohiko Sugishita, were working to improve the health administration in the province. The work was low-profile, but I understood that it was important for solving Kenya's weaknesses and rehabilitating its health administration. In addition, I observed the fieldwork of JOCV Ms. Ai Shimomoto, who was engaged in an HIV/AIDS prevention program in the same province. It was encouraging to hear her say, "I applied to become a JOCV because I believe social support for HIV/AIDS patients is important".

### How to meet the electricity demand

Along with its economic growth, Kenya's electricity demand has grown at a pace of about 5% on average over the past five years. However, electricity supply has not caught up and economic activities are disrupted.

To ensure a stable supply of electricity in the western region, the Sondu-Miriu Hydropower Plant was built with ODA Loans. The plant utilizes the water currents from the Sondu River that flows into Lake Victoria. It is unique in not requiring a dam. According to Robert Colleer



View from top level of Sondu-Miriu Hydropower Plant water pipe

from the Kenya Electricity Generating Company, the plant is capable of producing 60MW of electricity, which is equivalent to 5% of domestic demand.

The water used by the Sondu-Miriu plant is designed to be reused by the Sang'oro Hydropower Plant downstream and then returned to the Sondu River. When I visited, the Sang'oro plant was being built with Japanese assistance, and the target completion date was November 2011.

### Saving children through flooding measures

The Nyando River Basin is prone to flooding and nearly every year there are casualties. Through Grant Aid, Japan implements flooding damage mitigation measures as well as soft assistance, including disaster prevention education for the community. Due to the deforestation of the forests upstream and their conversion into farmland, and by extension, their decreased water-retaining capacity, the amount of water flowing into downstream areas during the rainy season has increased and is causing frequent flooding damages. The sad reality is distortions created by deforestation are threatening human lives.

A building on the edge of a marshland was an emergency shelter constructed with Japanese assistance. Japanese aid consisted of constructing facilities as well as providing advice on evacuation plans. Training had also started when I visited. A siren rings if there is flooding, and teachers and community leaders were being trained to lead the residents to the shelter. I could see this was important assistance for protecting the lives of children who bear Kenya's future.

### Continuing "visible" Japanese-style assistance

Africa has a weak economic base and is prone to suffer from the adverse effects of globalization. Thus, it is significant that Japan pledged to double ODA to Africa by 2012.

When I was in Kenya, I reconfirmed the role that Japan's ODA is playing, and I felt it was important to continue providing assistance aimed at Kenya's self-empowerment.

In concrete terms, first, I believe Japan should steadily fulfill its commitments and the pace of assistance should not go down. In Kenya, I saw that assistance consistent with the country's needs produced positive outcomes. Although it will not be easy to double ODA in light of Japan's financial difficulties, it is important to continue to implement better targeted assistance.

In Kenya, too, as with its assistance to the rest of Africa, China has been increasing its presence, including through road construction in the capital city and engaging in Japan's ODA projects. While China is expected to continue to actively extend assistance in order to acquire resources and new markets, it is problematic that its aid amounts and methods lack transparency. All of Japan's projects were "visible aid" which drew on Japan's characteristics. Moving forward, Japan will be urged to strengthen its own unique style of assistance, while bearing in mind China's moves.

The Japanese aid model in Kenya is commended for organically integrating tools such as Technical Cooperation and ODA Loans, in line with the CARD initiative Japan spearheaded. It is imperative that Japan leads the efforts to scale up the model to extend beyond the agricultural sector.

At the same time, a roadmap should be drawn up for graduating from "aid" in the future. If Kenya endlessly relies on aid, it may not be able to achieve self-empowerment for a long time. I hope Japan continues to provide beneficial assistance, keeping in mind that Kenya should eventually graduate from its aid recipient status.

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# Ex-post Evaluation of Private Sector Investment Finance Projects

## For resuming the projects

JICA's private sector investment finance projects are those which will have high development impact in developing countries, but cannot be implemented by private companies alone and therefore JICA provides debt or equity financing. In 2001, the approval of new projects was stopped as part of the reform of special public institutions. However, in recent years, it has increasingly become recognized that economic growth generated by private sector-led activities is essential for poverty reduction. Therefore, in the New Growth Strategy approved by the Cabinet in June 2010, the following was decided: "In order to support the projects with high development impacts which cannot be financed by existing financial institutions, private sector investment finance by JICA will be resumed, after its full study and evaluation of the successful and failed cases in the past and its establishment of risk examination and management system".

In this context, JICA asked a third party to conduct ex-post evaluations of the projects.

## Overview of ex-post evaluations

The Japan Economic Research Institute carried out desk evaluations through analysis of existing materials and interviews of companies, etc. between April and September 2010.

The evaluation had two dimensions: 1) Evaluation of the finance on all private sector investment finance projects (31 investment projects, 656 loan projects; total 687 projects); and 2) Evaluation of individual projects (all 16 projects with an outstanding balance, 15 projects with no outstanding balance but for which past data is available; total 31 projects). The latter were evaluated against seven criteria: five OECD-DAC criteria along with "JICA's investment returns" and "additionality" (additional effects due to JICA's assistance).

## Evaluation findings

The financial balance for all projects (JICA's investment returns) was a surplus of 143.8 billion yen (investment: 76.7 billion yen, loans: 67.0 billion yen). Among the 656 loan projects, 3 projects resulted in default (1.9 billion yen) and the write off ratio was 0.72%.

As for individual evaluations, over 70% (23 projects) of the projects were confirmed to have achieved either more than the planned or certain level of outcomes.

### Examples of project outcomes achieved:

- Local company has grown to be South America's largest iron and steel company with approximately 30% crude steel production capacity in entire nation. (Brazil iron-making joint venture project)
- Acquisition of foreign currency using unused resources (natural gas) contributed to agriculture promotion (Bangladesh fertilizer manufacturing project).

## Main Evaluation Findings

### Relevance

- All projects were generally highly relevant. However, relevance was a problem for some projects due to changes in development plans of the host country of the target investment and loan project.

### Efficiency

- The project period and project cost exceeded the initial plan in many projects, due to the project environment, infrastructure, and other factors in developing countries.

### Effectiveness

- Many projects achieved the planned impact in terms of the operation and effect indicators. However, some projects had limited effects due to risks associated with project implementation in developing countries.

### Impact

- Positive impacts were observed, including the dimensions of employment creation, acquisition of foreign currency, spillover effects on related industries, and technical transfers.
- Forward steps were taken in several projects of the iron and steel, petro-chemistry, industrial complex, and the paper and pulp sectors, including acquisition of international environmental standard ISO 14000 and information dissemination about CO<sub>2</sub> emissions.
- Environmental considerations were generally made appropriately. Although some projects faced problems related to relocations and land acquisition, their smooth resolutions were reported.

### Sustainability

- There were projects that were both sustainable (about 40%) and not very sustainable (already bankrupt, etc.) (less than 40%).
- Factors behind the low sustainability included financial issues, due to spiraling project cost, decline in demand of domestic economy, exchange rate fluctuations, and the Asian currency and financial crisis.

### Additionality (need for JICA investment and loans)

- In nearly all projects, JICA had a pump-priming effect on private investment through provision of medium- and long-term finance, promotion of policies in host country of those JICA financing (reduce policy change risk), etc.

However, the development impact of over 20% of the remaining projects (8 projects) was judged to be insufficient. Causes included inevitable reasons such as project suspension due to political turmoil and conflict, or effects of international product market situation and macroeconomic trends, such as the Asian currency crisis.

Other major evaluation findings are shown in the above table.

## Lessons learned and future steps

The evaluation findings summarize that "JICA's private sector investment finance function is highly significant as an ODA tool and system enhancements are sought on the basis of appropriate management".

Meanwhile, lessons learned for the future were extracted through the evaluation and analysis of projects which could not be implemented as initially planned. For example, "thorough management during project appraisal" (e.g., improve risk analysis and its control measures, formulate exit strategy, select qualified project manager with sufficient track record), and "strengthen supervising after project is approved" (e.g., monitor criteria and indicators established during project appraisal).

JICA will continue to draw on these lessons learned in system and project design of this function.

# Support to Increase Evaluation Capacity of Developing Countries, etc.

**Improving the evaluation capacities of project executing agencies in developing countries further increases their ownership, and contributes to the effective and efficient implementation of JICA projects. Furthermore, it may have spillover effects on non-JICA development projects. Therefore, JICA actively provides support aimed at developing the evaluation capacities of developing countries and emerging donors.**

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## 1 Cooperation with emerging donors

As developing countries' economies grow, aid recipients are emerging as new donors. They include the Republic of Korea, which has graduated from foreign aid, as well as Thailand and China, which are now making this transition. In order for those emerging donors to be able to implement more effective aid, JICA shares its experiences by implementing various evaluation partnerships and assistance.

During the session entitled "Practices and Evaluation of Rural Development Projects of Korea International Cooperation Agency (KOICA) and JICA" at the conference for the Japan Society for International Development (11th spring conference) that was convened at Hokkaido University in June 2010, KOICA and JICA presented their respective rural development projects and their evaluation. Views were

exchanged on the outcomes as well as each others' evaluation systems and initiatives. In December, the first regular meeting between the two agencies was held, and talks were initiated on how they can work together in the area of evaluation.

Aside from such academic activities, JICA has supported the development of evaluation officers of emerging donors i.e. through trainings for the staff of Export-Import Bank of China and China's local governments (June 2010) and for Neighboring Countries Economic Development Cooperation Agency (NEDA) of Thailand (August 2010). JICA also invited a staff of the Economic Development Cooperation Fund (EDCF) of the Export-Import Bank of Korea to the seminar on ODA Loan project evaluation (November 2010).

## 2 Promoting joint evaluations with developing countries

Conducting ex-post evaluations jointly with developing countries is one way by which JICA supports the capacity building of developing country governments. Joint evaluations facilitate the transfer of evaluation techniques and sharing of evaluation results. To date, JICA has carried out joint ex-post evaluations in many countries, and has achieved some success in realizing effective and efficient projects through improved evaluation techniques.

In recent years, JICA has concluded Minutes of Understanding (MOU) on evaluation with the relevant agencies of Viet Nam, the Philippines, and other countries. Comprehensive assistance is provided to transfer monitoring and evaluation methods through joint ex-post evaluations, and establish mechanisms to generate further impact and increase project sustainability.

### ● Viet Nam

JICA provides evaluation support based on MOU concluded with the Ministry of Planning and Investment (MPI) of Viet Nam in July 2007. The MOU consists of two pillars: 1) Implementation of joint ex-post evaluation; and 2) Evaluation system and capacity-building related assistance. The specific details are set forth in the work plans formulated by JICA and MPI each fiscal year.

In the third fiscal year of FY2009, JICA provided assistance to develop evaluation officers and implement budgetary measures, to cope with implementation issues that came to light from past assistance. As in FY2008, an ODA evaluation seminar for Vietnamese government officials was held in the three cities of Da-nang, Ho Chi Minh, and Hanoi. This seminar on evaluation management was attended by many Vietnamese officials who are in charge of project evaluation and monitoring. In addition, to support the launch of a Vietnamese evaluation association, JICA coordinated for them to participate in an



MPI staff training (Viet Nam)

international evaluation conference in Malaysia as well as to provide training for the development of Project Cycle Management (PCM) instructors. As for the joint ex-post evaluation, the Vietnamese evaluation team was involved in the series of activities up to the preparation of the evaluation report, and fulfilled an even larger role than in FY2008.

In FY2010, JICA will continue to support the capacity development of evaluation officers. To further increase the ownership of the Vietnamese side, the Vietnamese evaluation team will conduct the ex-post evaluation and a Japanese evaluator will conduct a secondary evaluation.

### ● Philippines

JICA provides comprehensive support to develop evaluation capacity based on an MOU concluded with the National Economic Development

Authority (NEDA) of the Philippines in May 2006. In Phase 1 (2006-2008), assistance was provided to increase the evaluation capacity of NEDA's project monitoring staff (PMS). Based on the outcomes, in Phase 2 (2009-2011), assistance is provided to enable PMS to independently conduct ex-post evaluations and to enable NEDA to carry out internal

training to develop the evaluation capacity. NEDA and JICA will work together to consider measures for addressing the issues of project impact which have come to light through the evaluations and in particular improve project sustainability (For more information about the FY2009 joint ex-post evaluation, see also p.41).

### 3 Seminar on Evaluation of Japanese ODA Loan Projects

The Seminar on Evaluation of Japanese ODA Loan Projects targeted at developing countries' executing agency staff in charge of development projects, had been held since FY2001 with the cooperation of former JBIC and former JICA. After the merger of the two organizations, JICA has continued to hold the seminar.

In FY2010, the seminar was held from November 8 to 19, 2010 in Japan, and was attended by 15 people from 15 countries. The program covered a wide range of topics, including an overview of JICA's evaluation system (a presentation given by JICA's Evaluation Department staff), sharing experiences among participants (a hands-on workshop), field visits (the Isewangan Expressway and the Central Japan International Airport), and a presentation on the challenges of emerging donors given by the staff of the Economic Development Cooperation Fund (EDCF) of the Export-Import Bank of Korea who were participating the seminar as observers.

Coming from executing agencies or aid agencies with plans to carry out ex-post evaluations of ODA loans in the near future, the seminar participants raised specific and focused questions and opinions which allowed information and knowledge sharing among the participants.

The participants actively took part in the Q&A sessions, and proactively sought to clarify any items they were unclear about.

The seminar aims at enhancing the participants' understanding on the importance of evaluations as well as the evaluation method of the ODA Loan projects, and developing the participants' evaluation capacity. Further, the participants are expected to actually utilize the knowledge and experiences they obtained at the seminar in their country and share them within their organization. Therefore, upon returning to their countries, the seminar participants either implement or plan steps to develop the necessary evaluation capacity at their organization based on an activity plan they have created. The outcomes of these steps are then reported to JICA in the form of a final report. In some countries, the ex seminar participants play a central role in preparing to hold seminars for government-related agencies. In these seminars, the ex seminar participants give presentations on what they have learned through the Seminar on Evaluation of Japanese ODA Loan Projects. JICA will continue to be an active supporter of these efforts to encourage feedbacks by the ex seminar participants.

#### OECD-DAC Peer Review of Japan

### Report commends JICA's improved feedback mechanism and joint evaluations with partner countries

The OECD-DAC, which reviews aid trends in the DAC member countries, conducted a Peer Review of Japan for the first time in seven years since 2003. The findings were compiled through a visit to Japan (October 2009), field visits to Bangladesh and Kenya (October and November 2009), and the Peer Review in Paris (May 2010), and the report was released in June 2010.

The report gave a generally positive evaluation of Japan's ODA, beginning with JICA, including the establishment of the new JICA, the strengthening of the country-based approach, capacity development, South-South cooperation, and aid coordination efforts in the field. Meanwhile, it made several recommendations, including setting a timeline for increasing ODA volumes, strengthening the PR strategy and policy coherence, further streamlining procedures, reviewing the division of labor between the Ministry of Foreign Affairs and JICA, delegating more authority to the field, and making progress in reporting the untied status of aid.

#### Accountability, evaluation and results-based approach

The section which discusses accountability, evaluation and results-

based management of Japan's ODA projects commends Japan for advancing efforts to strengthen the feedback of evaluation findings since 2003. In particular, with reference to JICA, the report notes that the improvement measures relating to poor performing projects are reported to its board, and that JICA has established a system to make use of the lessons learned from evaluating findings when designing projects.

In addition, the report points out that a distinctive feature of Japan's ODA project evaluations is "the high degree to which they are conducted jointly with partner governments", and underlines that such evaluations offer the advantage for lessons to be learned by both donors and aid recipients. On the other hand, the report also indicates that "Japan should examine ways to design, monitor and evaluate Japan's contribution to wider outcomes and impacts, not only those where the results are directly attributable".

Furthermore, the report, while acknowledging Japan's efforts to establish a results-based management framework and apply it in its projects, recommends that the outcome-based approach should be expanded to all schemes and programs.