

# Introduction of Cluster Management and study of its evaluation methods

## 1. JICA Global Agenda (cooperation strategy for global issues) and Cluster Strategy

In order to tackle further complicated development issues, JICA has set 20 “JICA Global Agenda (cooperation strategy for global issues)” (referred to below as the “Global Agenda”), and is strengthening its efforts through “Cluster Strategies” (referred to below as “Clusters” or “Cluster Strategy”), which are groups of projects to be intensively addressed. The Global Agenda corresponds to the development issues to be addressed in JICA’s medium-term objectives and their targets and indicators (see figure on the right).

As shown in the table below, the 20 Global Agenda are categorized under the following four priority issues: Secure a foundation and driving force for economic growth in developing areas (Prosperity), Promote people-centered development, which supports basic human life in the developing areas (People), Share universal values and realize a peaceful and secure society (Peace), and Build a sustainable and resilient international community by addressing global challenges (Planet). Within these, JICA will formulate strategies and plans for Clusters of projects to be addressed as a priority in order to achieve Global Agenda targets, and conduct comprehensive project management (Cluster management).

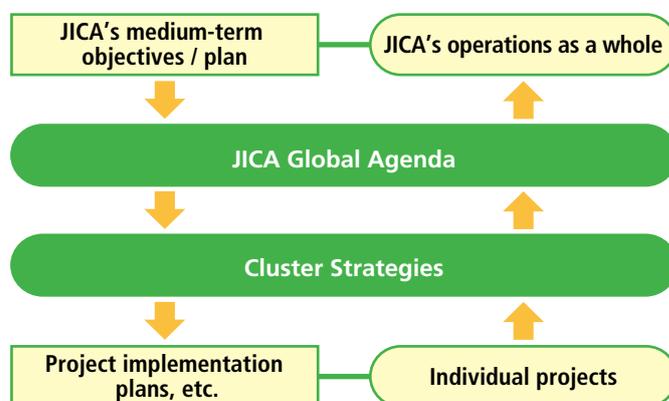


Figure 1: Positioning of the Global Agenda and Clusters

### List of JICA Global Agenda / Cluster Strategies

	JICA Global Agenda	Examples of Cluster Strategies (including those under development)
Secure a foundation and driving force for economic growth in developing areas (Prosperity)	(1) Urban and Regional Development (2) Transportation (3) Energy and Mining (4) Private Sector Development (5) Agriculture and Rural Development	Urban management and development (1) Road traffic safety (2) Carbon reduction and decarbonization in energy use (3) Africa Kaizen Initiative (4) Entrepreneurship support for creating business innovation (NINJA) (4) Asian investment promotion and industrial revitalization (4) Coalition for African Rice Development (CARD) (5) Smallholder Horticulture Empowerment & Promotion (SHEP) (5)
Promote people-centered development, which supports basic human life in the developing areas (People)	(6) Health (7) Nutrition (8) Education (9) Social Security, Disability and Development (10) Sport and Development	Reinforcement of continuing care for mothers and children using Maternal and Child Health Handbooks (6) Initiative for Food and Nutrition Security in Africa (IFNA) (7) Improvement of learning with a focus on development of textbooks and teaching materials (8)
Share universal values and realize a peaceful and secure society (Peace)	(11) Peacebuilding (12) Governance (13) Public Finance and Financial System (14) Gender Equality and Women’s Empowerment (15) Digital for Development	Peace and stability in the Sahel region (11) Strengthening connectivity through support for customs modernization (13) Elimination of gender-based violence (14) Cybersecurity (15)
Build a sustainable and resilient international community by addressing global challenges (Planet)	(16) Climate Change (17) Natural Environment Conservation (18) Environmental Management (19) Sustainable Water Resources Management and Water Supply (20) Disaster Risk Reduction through Pre-disaster Investment and Build Back Better	Sustainable management of terrestrial natural resources (17) Improvement of waste management and realization of a recycling-oriented society (18) Support for water utility development (19) Investment in advance disaster prevention (20)

## 2. What the Global Agenda/Clusters aim to achieve

By introducing the Global Agenda/Clusters, JICA aims to achieve the following.

### (1) Improved accountability

JICA will set goals and targets for the Global Agenda tied to the outputs to be achieved under the medium-term objectives and medium-term plan. Moreover, effective accountability will be ensured by linking the outputs of individual projects to those of Global Agenda.

## (2) Promotion of dialogue with governments of partner countries

The Global Agenda and Clusters will be shared with the governments of partner countries, and a development scenario that aligns with JICA’s policies and the needs of partner countries will be developed with them. In doing so, the aim is to promote the formation of projects that are consistent with both the requirements of partner countries and Japan’s strategy.

## (3) Maximization of development impact through collaboration and co-creation with external actors

By publicizing the goals and targets of the Global Agenda and Clusters, JICA aims to build a platform that brings together various actors who share them, and to maximize development impact through collaboration and co-creation with these actors.

## 3. Structure of the Cluster Strategy

Based on the key issues to be addressed as outlined in the Global Agenda, “standard scenarios” for effective and efficient problem-solving methods and deployment policies, such as platform activities aimed at expanding development effectiveness, will be developed for each Cluster. Specifically, these will consist of the items listed in the table below.

### Major components of a Cluster strategy

<b>Purpose and overview</b>	Indicate the status and values to be aimed for in the main Global Agenda initiatives (qualitative) and provide an overview of the initiatives in the Cluster.
<b>Current development issues and approaches to development cooperation</b>	Provide an overview of the current status and main factors related to the issues to be addressed in the Cluster (key issues), and analyze the development agencies’ approaches to solve them, including JICA’s.
<b>Cluster scenarios and evidence</b>	Present standard scenarios for Cluster initiatives in text and conceptual drawings. In addition, explain the plausibility of the results with quantitative and qualitative proofs (evidence).
<b>Cluster implementation direction</b>	Describe the Cluster’s activities, including platforms that facilitate collaboration with external parties. Also describe mechanisms for maximizing impact, etc.
<b>Cluster targets and monitoring framework</b>	Indicate the goal / targets and indicators to be achieved in the Cluster, and describe the monitoring framework regarding the status of outputs and progress toward outcomes.

## 4. Cluster features (1): Establishment and application of scenarios

A scenario for a Cluster is a basic conception of the overall change, with respect to the development issues to be solved, from the initial state to the desired state. This is made up of logical statements and cause-effect diagrams. As such, it represents a way to share with partner countries and other actors ways of realizing the values that JICA seeks to achieve in its Global Agenda.

In order to demonstrate the “plausibility” of the change process depicted in the scenario, quantitative and qualitative proof (evidence), such as data and theories, must be presented. Theory will be used as the axis for a group of projects under the Cluster to streamline the project implementation and review process. In addition, consideration is being given to developing country scenarios, based on the Cluster scenarios, that reflect the unique circumstances of each country.

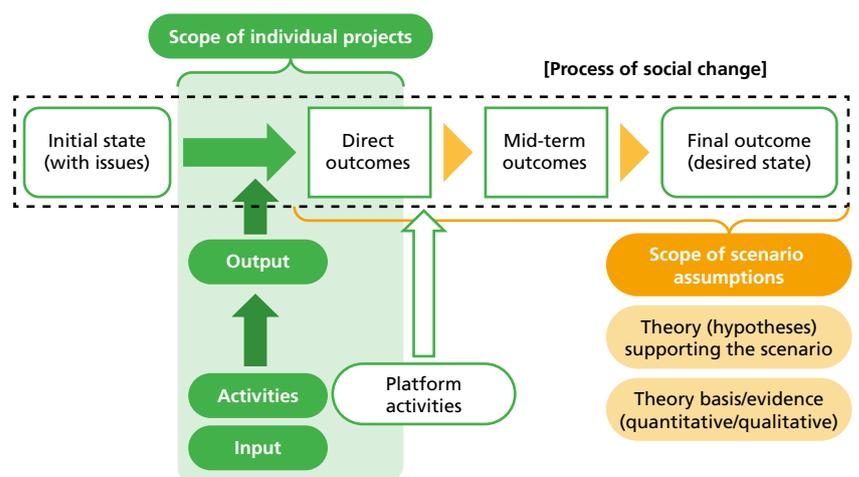


Figure 2: Cluster scenario establishment and application

## 5. Cluster features (2): (Establishment of Cluster-based targets and indicators)

Quantitative and qualitative indicators will be set to measure targets and achievements with respect to Cluster issues, with the aim of delivering outputs as a group of project. Moreover, to ensure that Cluster targets are sharable with non-JICA partners, efforts will be made to promote collaboration and co-creation with a variety of partners in solving issues. Cluster targets will be set as output targets to be achieved for the Cluster as a whole, from “direct targets” linked to activities through “intermediate targets” to the realization of “final targets” that contribute to the goals of JICA’s Global Agenda, which are aligned with the SDGs, etc. Indicators will be set as quantitative terms as possible as criteria for determining whether or not a target has been achieved, and the actual values of the indicators will be measured regularly and continuously through annual monitoring. In addition, the relevance and effectiveness of the Cluster outputs will be measured in terms of whether they are being realized as envisioned in the scenarios, and overall achievement for the Cluster as a whole will be monitored to ensure that the targets are being met.

## 6. Examination of the framework for Cluster evaluation

Monitoring and project evaluation systems are being reviewed in response to the introduction of the Clusters. For the individual projects that comprise a Cluster, monitoring and review will be conducted on a regular basis, focusing on the achievements of indicators, confirmation of qualitative effects, and the derivation of lessons learned. On an individual Cluster basis, consideration is being given to conducting a scenario-based integrated evaluations of the entire Cluster at any given time during the period.

Under this practice, achievements, lessons learned, and evidence obtained from the monitoring and review of individual projects will be accumulated for each Cluster, and it is expected that they will be shared and applied to other individual projects in a timely manner, and that cross-project comparisons and verifications will be performed. Through mutually complementary efforts between individual projects and Clusters, JICA aims to enhance scenarios and amass evidence in order to achieve the goals of the Clusters and each individual project. Studies on specific monitoring and evaluation methods for Clusters and individual projects will continue.

## 7. Trial ex-post Cluster evaluation

Although Cluster Management has been introduced, specific methods of evaluation are currently under consideration. Therefore, for the main purpose of organizing and studying methods for Cluster evaluation and techniques for planning, monitoring, and reviewing Clusters, an ex-post evaluation of a hypothetical past Cluster was conducted from the evaluation perspectives listed in the table below.

### ➔ Evaluation perspectives for trial evaluation (draft)

\* Platform activities refer to activities, or mechanisms that connect parties in the partner countries with various organizations and individuals who support the Cluster’s goals in order to expand the Cluster’s impact/outcomes.

Evaluation categories	Validation categories
(1) Relevance/Coherence	1-1 Consistency with development needs and development policy
	1-2 Consistency with the Japan’s ODA policy
	1-3 Consistency with international frameworks
	1-4 Cluster scenario review
(2) Implementation process review	2-1 Implementation process check
(3) Effectiveness/Impact	3-1 Progress toward outputs/targets
	3-2 Effectiveness of Cluster scenario
(4) Sustainability	4-1 Sustainability of project effects after project completion
	4-2 Sustainability of outputs in countries (entities) where projects have completed
(5) Performance (Adaption and contribution) / Additionality (added value and created value)	5-1 Contribution and added value creation through platform activities

## 8. Results of the trial ex-post evaluation and future issues

### (1) Accountability and deriving lessons learned in Clusters

For Clusters, lessons will be continuously derived from ongoing mid- to long-term processes to improve strategies in a flexible manner. It is essential that the effectiveness of the strategy be shared with many stakeholders using evidence, and it is necessary to consider the appropriate form of monitoring and evaluation for this purpose.

Another point for consideration is how to link monitoring items and methods from individual projects to Clusters and then to the Global Agenda, thereby ensuring accountability.

### (2) Use of country scenario information during monitoring and evaluation

Country-specific scenarios are expansions of Cluster scenarios tailored to respective countries. These are prepared as medium- to long-term basic plans that reflect the particular circumstances of different countries, incorporating the proactive involvement of partner countries as necessary.

For this trial ex-post evaluation, a country scenario was developed for Samoa in the Water Utility Development Support Cluster (see figure below).

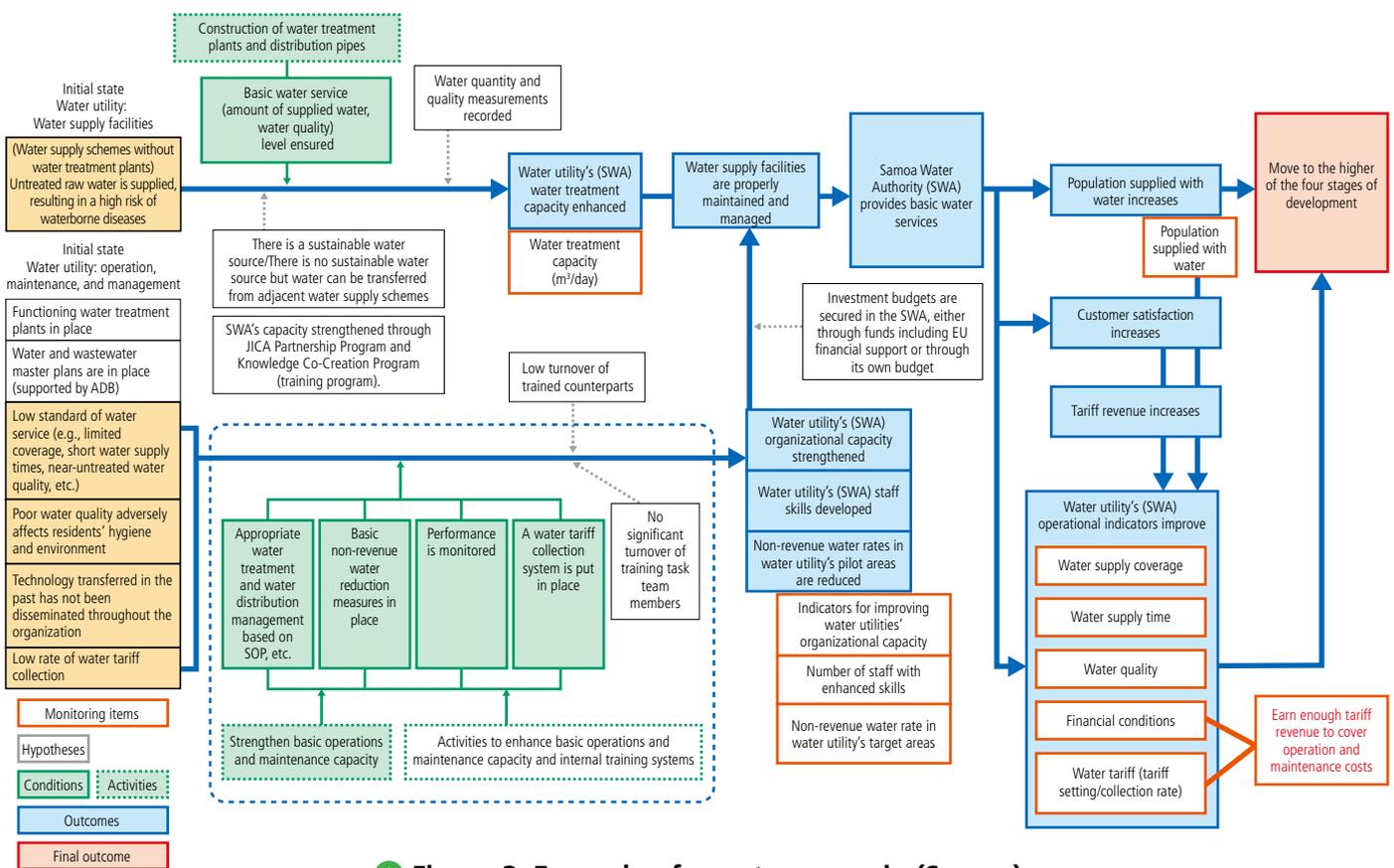


Figure 3: Example of country scenario (Samoa)

This trial ex-post evaluation revealed that one important piece of information in verifying the effectiveness of Cluster scenarios is the results of the implementation of scenarios customized for each country (e.g., results of indicator-based output measurement, etc.). After a Cluster strategy has been developed, when deploying it in specific countries and planning and implementing individual projects, it is necessary to set out the details of the country scenarios, including at what stage and in what process they will be developed and how they will be used in monitoring and evaluation.

### (3) Study of monitoring and evaluation of initiatives undertaken by a diverse range of actors

Cluster Management envisions collaboration and partnerships with a wide range of actors. It is necessary to consider specific methods on how to monitor and evaluate efforts to increase the impact of resource mobilization, new value creation, etc. produced and facilitated by these synergies.

## Ex-post Evaluation from a “Leave No One Behind” Perspective

In December 2019, the OECD/DAC revised its evaluation criteria to reflect the Leave No One Behind (LNOB) concept referred in the Sustainable Development Goals (SDGs).

JICA’s new evaluation criteria also focus on beneficiaries from an LNOB perspective, and it is expected that project plans will be formulated and evaluated in such a way as to bring about project effects, keeping in mind fairness and consideration for those who are at high risk of being left behind.

Given this background, a thematic evaluation was conducted to examine JICA’s project evaluation methodology, including how to identify people at high risk of being left behind, how to incorporate their needs into project plans, and how project implementation has contributed to their social inclusion and empowerment.

The study analyzed, from an LNOB perspective, the literature on LNOB published by major DAC donor countries, international organizations, and research institutes, as well as JICA’s ex-post evaluations.

A review of the various literature found no uniform definition of “people at high risk of being left behind.” For example, in some cases, examples are given by identity categories such as “children, women, people with disabilities, elderly people, refugees, ethnic minorities and indigenous people, other minorities, etc.” However, just as women are not always the most vulnerable in society, who come under the category of “people at high risk of being left behind” vary, depending on the individual project (i.e. what kind of project in what geographical area).

Therefore, in this study, the purpose of the ex-post evaluation reflecting an LNOB perspective was summarized as confirming whether “people who were supposed to be beneficiaries of the project while their equal social participation were impeded in the context of the project have been benefiting equally from the project without being left behind.” Then, based on the results of the case study

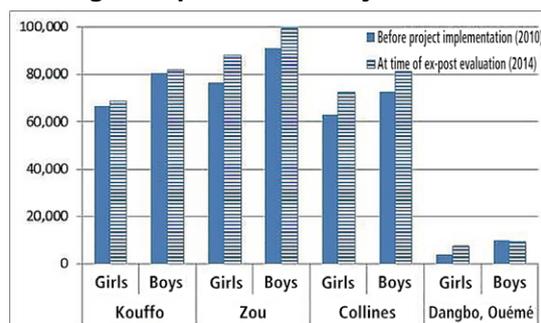
analysis of the ex-post evaluation of JICA projects, evaluation questions, typical indicators, and examples of evaluation decisions were proposed from an LNOB perspective for each of the six new evaluation criteria<sup>1</sup>.

Data disaggregation is also important when using quantitative data to check the achievement of project goals from an LNOB perspective. In order to verify the different degree of occurrence of outcomes from project results between “those whose equal social participation is impeded” and other beneficiaries, it is essential to have disaggregated data on “those whose equal social participation is impeded” as a unit, separate from the data for the beneficiary population as a whole.

The “number of children enrolled in school” was used as an indicator to determine the project’s effectiveness in the ex-post evaluation for the Grant Aid Project, “The Project for Construction of Primary Schools in the Republic of Benin (Phase IV),” analyzed as an example in this study<sup>2</sup>. Although no students whose equal participation was explicitly impeded were identified at the planning stage, disaggregated data on enrollment numbers and retention rates for boys and girls in school was collected to determine the outcome levels for female students, instead of collecting data for boys and girls as a whole in the ex-post evaluation. (Figure 1, Figure 2)

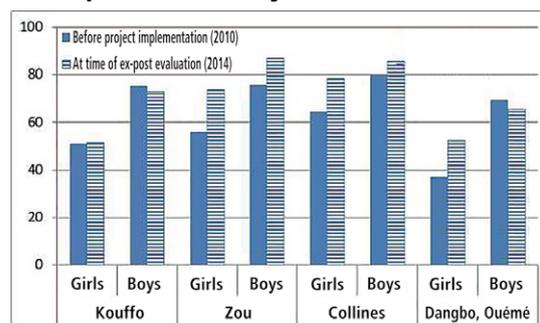
Based on the results of this study’s case analysis and proposals, it was decided to conduct the ex-post evaluation of JICA projects from an LNOB perspective, focusing on the beneficiaries and project objectives envisioned at the planning stage, and the ex-post evaluation reference material applicable to projects subject to ex-post evaluation in FY2022 have been revised<sup>3</sup>. Going forward, ex-post evaluation from an LNOB perspective will be conducted in accordance with the characteristics of individual projects, and further efforts will be made to make improvements as a body of case studies is compiled.

**Figure 1: The Number of Enrolled Students at Primary Schools in Target Departments/City**



Source: Materials provided by the implementing agency

**Figure 2: The Completion Rate of Primary Schools in Target Departments/City**



1 Thematic evaluation “Evaluation Methodology regarding Socially Vulnerable Groups for the Realization of ‘Leave No One Behind’” Final Report (in Japanese): 202203\_01\_ja\_1.pdf (jica.go.jp)  
 2 Benin (Grant Aid) The Project for Construction of Primary Schools in the Republic of Benin (Phase IV) Ex-Post Evaluation Report (2014\_0711300\_4\_f.pdf (jica.go.jp))  
 3 External Ex-post Evaluation Reference for FY2022 (in Japanese): reference\_2022.pdf (jica.go.jp)

## Ex-post Evaluation from a “Human Well-being” Perspective



In recent years, efforts have been made to measure people’s well-being from multiple perspectives. Internationally, the creation of the Better Life Index by the OECD and the publication of the World Happiness Report by the United Nations are typical examples.

This trend is driven by a growing awareness of the importance of capturing not only objective indicators such as GDP and income, which have been used as indicators of society and people’s well-being, but also subjective measures such as people’s satisfaction with their lives.

Improving Human Well-being (HWB) has also been recognized as part of the development agenda in the UN’s Sustainable Development Goals (SDGs), and the DAC has added an HWB perspective to its evaluation criteria. In light of these trends, JICA conducted a thematic evaluation to examine how its project evaluations should reflect an HWB perspective going forward.

The study included a review of HWB indicators created and adopted by various agencies and organizations, as well as discussions of definitions and specific methods of deployment, and application that take into account the characteristics of the project evaluations that JICA conducts<sup>1</sup>. As a result, JICA has come to recognize HWB as a multi-faceted and comprehensive framework for understanding various areas of society and life, including the subjective aspects of people’s experiences, and identified some individual domains which constitute HWB (see the conceptual diagram for the description of an HWB perspective with key domains).

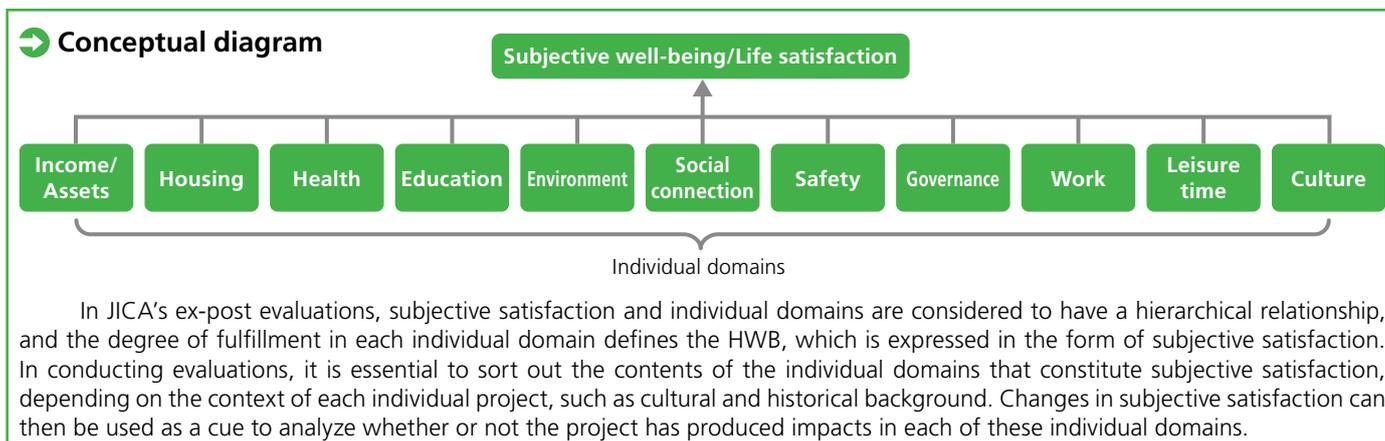
In addition, by applying the HWB survey methodology on a trial basis to some projects for which JICA had already conducted ex-post evaluations as case studies, JICA confirmed the relevance of the proposed survey methodology and its application to JICA’s ex-post evaluations. Specifically, by trying several patterns of question format and order, this trial of the HWB survey methodology examined which approach would be easiest for respondents to understand and which would elicit the necessary information while minimizing bias,

such as leading respondents to give the expected answer. In addition, an analysis was performed to determine what kind of questioning method would be best for confirming from various perspectives, starting from changes in subjective well-being/life satisfaction (“subjective satisfaction”), whether or not JICA’s projects had an impact on people’s lives other than the effects envisioned at the project planning stage.

The majority of respondents in each of the three projects for which case studies<sup>2</sup> were conducted cited the realization of the envisioned benefits of the project as a factor that influenced their subjective satisfaction. Furthermore, responses were also received regarding changes that would not normally be anticipated in a project plan. For example, in a case in India, alongside the outcome of increased sales of crops and the resulting increase in income that was envisioned when the project was planned, changes such as fewer conflicts associated with the use of water resources and improved interpersonal relations within the village were identified. In other words, by asking about changes in subjective satisfaction and asking broadly about the factors that influenced those changes, it was possible to identify the impact of the project on people’s lives that had not been anticipated when the project was first planned.

When ascertaining whether or not there has been an impact on people’s lives from an HWB perspective during the ex-post evaluation, it is necessary to individually consider the questions and methods of questioning regarding the respondents and individual domains surveyed, in accordance with the characteristics of the project.

Going forward, it will be beneficial to take an HWB perspective into account during ex-post evaluation and focus on each individual who may ultimately be affected by the project as this will allow JICA to understand the impact of our projects in a multi-faceted manner. JICA intends to build up its experiences in this regard and continue to improve the application of an HWB perspective over time.



<sup>1</sup> For more information on the background of HWB, survey methodology, and questions, refer to the final report of the thematic evaluation “Evaluation Methods for Human Well-being/Happiness.” ([https://www.jica.go.jp/activities/evaluation/tech\\_ga/after/ku57pq00001cdfnb-atr/202208\\_01\\_en.pdf](https://www.jica.go.jp/activities/evaluation/tech_ga/after/ku57pq00001cdfnb-atr/202208_01_en.pdf))

<sup>2</sup> The case study projects are: (1) India (Finance and Investment Cooperation) “Himachal Pradesh Crop Diversification Promotion Project”; (2) Tanzania (Grant Aid) “Project for Reinforcement of Power Distribution in Dar es Salaam”; and (3) Bhutan (Grant Aid) “Project for Improvement of Machinery and Equipment for Construction of Rural Agricultural Road (Phase 3).”

## Review of Perspectives on Project Evaluation in Conflict-Affected Countries/Regions and Application to Ex-post Evaluation

The number of armed conflicts worldwide began increasing again in around 2015, reaching a record high of 56 in 2020. Much of the increase in the number of conflicts, especially after 2015, has been due to “internationalized domestic conflicts” that have spread to neighboring countries or involved the intervention of third countries, indicating that conflicts are becoming more prolonged and internationalized. Furthermore, in mid-2022, the number of refugees and displaced persons worldwide exceeded 100 million for the first time in history, due in part to the rapid increase in the number of displaced persons resulting from events such as the crisis in Ukraine. In countries and regions affected by such conflicts, there is a need for assistance to help build resilient countries and societies that will prevent violent conflicts from occurring or recurring, and to achieve peaceful and inclusive societies, but the environment surrounding these projects is complex and requires careful attention in project evaluation.

In South Sudan, a typical example of a conflict-affected country, a comprehensive North-South peace agreement was reached in January 2005, following a long period of civil war. In response, the Japanese government resumed its support to help consolidate peace. In principle, ex-post evaluation of technical cooperation projects is to be conducted within three years after completion of the project. However, in South Sudan, there were two major nationwide disturbances in 2013 and 2016, so ex-post evaluation was conducted following the stabilization of the situation on the ground.

The external ex-post evaluation<sup>1</sup> of the three technical cooperation projects implemented from FY2019 to FY2020 identified shared sustainability challenges across all three projects resulting from external factors such as domestic conflict and a reorganization of the country’s states that occurred after the projects’ completion. Due to the fact

that the ex-post evaluation was conducted approximately eight years after the completion of the project, and due to the negative effects of personnel changes caused by the disturbances and of the state reorganization, the field survey took a long time to find the parties involved in the project, and in addition, the quality and quantity of information were limited due to restrictions on documents and other information sources, with information from the parties relying mostly on memories.

One of the lessons learned from the ex-post evaluations of these three projects is that, with respect to indicators for checking the achievement of outcomes, it is not easy to measure and collect quantitative data in conflict-affected countries and regions, so care should be taken to set clear indicators for which the collection of information represents less of a burden. Lessons have also been identified regarding the importance of considering changes in external conditions during project implementation and after completion, monitoring of the impact on the project, measures to be taken if changes occur, and a system in case conflicts recur during project implementation (evacuation of experts, remote project implementation, and the change of the structure of the implementing agency) when preparing the project design matrix (PDM)<sup>2</sup> at the project planning stage. Furthermore, though government administrative services are often limited in conflict-affected countries and regions, and thus the government’s contribution to the sustainability of projects’ effects is likely to be limited, it was found that the sustainability of effects can be enhanced by also putting more focus on building community capacities. Accordingly, it was also learned that providing support to the community helps residents perceive the benefits of a project, thereby engendering a sense of trust in government, something



Garbage collection in Juba City as part of the Project for Capacity Development in Solid Waste Management in Juba (June 2022)



On-the-job training on repairs using sandbags for The Project for Capacity Development on Sustainable Road Maintenance and Management in Juba, South Sudan (September 2013)

that is important for stabilizing society and building peace in conflict-affected countries and regions. In addition, project benefits can be enhanced by proactively communicating the information obtained during the project implementation period and providing connections to government services and support from other donors. This was drawn from cases where the success was achieved through an approach of accurately assessing the development needs identified through the creation of development plans for each village, and leading those areas that could not be supported by JICA to support by other organizations.

As described above, in conflict-affected countries, there are various difficulties in implementing projects, including the possibility that external factors beyond those envisioned during planning, such as disturbances, may occur during project implementation or after completion, the high probability that revision and monitoring of PDM will be required in response to changing situations, and the difficulty in providing support remotely due to the inability of all parties



Boats moored at Juba River Port under the Project for Enhancement of Operation and Management Capacity of Inland Waterway in Southern Sudan (February 2022)

involved to physically meet. In some cases, important peace-building impacts resulting from technical cooperation can be identified at the ex-post evaluation stage, including changes in the relationship between government and residents and among residents, changes in the perceptions and attitudes of residents and government officials, and better understanding on the part of residents of the role of public services.

On the other hand, some aspects of these positive peace-building changes are difficult to objectively verify in the ex-post evaluation by setting quantitative indicators at the ex-ante evaluation stage, and thus it is necessary to supplement them by conducting interviews with the parties involved.

Based on the lessons learned and challenges in past ex-post evaluations and discussions at the Advisory Committee, the table below summarizes the points to be considered in project evaluation for projects implemented in conflict-affected countries and regions, from project planning to ex-ante evaluation, monitoring during project implementation, and from completion of the project to ex-post evaluation.

The new evaluation criteria will be applied to the three Technical Cooperation projects in South Sudan<sup>5</sup>, which are subject to ex-post evaluation in FY2021. External ex-post evaluations were conducted in conflict-affected countries and regions, based on the points to be considered which have been outlined here.

JICA will continue to work on project evaluation in conflict-affected countries and regions, building up a body of examples of ex-post evaluation in light of the perspectives on project evaluation in conflict-affected countries and regions outlined here, so that the information and lessons learned from ex-ante evaluation, monitoring, and ex-post evaluation can be used to continuously improve project activities within the overall flow of the project cycle.

### Points to be considered for project evaluations in conflict-affected countries

Project implementation stage	Key points
Project planning/ Ex-ante evaluation	- Conduct Peacebuilding Needs and Impact Assessment (PNA) <sup>3</sup> , and indicate the results of the conflict factor analysis and the expected outcomes and contributions in terms of peace-building.
Monitoring during project implementation	- If it becomes necessary to change the plan during project implementation, review the outcomes and impacts as well as the changes in scope, and reach an agreement with the partner country government regarding changes to the PDM.
Project completion to ex-post evaluation	- If a factor occurs that was not envisioned in the PNA, or if an event was envisioned in the PNA but has a greater impact than anticipated at the time of planning, classify as an external factor. In addition, review the evaluation perspectives according to the timing of the external factors and whether or not the plan has changed. - Consider using "Subjective Perspective" <sup>4</sup> a non-scoring factor in the new evaluation criteria, and reflect it in the evaluation decision.

1 "Livelihood Development in and around Juba for Sustainable Peace and Development" (2019\_0800802\_4\_f.pdf (jica.go.jp)); "Strengthening Mathematics and Science Education in Southern Sudan (SMASSESS)" (2019\_0901290\_4\_f.pdf (jica.go.jp)); "Project for Improvement of Basic Skills and Vocational Training in Southern Sudan Phase 2" (2019\_0901285\_4\_f.pdf (jica.go.jp))

2 A Project Design Matrix (PDM) is a single table summarizing a project plan.

3 PNA (Peacebuilding Needs and Impact Assessment): A process to analyze the current political, governmental, security, economic, and social conditions and instability factors; reduce or avoid the negative effects of political, security, and social instability, as well as avoiding contributing to instability factors (conflict prevention considerations); and eliminate or reduce the factors contributing to instability (promotion of peace), in conjunction with the development of country-level assistance plans and management of the project, from the formation to implementation, monitoring, and evaluation of individual projects.

4 Analyzing the process from a subjective point of view, the roles and contributions played by JICA and other project stakeholders during planning, assessment and project implementation in order to achieve the project's goal.

5 "Project for Capacity Development in Solid Waste Management in Juba," "The Project for Capacity Development on Sustainable Road Maintenance and Management in Juba, South Sudan," "The Project for Enhancement of Operation and Management Capacity of Inland Waterway in Southern Sudan"

## Process analysis

JICA is conducting “process analysis,” which focuses not only on the verification of project effects (outcomes) but also on the implementation process leading to these effects, with the aim of linking lessons learned through project evaluation to project improvement. This analysis is characterized by its ability to ascertain effects and impacts that cannot be derived only from project evaluation based on the six DAC evaluation criteria. By enabling the identification of factors that inhibit or facilitate activities, changes in the attitudes and the behaviors of target groups, adequacy of monitoring and course corrections to plans, the extent of contribution made by each stakeholder, and other factors important to the effectiveness of the project, as well as the ingenuity of those involved, it is considered beneficial for better project operation and management.

This section presents the results of a survey on education sector projects, conducted in Zambia in FY2022.

## Process Analysis on “Capacity Development through the School-Based Continuing Professional Development Projects in Zambia”



This series of technical cooperation projects related to “Lesson Study” in Zambia began in 2005 and lasted for about 15 years in four phases, helping introduce “Lesson Study” in both training for in-service teachers and teacher training programs. “Lesson Study” is a method developed in Japan for improving teaching by studying teaching materials, conducting classes, discussing them with fellow teachers, and applying the results to plans for subsequent teaching materials. In these projects conducted in Zambia, JICA introduced and promoted a Lesson Study framework in the form of an in-school training system established with the support of other development partners. Strengthening the ability to address issues at the central government, local government, and

school levels, as well as improving the intrinsic capacities of the project’s counterparts, were identified as outputs of the project. On the other hand, the analysis focusing on the process of capacity development (referred to below as “CD”) was limited, and thus needed to be interpreted and examined in depth from the perspective of the counterpart stakeholders, particularly focusing on the possibility that the behavioral change of counterparts, lecturers, and teachers contributed directly or indirectly to the improvement of children’s academic performance. Therefore, a simplified project ethnography method was used to analyze the multiple facets and commonalities of the CD process by overlaying the narratives of multiple counterparts.

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I was constantly thinking about “How could Lesson Study be practiced sustainably, how could we eliminate teachers’ dependence on being paid for participating in donor-sponsored training, and why do we need to provide money for them to eliminate their own ignorance?” It is not easy to change a mindset shaped by one’s culture and system. So, we started to convince hundreds of teachers, the ministry, the province and districts and the headteachers. This was the biggest challenge I’ve ever experienced in my life. And, what we found out is that they were unaware of their own issues. What I realized was that they did not face their problems and they couldn’t accept them. And they always blamed children for their failures, ignoring the fact that the problems were on their side. (Excerpt of Mr. Banda’s remarks from the report)

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Benson Banda (currently Director of the National Science Centre)

According to the results of this study, one of the factors facilitating CD was that the cooperation provided consistently respected the counterparts' sense of ownership, from project development to project implementation. Cooperation from the Japanese expert, focusing on "trial-and-error process" of the counterparts, contributed substantially to their CD. Also, it was confirmed that flexible operational management of the projects would be essential to allow for trial and error. Furthermore, comprehensive cooperation, including support for formalizing Lesson Study, appropriate staffing and utilization, development of infrastructure, and research environment facilitated not only the utilization of individual growth within organizations and institutions, but also fostered a ripple effect of CD on organizations and society.

In addition, Lesson Study introduced through the projects provided a forum for teachers to learn from each other within school, and teachers were able to overcome subject contents which they struggled with and to improve their teaching methods. Furthermore, the teachers interviewed in

this study confirmed the possibility that the student-centered lessons introduced in Lesson Study contributed to changes in students' attitudes in class, class participation, and knowledge retention, as well as the possibility that group work in which children teach each other in their local language led to improved learning, especially among children with lower academic ability. As such, the realization that learning of the children under the care of individual teachers conducting Lesson Study has gradually been improved through their class practice acts as an incentive for the teachers to continue Lesson Study.

The survey results were not only shared within JICA, but were also presented at the 18th ODA Evaluation Workshop held by Japanese Ministry of Foreign Affairs and the Asia-Pacific Evaluation Association (APEA), as well as at the 33rd Annual National Conference of the Japan Society for International Development to promote the utilization of the lessons learned for similar projects in the future.



Conventional lesson (Chalk & Talk) in a primary school without introduction of Lesson Study



Student-centered lesson (multi-directional between students) in a primary school where Lesson Study is being practiced.



Stakeholder workshops in Southern Province



Lesson Study by trainee teachers at a college

## Project Monitoring and Evaluation using World Bank Household Survey Methodology

### Trial Application to Project for Market-Oriented Smallholder Horticulture Empowerment and Promotion in Malawi

The World Bank has developed SWIFT<sup>1</sup> (Survey of Well-being via Instant and Frequent Tracking) as a monitoring and evaluation tool. Instead of directly examining household consumption as in traditional household surveys, SWIFT uses machine learning, statistics, and econometrics to identify the 10–15 variables most likely to be associated with household income and expenditure, and collects data on these variables through face-to-face interviews using electronic devices such as tablets and smartphones, a technique called CAPI (Computer-assisted Personal Interviewing), to estimate poverty levels. Compared to conventional household surveys, it has far fewer questions and collects data using tablets and smartphones, making the data collection cheaper, faster, and easier, while also allowing for high-frequency data collection.

JICA is using SWIFT on a trial basis for the monitoring and evaluation of the ongoing technical cooperation project “Market-Oriented Smallholder Horticulture Empowerment and Promotion (MA-SHEP)” in Malawi.



The SWIFT survey being conducted

## Overview of the SWIFT<sup>2</sup> Survey for MA-SHEP

### 1 Goals of MA-SHEP

MA-SHEP was launched in 2017 for the entire country of Malawi (24 of 28 districts, excluding 4 districts with low priority for horticultural crops) with the aim of improving the income of the participating smallholder horticultural farmers by implementing a market-oriented agricultural approach, thereby contributing to improving the income of smallholder horticultural farmers nationwide<sup>3</sup>. The decision to apply SWIFT on a trial basis in MA-SHEP was made because the project had set income improvement as a project purpose and an overall goal, and also because it was consistent with the conditions for SWIFT application (refer to column). The purpose of the trial application is twofold: to share relevant data such as poverty levels among smallholder horticultural farmers with MA-SHEP stakeholders (relevant project office staff and experts) to help them improve the project during its implementation, and to make inferences about the effectiveness of MA-SHEP.

### 2 Selection and sampling of farmers for SWIFT survey

A total of 2,120 households (1,080 and 1,040 MA-SHEP participants and non-participants, respectively) from 18 of the 24 districts covered by MA-SHEP were sampled for the SWIFT

survey. The former were extracted from the list of farmers participating in MA-SHEP, stratified by district, farmer group and gender. The latter was based on a list of farmer groups provided by agricultural associations, and groups with similar attributes to those of MA-SHEP participants were selected based on information collected prior to the start of the SWIFT survey, using the same methodology as for MA-SHEP participants. The enumerator<sup>4</sup> directly contacted the farmers or representatives of farmer groups selected by the above methods and asked for participation in the SWIFT survey.

### 3 Questionnaire

To monitor and assess changes in the income of smallholder horticultural farmers in Malawi, SWIFT was used to interview the participants regarding the items listed in Figure 1 (the first three of the four interviews for the year were already conducted in February, June, and November 2022). In addition to these items, information was also collected from participating farmers on items related to MA-SHEP (frequency of market survey<sup>5</sup> by participating farmers, degree of information exchange within farmer groups, types of information received, types of crops grown, decision-making process among genders, etc.), items related to the risk of falling into extreme poverty and food shortages and

1 The Concept and Empirical Evidence of SWIFT Methodology (worldbank.org)

2 Data collection and analysis, including household surveys using SWIFT, are referred to as SWIFT surveys.

3 Project Activities | Project for Market-Oriented Smallholder Horticulture Empowerment and Promotion in Malawi | Technical Cooperation Projects | Projects — JICA

4 Individuals on the list of enumerator held by the National Statistical Office of Malawi were recruited and selected through interviews based on their educational background, experience in household surveys using CAPI, and English proficiency, etc.

5 Market survey is one of MA-SHEP's most important activities. MA-SHEP participants are trained to use market information to help farmers make their own decisions, such as growing profitable crops at the optimal time.

items related to resilience to shocks such as bad weather and price spikes, etc.

1. Flooring material	11. Possession of bicycle
2. Roofing material	12. Possession of table
3. Type of lighting	13. No. of rooms
4. Type of cooking fuel	14. No. of household members
5. Waste disposal facilities	15. No. of dependent family members
6. Type of toilet	16. Family educational background, etc.
7. Possession of mortar	
8. Possession of bed	
9. Possession of radio	
10. Possession of iron	

Figure 1: Questions to estimate poverty level

#### 4 Collection and use of data

In SWIFT surveys, questionnaires are translated into the local languages of the target regions and data is collected through face-to-face interviews using CAPI. In the case of MA-SHEP, two survey teams (one manager, two enumerators, and one driver) were assigned to each district in Malawi, and the enumerators met the participating farmers at the respective regular meeting venues etc. regularly used by the farmer groups, to conduct interviews. The collected data is promptly shared and monitored in the cloud, enabling data collection for a total of 2,120 households to be completed within 10 days.

Poverty levels are estimated by the World Bank based on the collected data, which is then shared with MA-SHEP stakeholders. However, since the raw data is difficult to handle, charts and graphs visualized using BI (Business Intelligence<sup>6</sup>) tools are also shared in order to show how it relates to hypotheses and evaluation questions (e.g., the higher the frequency of market survey, the lower the poverty level) established in advance with stakeholders (refer to Figure 2). Looking at those charts, MA-SHEP activities, the characteristics

of the participants, and their changes are discussed with MA-SHEP stakeholders<sup>7</sup>. Reflecting the opinions of MA-SHEP experts and others who are familiar with the local situations, we have been able to deepen our understanding of the project interventions by changing perspectives and data presentation methods as appropriate (e.g., visualizing by gender, head of household, etc.; looking at differences between households with the highest and lowest expenditures). The insights obtained are then fed back to the project members during project implementation.

However, at this stage, it is not possible to directly compare MA-SHEP participants and deduce the effects of MA-SHEP, so this is limited to monitoring the project and providing feedback to project members. In order to further discuss the effects of MA-SHEP, there are still issues to be addressed, such as statistical adjustments after constructing a rigorous comparison group using matching techniques and other methods. The aforementioned issues will be addressed in cooperation with the parties concerned so that we can have specific discussions on project effects, and the final results will be compiled together with the results of the fourth SWIFT survey.

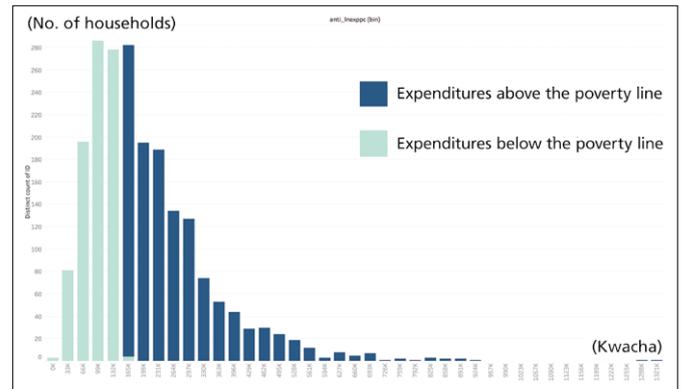


Figure 2: Annual per capita household consumption (Kwacha)

Note) Annual household consumption per capita (x axis) estimated using SWIFT compared to the official Malawi national poverty line. Light blue means consumption below the poverty line and blue means consumption above the poverty line. The y axis indicates the number of households.

#### What kind of projects is SWIFT suitable for?

Not all projects that are undertaken for the purpose of “income increase” are suited for SWIFT surveys. First, estimation of poverty levels is premised on large-scale household surveys and other data already having been collected in the country concerned. In the case of MA-SHEP, the SWIFT survey questionnaire was developed based on data from the IHS5 (Fifth Integrated Household Survey<sup>8</sup>) conducted in Malawi in 2019–2020 (refer to Figure 1).

Another unique feature of SWIFT surveys is the use of an interview technique called CAPI, in which information elicited from survey participants is directly recorded in digital form by enumerators on a tablet or similar device, and the data is shared with relevant parties via the cloud. As such, the availability of consultants, enumerators, and other personnel who can handle ICT tools, including CAPI programming and electronic device operation, is also key to success.

<sup>6</sup> Business intelligence refers to methods and technologies to support decision-making in management and other areas by collecting, storing, analyzing, and reporting data from companies and other organizations.

<sup>7</sup> Experts directly managed by JICA dispatched to Lilongwe, Malawi and other areas of the country (3 dispatched for long term and 4 for short term) for the purpose of managing MA-SHEP operations and facilitating the smooth implementation of the project.

<sup>8</sup> Malawi's Fifth Integrated Household Survey 2019-2020 and Integrated Household Panel Survey 2019: Data and documentation now available (worldbank.org)

## Presentations and Reports at Academic Societies

### —The future direction and ideal form of project evaluation for development cooperation—

JICA has been presenting its project evaluation activities at academic societies as part of outreach efforts to improve the quality and accountability of its projects. In FY2022, JICA presented its efforts to apply data to project evaluation at the Japan Evaluation Society. JICA also presented recent developments in JICA's project evaluation, focusing primarily on the process, at the Japan Society for International Development.

By giving presentations and exchanging opinions at academic societies, a deeper level of discussion was achieved regarding the future direction and ideal form of evaluation in development cooperation, and useful recommendations and suggestions were received.

### Japan Evaluation Society

At the 23rd Annual National Conference (December 10 and 11, 2022), a common topic session entitled "JICA's Latest Initiatives for Project Evaluation" was held.

Firstly, in a presentation titled "Overview of JICA's Project Evaluation: Recent Efforts to Improve the Evaluation System and the Status of Data Utilization and Application," JICA explained its practice of collecting evidence within a short period of time and applying to project implementation in addition to the explanation of rigorous impact evaluation. Then, under the title of "Project Evaluation and Monitoring using World Bank SWIFT for High Frequency Household Surveys - An Introduction to Practice in Malawi,"<sup>1</sup> a presentation

was given on the progress of project monitoring and evaluation using SWIFT, developed by the World Bank, as well as on "The Use of Satellite Data in JICA's Ex-post Evaluation," including the issue of analyzing satellite data after field surveys.

After the presentation, there was a lively discussion on the validity of the attributes of the survey targets and the period covered by the survey in SWIFT, the handling of attribution issues in satellite data analysis (how changes revealed by satellite data analysis can be judged to be attributable to the projects under evaluation), and the importance of qualitative research based on the Theory of Change (ToC).

### Japan Society for International Development

At the 33rd Annual National Conference (December 3 and 4, 2022), a roundtable titled "Focus on Evaluation Frameworks and Processes in JICA International Cooperation Projects" was held.

Firstly, under the title of "Overview of JICA Project Evaluation and Latest Issues — Focus on a Process Perspective," JICA presented the incorporation of Human Well-being<sup>2</sup> and Leave No One Behind<sup>3</sup> as evaluation perspectives. JICA explained the current state of the study of evaluation methods for the Cluster Strategy in the next presentation, titled "Cluster Management (Cluster Strategy) and Evaluation Framework Study."<sup>4</sup> Finally, JICA presented a report titled "Process Analysis on Capacity Development

through the School-Based Continuing Professional Development Projects in Zambia,"<sup>5</sup> confirming such issues as the relationship between children's learning and teachers' development.

After the explanation, the possibility of cooperation scenarios becoming rigid by introducing a Cluster Strategy was raised. JICA explained that the strategy is developed through close dialogue with partner countries and various stakeholders, and is subject to review as needed. Finally, the designated discussant commented that the resources that can be used in project evaluation are limited and that streamlining evaluations may be necessary.

1 Refer to pp. 50–51 for details. 2 Refer to p. 45 for details. 3 Refer to p. 44 for details. 4 Refer to pp. 40–43 for details. 5 Refer to pp. 48–49 for details.

## Advisory Committee on Evaluation

JICA has established an Advisory Committee on Evaluation to seek advice on project evaluation, improve the quality of evaluation, enhance feedback, and ensure the accountability of respective evaluations. The committee consists of individuals with expertise in international cooperation or evaluation from various fields, including academia, private organizations, NGOs, the media, and international organizations.

The Committee exchanges opinions, reviews, and provides advice on JICA's various approaches to project evaluation and on the response to previous advice and recommendations made by the Committee.

List of Committee Members		As of March 2023; titles omitted
Chairperson	TAKAHASHI Motoki	Professor, Graduate School of Asian and African Area Studies, Kyoto University / Director, Center for African Area Studies, Kyoto University
Acting Chairperson	MINAMOTO Yuriko	Vice President / Professor, Graduate School of Governance Studies, Meiji University
Members (in Japanese syllabary order)	ISHIMOTO Jun	Vice-Chairman, Engineering and Consulting Firms Association, Japan (ECFA)
	IMATA Katsuji	Managing Director, CSO Network Japan
	KINAI Mariko	National Director, World Vision Japan
	KUROSAKI Takashi	Director, Institute of Economic Research, Hitotsubashi University
	KONO Satoko	President, ARUN LLC
	KONDO Tetsuo	Director, United Nations Development Programme (UNDP) Representation Office in Japan
	TAKEHARA Reiji	Director, International Cooperation Bureau, Keidanren (Japan Business Federation)
	FUNAKOSHI Mika	Journalist

The FY2022 meetings of the Advisory Committee on Evaluation were held in October 2022 and February 2023. At the October meeting, the committee exchanged opinions and gave advice on (1) the introduction of a new management method for development cooperation projects (Cluster Strategy) and the status of the review and study of evaluation methods, and (2) the review and revision of the Guidance for Project Evaluation in Conflict-Affected Countries and Regions. With regard to agenda item (1), the members shared their views on the latest situation regarding the review and study of evaluation methods for the Cluster Strategy, as well as future actions to be taken. As for agenda item (2),

an explanation was provided on the revised content of the guidance outlining points to be considered when conducting ex-ante and ex-post evaluations of JICA projects in conflict-affected countries and regions, and advice was given for future revisions. For further details of the discussion, refer to [\[October 2022 meeting\]](#) (in Japanese). At the second meeting in February 2023, following on from the October meeting, the committee discussed and gave advice on the cluster evaluation methodology, as well as the Annual Evaluation Report 2022 (this report). For further details of the discussion, refer to [\[February 2023 meeting\]](#) (in Japanese).

### Evaluation of Operational Performance, etc. and Project Evaluation .....

In accordance with the Act on General Rules for Incorporated Administrative Agencies, JICA is required to prepare a medium-term plan and an annual plan to achieve the medium-term objectives as directed by the competent ministers, and to conduct a self-evaluation every year. Accordingly, since 2003, JICA has been conducting evaluations of its operational performance and publicly announcing the results. The current medium-term plan covers the period from FY2022 to FY2026. For details, refer to [\[JICA Annual Report 2022 "Transparency of Operation"\]](#).

## Statistical Analysis of Ex-post Evaluation Results

### 1 Changes in the number of ex-post evaluations and implementation of new evaluation criteria

Since the start of ex-post evaluation of Finance and Investment Cooperation in 2004 and the merger between the former JICA and the Overseas Economic Cooperation Operations of the former JBIC in October 2008, ex-post evaluations have been conducted for three schemes: Finance and Investment Cooperation, Grant Aid, and Technical Cooperation. Below is a breakdown of the total 2,295 external and internal evaluations for projects where ex-post evaluation concluded between FY2004 and FY2022.

In conjunction with the revision of the new DAC evaluation criteria, JICA has revised its own project evaluation criteria, and the new evaluation criteria have been applied to projects for which evaluation began in FY2021<sup>1</sup>. FY2022 saw the completion of ex-post evaluations that began under the new evaluation criteria, and is the first fiscal year for which such results will be published. All ex-post evaluations conducted from FY2004 to FY2021 were based on the previous evaluation criteria. The ex-post evaluation results published in FY2022 will include evaluations conducted both under the previous and new criteria. FY2022 saw the completion of 67 external evaluations (61 under the new evaluation criteria and 6 under the previous criteria) and 65 internal evaluations (15 under the new criteria and 50 under the previous criteria).

- Finance and Investment Cooperation<sup>2</sup> (Projects for which evaluation completed FY2004–FY2022): 810 (all external evaluations)
- Grant Aid (Projects for which evaluation completed FY2010–FY2022): 635 (260 internal evaluations, 375 external evaluations)
- Technical Cooperation (Projects for which evaluation completed FY2010–FY2022): 850 (646 internal evaluations, 204 external evaluations)

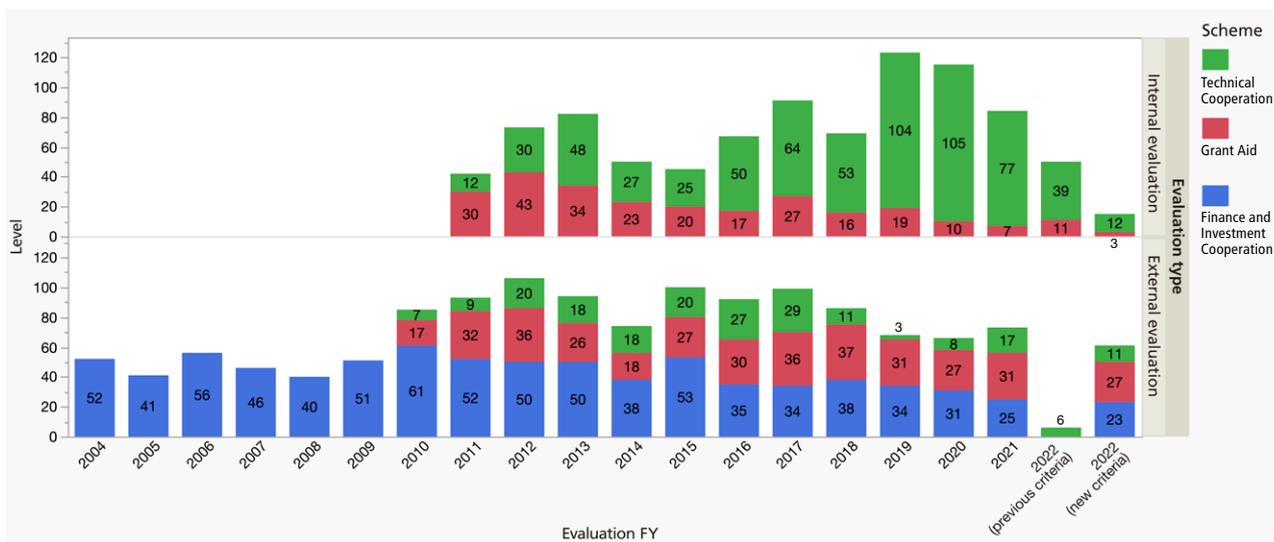


Figure 1: Number of evaluations by fiscal year of evaluation (external and internal evaluations)

### 2 Evaluation results based on previous and new evaluation criteria

Previously, JICA has conducted statistical analysis using ratings<sup>3</sup> to identify trends in overall ratings and provide feedback for project planning and implementation. Since FY2022 is the first fiscal year in which the results of ex-post evaluations applying the new evaluation criteria will be published, the results are shown in terms of overall ratings and sub-rating results, with attention also paid to the previous and new evaluation criteria.

JICA's project evaluation criteria were revised in line with the revision of the DAC evaluation criteria. The evaluation is conducted based on JICA's new six evaluation criteria and JICA assigns four grades (sub-ratings: (4), (3), (2), (1)) for (I) Relevance/Coherence, (II) Effectiveness/Impact, (III) Sustainability, and (IV) Efficiency. The rating flowchart is then used to derive a four-level overall rating ("Highly Satisfactory (A)," "Satisfactory (B)," "Partially satisfactory (C)", and "Unsatisfactory (D)") based on four sub-ratings. The four-level overall ratings (A to D) are defined for external evaluations, but overall evaluation results of internal evaluations are also categorized on a four-level scale, and since they can be integrated in terms of content, evaluation results of internal evaluation are converted and integrated into the four levels of A to D when compiling the overall evaluation results of external and internal evaluations.

<sup>1</sup> For details of JICA's new evaluation criteria, refer to pp. 10–11 of this report and the "JICA Project Evaluation Handbook (Ver.2.0)" (in Japanese).

<sup>2</sup> [https://www.jica.go.jp/activities/evaluation/guideline/ku57pq00001pln38-att/handbook\\_ver.02.pdf](https://www.jica.go.jp/activities/evaluation/guideline/ku57pq00001pln38-att/handbook_ver.02.pdf)

<sup>3</sup> Finance and Investment Cooperation includes ODA Loans and Private-Sector Investment Finance.

<sup>4</sup> Ratings are a tool that enable a comprehensive and uniform representation of the outputs and other aspects of a development project, and provides information for understanding the current situation and making improvements. However, as a tool, they have some limitations: (1) the evaluation criteria are based on the DAC evaluation criteria, (2) it is not possible to fully adjust for varying levels of difficulty between projects, such as the project environment (fragile states, conflict-affected regions, etc.) or project characteristics, such as whether or not innovation is involved, and (3) they are based on the results of past initiatives and do not represent various initiatives currently underway. As such, it should be noted that rating results do not encompass all aspects of a development project.

Figures 2 through 7 show the number of overall ratings derived in each fiscal year (a total of 2,265 external and internal evaluations from FY2004 to FY2022) out of a total of 2,295 ex-post evaluations completed from FY2004 to FY2022. The number of ex-post evaluations in FY2022 is aggregated from 61 external evaluations (55 using the new evaluation criteria and 6 using the previous evaluation criteria) and 64 internal evaluations (15 using the new evaluation criteria and 49 using the previous evaluation criteria)<sup>4</sup> for which ex-post evaluation has been completed and an overall rating derived, divided into previous and new evaluation criteria (70 using the new evaluation criteria and 55 using the previous evaluation criteria).

### Overall ratings based on the previous and new evaluation criteria

Figure 2 is a mosaic plot representing a visualization of the number of overall ratings derived in each fiscal year (2,265 in total). The horizontal axis indicates the fiscal year in which the ex-post evaluation was completed, and the width of each bar is proportional to the number of evaluations completed in that fiscal year. The vertical axis shows the proportions of overall ratings on a four-level (A–D) scale, with the number of ex-post evaluations for that fiscal year as 1.0. Both the previous and new evaluation criteria have a four-level overall rating, but the previous and new criteria are shown with a slight space between them due to their difference of the rating criteria.

Furthermore, the number of ex-post evaluations in FY2022 is shown separately for the previous and new evaluation criteria (70 for the new evaluation criteria and 55 for the previous evaluation criteria).

Figure 3 shows the proportion of “Highly Satisfactory (A),” and “Satisfactory (B)” ratings results for each year from FY2004 to FY2022 (AB proportion). The average AB proportion for the total period is 0.757, indicated by the horizontal line in the figure. The AB proportion for each fiscal year is indicated by a dot, and the deviation from the overall average is indicated by a vertical bar connecting each dot to the average line. The light blue area shows the 95% confidence interval range of the mean AB proportion (UDL and LDL<sup>5</sup>) for each fiscal year, shown as a band for each fiscal year. Points that fall within the light blue band are colored green, while points falling outside are colored red.

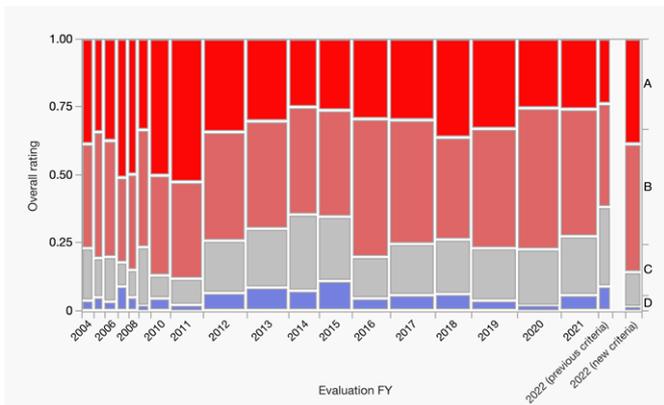


Figure 2: Overall ratings by fiscal year of evaluation

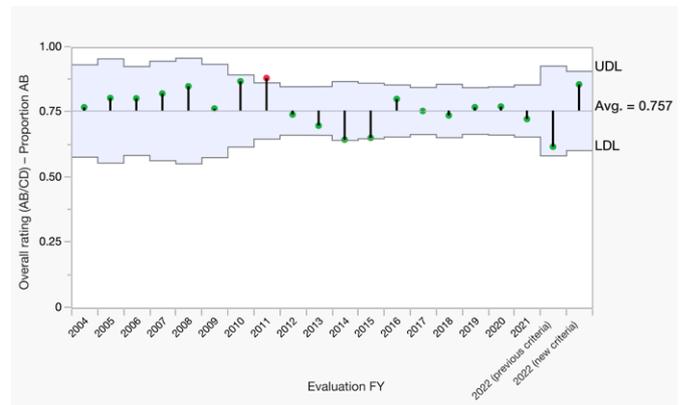


Figure 3: AB proportions in overall ratings by fiscal year of evaluation

Overall ratings: ■ Highly Satisfactory (A) ■ Satisfactory (B)  
■ Partially satisfactory (C) ■ Unsatisfactory (D)

Of the ex-post evaluations completed in FY2022, the AB proportion for overall ratings under the new evaluation criteria was 0.86, while the AB proportion under the previous evaluation criteria was 0.62 (refer to the two green points on the far-right side of Figure 3). Although it appears that the AB proportions for the FY2022 overall rating results differ significantly between the previous and new evaluation criteria, due in part to differences in the background of the projects subject to ex-post evaluation (scheme, region, evaluation type, sector, etc.), it is not appropriate to make comparisons based on the perception that this represents a difference between the previous and new evaluation criteria.

Taking into account the differences arising from the differences in circumstances mentioned above, a look at the average change in the AB proportion in overall ratings for each of the past fiscal years 2004 through 2021 shows that there have been similar fluctuations in the past. Furthermore, although the AB proportions for the previous and new evaluation criteria in FY2022 appear to differ significantly, both were within the light blue band, and the fact that the fluctuation was within the confidence interval range (within the light blue band) means that the results can be considered range of statistical expectation, indicating that nothing particularly unusual occurred.

<sup>4</sup> The 67 projects for which external evaluations were completed in FY2022 include 4 for which an overall rating was not given, and 2 Private-Sector Investment Finance projects for which the overall rating was not disclosed, leaving 61 projects remaining. The 65 projects for which internal evaluations were completed in FY2022 include 1 for which the overall rating was not disclosed, leaving 64 projects remaining.

<sup>5</sup> Upper / Lower Decision Limit: The upper / lower limit of the 95% confidence interval of the AB proportion mean for the year in question. Nelson, P. R., Wludyka, P. S., and Copeland, K. A. F. (2005). *The Analysis of Means: A Graphical Method for Comparing Means, Rates, and Proportions*. Philadelphia: Society for Industrial and Applied Mathematics.

**Sub-ratings based on the previous and new evaluation criteria**

Because the previous evaluation criteria had three sub-rating levels (High, Fair, and Low), which tended to be rated toward “Fair,” the number of sub-rating levels was changed from three to four when the evaluation criteria were revised. Figures 4–7 show sub-ratings under the previous and new evaluation criteria for (I) Relevance/Coherence, (II) Effectiveness/Impact, (III) Sustainability, and (IV) Efficiency. The horizontal axis indicates the fiscal year in which the ex-post evaluation was completed, and the width of each bar is proportional to the number of projects that underwent evaluation in that fiscal year. The vertical axis shows the proportion of each sub-rating. However, because the previous evaluation criteria had three sub-rating levels ((3) High, (2) Fair, and (1) Low), and the new evaluation criteria have four levels ((4) Highly Satisfactory, (3) Satisfactory, (2) Partially satisfactory, and (1) Unsatisfactory), it is not appropriate to compare directly. Accordingly, in Figures 4–7 below, ratings under previous and new criteria are shown in different color series with a slight space between them, with the previous criteria having three levels in the red series and the new criteria having four levels in the green series.

Because application of the new evaluation criteria just started in FY2021, it is not appropriate to simply compare the results of ex-post evaluations conducted this fiscal year under the new criteria with the trends for all projects under the previous criteria that have accrued over a number of years. Going forward, JICA will work to improve accountability with respect to the effectiveness of its projects and to improve implementation of the projects, while building up a body of ex-post evaluations using the new evaluation criteria and exploring possible methods of statistical analysis.

**(I) Relevance/Coherence**

**Previous evaluation criteria<sup>6</sup>:** In the sub-ratings for Relevance, “(3) High” on a three-level scale accounted for 97% of the results.

**New evaluation criteria:** In the sub-ratings for Relevance/Coherence, “(3) Satisfactory” on a four-level scale accounted for 97% of the results. Under the new evaluation criteria, a Relevance/Coherence sub-rating is derived from the respective evaluation results of the Relevance and Coherence.

**(II) Effectiveness/Impact**

**Previous evaluation criteria<sup>6</sup>:** “(3) High” on a three-level scale accounted for 65% of the results.

**New evaluation criteria:** On a four-level scale, “(4) Highly Satisfactory” was 9%, “(3) Satisfactory” was 61%, “(2) Partially satisfactory” was 29%, and “(1) Unsatisfactory” was 1%.

Both the previous and new evaluation criteria also take into account Impact in determining Effectiveness to derive an Effectiveness/Impact sub-rating.

**(III) Sustainability**

**Previous evaluation criteria<sup>6</sup>:** “(3) High” on a three-level scale accounted for 36% of the results, while “(2) Fair” made up 59%.

**New evaluation criteria:** On a four-level scale, “(4) Highly Satisfactory” was 14%, “(3) Satisfactory” was 44%, “(2) Partially satisfactory” was 40%, and “(1) Unsatisfactory” was 1%.

**(IV) Efficiency**

**Previous evaluation criteria<sup>6</sup>:** “(2) Fair” on a three-level scale accounted for 67% of the results.

**New evaluation criteria:** On a four-level scale, “(4) Highly Satisfactory” was 16%, “(3) Satisfactory” was 50%, and “(2) Partially satisfactory” was 34%.

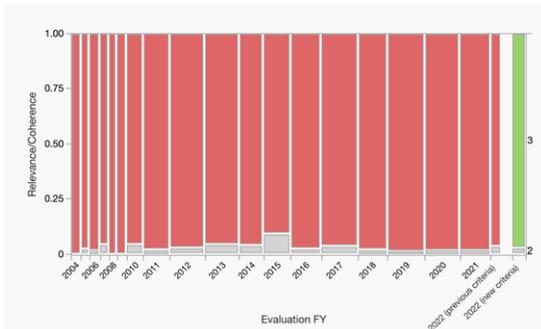


Figure 4: Sub-ratings for Relevance/Coherence

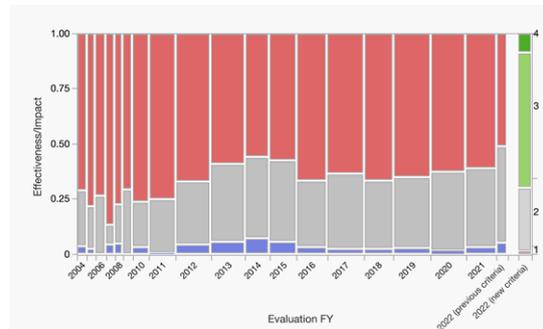


Figure 5: Sub-ratings for Effectiveness/Impact

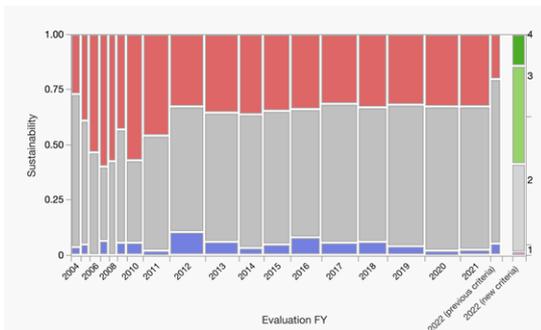


Figure 6: Sub-ratings for Sustainability

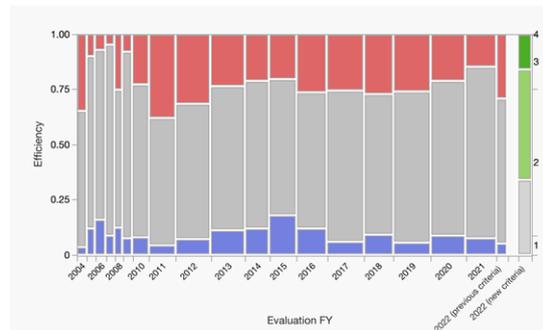


Figure 7: Sub-ratings for Efficiency

Previous evaluation criteria: (3) High (2) Fair (1) Low New evaluation criteria: (4) Highly Satisfactory (3) Satisfactory (2) Partially satisfactory (1) Unsatisfactory

<sup>6</sup> For the previous evaluation criteria, the proportions of sub-ratings in ex-post evaluations for which an overall rating was derived under the previous criteria between FY2004 and FY2022 are shown. For the new evaluation criteria, the proportions of sub-ratings in ex-post evaluations for which an overall rating was derived under the new criteria are shown.

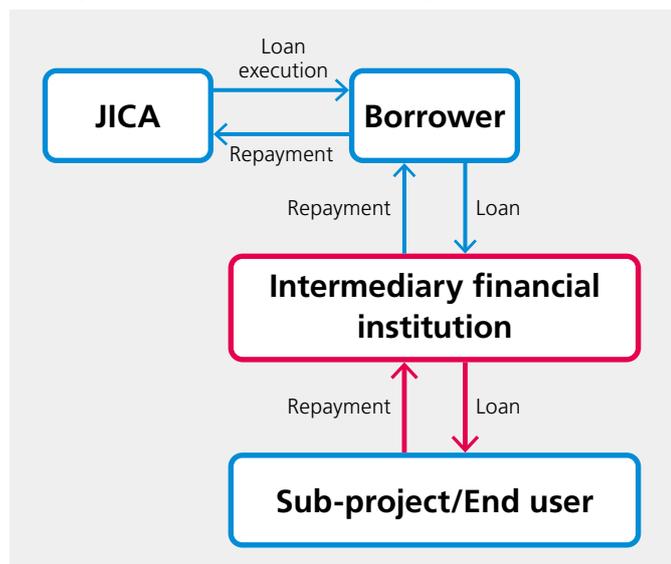
# Cross-Sectoral Analysis of Lessons Learned in Financial Intermediary Loans

In the Annual Evaluation Report 2017<sup>1</sup>, a cross-sectoral analysis of the results of ex-post evaluations of Financial Intermediary Loans implemented in FY2016 was conducted to discuss issues to be considered during project formulation and perspectives on deriving lessons learned. Since FY2017, ex-post evaluations have been conducted for four Financial Intermediary Loan projects, and the results of these evaluations have once again undergone a cross-sectoral analysis.

## 1. What are Financial Intermediary Loans?

Financial Intermediary Loans are provided through financial institutions in the partner country to finance projects that meet specific objectives, such as the promotion of small and medium-scale enterprises in manufacturing, agriculture and other specified industries. These are also called a Two Step Loans (TSLs) because the funds go through more than one financial institution before they reach the final beneficiary (refer to figure below).

### Typical Financial Intermediary Loan scheme



In most cases, the repayment period for financing provided by an intermediary financial institution is shorter than the repayment period of the Financial Intermediary Loan. In this case, a special account (revolving fund) is set up to manage the borrowed funds to allow for multiple loans by the intermediary financial institution.



Wastewater treatment plant for a facility for cleaning garments for export, which was built with a loan from the Bangladesh Financial Sector Project for the Development of SMEs



Wind power plant financed by the Peru Energy Renovation Infrastructure Assistance Program



Activities financed by the Sri Lanka Poverty Alleviation Micro Finance Project (2)

## 2. Cross-sectoral analysis of lessons learned

The following lessons learned were derived for the following four two-step loan projects for which ex-post evaluations were conducted in or after FY2017.

Project name	Lessons learned
Sri Lanka: Poverty Alleviation Micro Finance Project (2)	The Credit Plus concept and the operation of the scheme with support at the field level
Bangladesh: Renewable Energy Development Project	Establishment of a long-term follow-up mechanism to ensure sustainability
Bangladesh: Financial Sector Project for the Development of SMEs	Review of financing terms for end-users
Peru: Energy Renovation Infrastructure Assistance Program	Minimization of mismatches between end-users' financial needs and the project scheme

These lessons learned have led to the following findings regarding Financial Intermediary Loans.

- At the project development stage, not only is it necessary to have a thorough understanding of the project environment and financial sector, but also to thoroughly gather information on end-users' financing needs and loan terms and conditions, and to reflect the results in the project plan, which will lead to the best use of loan funds.
- It is ideal to design the project in such a way that the maximum loan amount and other financing conditions can be flexibly revised, taking into account the possibility of price increases and changes in end-user demand for funds not only during project implementation but also after completion of the project.
- Combining awareness-raising activities and technical assistance for end-users will lead not only to further utilization of the financed funds, but also to empowerment of the beneficiaries, the end-users, thereby increasing the effectiveness of the project.

The above lessons learned and findings from the cross-sectoral analysis will be used for future Financial Intermediary Loan projects.

1 For more details, refer to p. 44 of the Annual Evaluation Report 2017. ([https://www.jica.go.jp/english/our\\_work/evaluation/reports/2017/c8h0vm0000d2h2gq-att/part3\\_2017\\_a4.pdf#3](https://www.jica.go.jp/english/our_work/evaluation/reports/2017/c8h0vm0000d2h2gq-att/part3_2017_a4.pdf#3))