

Role of the Japanese ODA Loan Evaluation Expert Committee

The Japanese ODA Loan Evaluation Expert Committee was established in 2002 with the aim of improving Japanese ODA loan projects by providing a consistent, more robust evaluation system and improved evaluation method, and by enhancing the objectivity of evaluation results. The Expert Committee assesses the evaluation policies, procedures, system, and results for Japanese ODA loan projects. The Expert Committee comprises 20 members, including external

experts (see below) and JBIC staff, and is chaired by the Executive Director of JBIC. The committee members study a wide variety of issues such as the evaluation system, organization, procedures, feedback, public relations, and evaluation capacity improvement. JBIC strives to reflect the discussions of the committee in its operations and to further improve its evaluation system. A summary of committee proceedings can be found on the JBIC website.

Panel of Japanese ODA Loan Evaluation Expert Committee

Name	Office	Profile
Kiyoko Ikegami	Director, United Nations Population Fund (UNFPA), Tokyo Office	Worked for the Office of the United Nations High Commissioner for Refugees (UNHCR), UN Headquarters, the Japanese Organization for International Cooperation in Family Planning (JOICFP), and the International Planned Parenthood Federation (IPPF). Took up her present post in September 2002. Is also a member of the ODA Evaluation Experts Panel at the Ministry of Foreign Affairs.
Eietsu Imamatsu	Editorial Writer, Editorial Office, the Mainichi Newspapers	After serving at the editorial office business news department Tokyo HQ, the editorial office business news department Osaka HQ, and as editorial director at the Tokyo HQ of Mainichi Newspapers, has worked as an editorial writer in the editorial office since April 2000. Is a provisional member of the Financial System Council and the Fiscal System Council.
Yoshiaki Okamoto	Principal Consultant, Public Management and Policy Department, Mitsubishi UFJ Research and Consulting Co., Ltd.	Took up his present post in 2005 after working for the former Sanwa Bank, etc. Currently the Director of the Japan Evaluation Society and sits on the ad hoc committee of the Commission on Policy Evaluation and Evaluation of Incorporated Administrative Agencies of the Ministry of Internal Affairs and Communications.
Yasuyuki Sawada	Associate Professor, Faculty of Economics, the University of Tokyo	After serving as an associate professor in international economics at the University of Tokyo's Department of Advanced Social and International Studies, has held his current position since April 2002. Also serves as an editorial board member for the Asian Economic Journal and as a faculty fellow at the Research Institute of Economy, Trade and Industry (RIETI).
Kiyotaka Takahashi	Research & Policy Manager, Japan International Volunteer Center/Associate Professor, Faculty of Human and Social Studies, Keisen University	After working at Daiichi Iryo Shisetsu Consultants, serving as a researcher within the Oxford University Refugee Research Institute, and as a part-time lecturer at the School of Law, Waseda University, has held current position since August 1995. Serves on the committee to revise JICA guidelines for environmental and social considerations.
Kanji Hayashi	Director, Keidanren Kaikan Management Bureau, Nippon Keidanren	Has worked at Nippon Keidanren in their Economic Cooperation Department, Asian Department, International Cooperation Group, and Social Affairs Bureau. Has held his current position since June 2006.
Kazunori Miura	Director, Office of Evaluation, Planning and Coordination Department, Japan International Cooperation Agency (JICA)	After working at JICA's Medical Cooperation and Grant Aid Management Departments, followed by the Grant Aid Cooperation Office, Economic Cooperation Bureau of the Ministry of Foreign Affairs, has held his current position since August 2006.
Ikuo Mitake	International Director, International Division, Japan Water Works Association	Came to his current position in April 2007 after working for the Yokohama Water Works Bureau as a coordinator for inviting the World Water Congress of the International Water Association and serving as a special member of the Yokohama Water Works Bureau's Committee on International Cooperation. Has worked on the JBIC Special Assistance for Project Implementation (SAPI) for water sector projects in Nepal and India.
Hirimitsu Muta	Executive Vice President for Finance, Tokyo Institute of Technology	Came to his current position in December 2007 after serving as senior researcher for the Ministry of Education's National Institute for Educational Research and as a professor in the faculty of engineering at the Tokyo Institute of Technology. Member of the ODA Comprehensive Strategy Board and chairman of JICA's Advisory Committee on Evaluation.

* Listed in Japanese syllabary order. Titles omitted. (As of September 2007.)



The twelfth meeting of Japanese ODA Loan Evaluation Expert Committee held in December 2007.

Recommendations from the Japanese ODA Loan Evaluation Expert Committee and Response from JBIC

1. Evaluation System

Committee Recommendations	JBIC Response
<p>Strengthen ex-ante project evaluations Evaluations should be conducted in consideration of project objectives and upper objectives. Continuous monitoring of development results and project impact based on the indicators are needed. (FY2002)</p>	<ul style="list-style-type: none"> • By introducing unified forms in project supervision and improving ex-ante evaluations, JBIC has established a consistent monitoring system (starting in 2003). • Established beneficiary survey reference and studies beneficiaries' needs starting with the ex-ante evaluation stage (starting in 2006).
<p>Evaluation in the implementation stage</p> <ul style="list-style-type: none"> • Projects should be improved by evaluating them while they are in progress (FY2003). • It is important to hammer out future revisions during the mid-term review, while verifying effectiveness to date (FY2005). 	<ul style="list-style-type: none"> • Introduced a mid-term review (starting in FY2004). • Have been considering the formation of guidelines to identify the issues that will affect the project results and points to be improved during the mid-term review (starting in 2005).
<p>Follow-up on evaluation results It is essential to follow up on projects with low ratings (FY2004).</p>	<p>While implementing the Special Assistance for Project Sustainability (SAPS) where necessary, confirmed the results of monitoring by developing countries in the ex-post monitoring conducted seven years after project completion (starting in FY2004).</p>
<p>Participation in evaluations It is essential to promote the involvement of various stakeholders, not just of evaluation experts (FY2002).</p>	<p>External experts (media, universities, NGOs, etc.) now participate in evaluations. In addition, observations from notable persons who can spark a broad interest are also implemented (starting in FY2004).</p>

2. Evaluation Procedures

Committee Recommendations	JBIC Response
<p>Improvements in ex-post evaluations It is important to evaluate the role that development played in improving living conditions of people (FY2002).</p>	<ul style="list-style-type: none"> • JBIC has developed a number of evaluation methods including quantitative analysis on the poverty reduction effects of development projects. Moreover, for each project evaluation, JBIC now analyzes the effects/impacts of the project on people's living conditions by conducting beneficiary surveys (FY2003). • JBIC prepared and is now using the "beneficiary survey reference" on a trial basis (starting in FY2006).
<p>Contribution to the achievement of Millennium Development Goals (MDGs) It is vital to conduct evaluations that can show the degree to which contributions have been made towards achieving millennium development, with an eye towards reviews to be conducted in 2005 (FY2003).</p>	<ul style="list-style-type: none"> • In addition to improving the ex-post evaluation process for individual projects, JBIC is now conducting impact evaluations (starting in FY2003). • JBIC established a group to study highly valuable impact evaluations (FY2007).
<p>Ratings of past projects It would be good to know just how much the JBIC evaluation standards have improved relative to those used ten years prior (FY2005).</p>	<p>Based on individual ex-post evaluation results for FY2003 and earlier years, JBIC is assigning ratings for past projects (starting in FY2005).</p>
<p>Review of relevance While it goes without saying that development projects have relevance, it would be beneficial to incorporate new standards such as the relevance of the aid (FY2006).</p>	<p>JBIC conducted a trial evaluation with a newly created "25 criteria evaluation method" including relevance, which was suggested by the studies of past rating results (starting in FY2007).</p>

3. Public Relations for the Evaluation

Committee Recommendations	JBIC Response
<p>Public relations schemes</p> <ul style="list-style-type: none"> • In order to assure accountability, a more persuasive public relations scheme needs to be implemented. In addition, it is important to publicize as evaluation results the benefits achieved for the citizens of the country concerned and the value of infrastructure development (FY2002). • Publicity efforts must be far-ranging (FY2005). • Regarding academic evaluations such as impact evaluations, it is important to positively implement publicity activities towards multiple donors such as the World Bank (FY2006). 	<ul style="list-style-type: none"> • While thoroughly revising the evaluation reports, JBIC introduced a rating system. Moreover, JBIC publicized the results of development projects far and wide by creating pamphlets that briefly explain evaluation activities and by disseminating evaluation reports as widely as possible (starting in FY2004). • Observations by experts and famous persons were carried out to spark a broad interest in project results (starting in FY2005). • Conveyed information in multiple donor meetings on JBIC's impact evaluation efforts, such as the Improvement of Living Environment and Livelihoods in Poor Communities in Peru (FY2006).

4. Development of Evaluation Capacity

Committee Recommendations	JBIC Response
<p>Policy dialogue and capacity building in conjunction with developing countries In order to ensure that the fruits of development are sustainable, efforts are needed on the part of the developing countries themselves. It is particularly important that the developing countries participate in planning and engage in dialogue during the evaluation process (FY2002).</p>	<ul style="list-style-type: none"> • Has responded through joint evaluations or strengthened feedback mechanisms (starting in FY2004). • Together with the Indonesian Development Planning Bureau (BAPPENAS) and the Filipino National Economic Development Bureau (NEDA), have agreed to cooperate in evaluation and monitoring activities (FY2006). • Signed a similar cooperation agreement with Vietnam's Ministry of Planning and Investment (FY2007).
<p>Application of evaluation results It is important to utilize the accumulation of evaluation results, and to exploit anything that could be useful to the ODA activities (FY2004).</p>	<p>Conducted joint research with Waseda University (FY2004).</p>

From the Japanese ODA Loan Evaluation Expert Committee— Seeking improvement in ODA loan project evaluations

The Japanese ODA Loan Evaluation Expert Committee verified the JBIC evaluation operations, centering on the Evaluation Highlights of the ODA Loan Projects 2007 report. This opinion report consists of a compilation of views and recommendations from external experts.

1. Evaluation Highlights of ODA Loan Projects 2007

(1) Aiming for an interactive report

As in the previous year, this year's report is well compiled and full of detail. However, more consideration needs to be given to the readers. There is still room for improvement in utilizing the report as a communication tool for the public. We would like JBIC to make the report more attractive to the public, and to select language that encourages dialogues/discussions with them. While the content is rich in detail, it is difficult to grasp the overall message due to the extensive amount of information. Accordingly, we would like JBIC to prepare and disseminate a summary version leaflet as a communication tool.

(2) Site visit by celebrities

A site visit by a celebrity is meaningful as it gives the evaluation report a familiar feeling for readers. We would like to convey the following comment regarding the site visit by Ms. Yuko Arimori, a Goodwill Ambassador for the United Nations Population Fund (UNFPA).

“Before visiting Vietnam, I had a negative image of the assistance for infrastructure projects. But my image changed after visiting the project sites. Such change came about because I could actually see a so-called program approach there. In the public health and medical sector, for instance, JICA has been providing assistance to a hospital while a road project supported by JBIC has greatly improved access to that hospital. In addition, UNFPA has provided incubators to help save the lives of newborn infants. The opportunity to see the on-site cooperation and collaboration among donor agencies was the spark that changed my image of infrastructure projects.”

2. Report contents

(1) Initiatives and evaluations of Millennium Development Goals (MDGs)

The evaluation report made insufficient mention of MDGs despite the emphasis placed on MDG initiatives, including the fact that poverty reduction is listed as the top priority of the priority area in the Medium-Term Strategy for Overseas Economic Cooperation Operations. Even the sections on relevance

and effectiveness in the individual project evaluations fail to mention how much the project has contributed to achievement of MDGs.

Contribution toward MDGs is one of the 25 criteria being tested under the trial for improving the current rating system. In the global trend of issue-based approach and result-based management, it seems unsatisfactory to treat MDGs in the same manner as other criteria. At the ex-post evaluation stage or project formation stage, more consideration should be given to which MDGs the project has contributed to or to which goal the project is intended to contribute to.

Description and analysis in terms of MDGs were also weak in the ex-post evaluation of individual projects. Regarding a power supply project in the Philippines, for example, it was mentioned that power rates were raised to improve the financial condition of the executing agency. However, there were insufficient analysis and mention as to how much the rise in rates had influenced the achievement of MDGs. We think that future evaluations should give more consideration to MDGs.

(2) Evaluation results for the projects with “D” ratings

Two of the projects in Africa with a “D” rating were suspended during implementation, which was the reason for the “D” rating. However, it is also conceivable that situations may arise in infrastructure projects that necessitate project suspension due to the long-term nature of such projects. In such cases, the decision to suspend the project after appropriate analysis and discussion is not necessarily bad. Rather, it is important to make the most appropriate decision quickly and to minimize future losses. It is difficult to use the current four-level evaluation system on the suspended projects, therefore, it may be beneficial to treat these projects outside the evaluation system. We are also concerned that if suspended projects receive “D” ratings, this could provide a misguided incentive to try to finish projects, which in fact should be canceled. We recommend that the above rating criteria be reconsidered for similar projects.

The Barbara Irrigation Project in Tunisia, which received a “D” rating, was not altogether a bad project. When the project site was inspected, synergy effects were recognized in some areas with the support of local government, JBIC funding assistance, and technical assistance of JICA. In the future, the new JICA may be able to improve the project by making use of various aid schemes.

(3) Lessons learned from the projects with “D” ratings and future follow-up

In the FY2007 ex-post evaluations, three of the six projects in Africa received “D” ratings. The FY2006 report, which includes an overall study of past African projects, indicates that there are some problems in sustainability such as insufficient operation and maintenance system, while infrastructure projects

have helped increase economic activity. Therefore, the originally assumed effects were not achieved. The evaluation report also includes examples of the projects that were improved by using the results of past ex-post evaluations although these were not rated “D.” With declarations to double ODA to Africa, Japanese aid to Africa will be increased in the future. Under such circumstances, past projects should be analyzed further and the findings should be incorporated into discussions regarding how to improve aid to Africa in the future as well as how to conduct project follow-up.

It is also necessary to discuss how to deal with the “D” rated project with the executing agency, which actually implements the project while using Special Assistance for Project Sustainability (SAPS), etc. Although it may be difficult to give specific countermeasures at the time of evaluation, JBIC should also make some indications in the report, if possible. In the future, we think that the new JICA may make it possible to improve even projects with a poor rating by combining multiple aid schemes, including financial and technical assistance. We hope that such development will be materialized with the launch of the new JICA.

3. Future evaluation mechanism

(1) Evaluation system of new JICA

The new JICA will make it possible to use a number of different assistance schemes and to provide more effective aid. We would like the new JICA to consider what kind of items and methods should be used in evaluation activities and would like to see further collaboration in the future. Regarding evaluation items and rating methods, it is important for the current two organizations to identify their areas of excellence, and then to establish an effective evaluation system.

Rather than evaluating Japanese ODA loan, technical assistance, and grant aid projects individually, it will likely become possible to evaluate one single unit of Japanese aid altogether. Toward the launch of the new JICA, we hope that the new JICA will address how to evaluate development outcomes in terms of program-based, sector-based, issue-based, or theme-based approaches, in addition to individual project evaluation.

(2) Strengthening the impact evaluation system

It is important to strengthen dissemination activities, especially the intellectual products of JBIC in order to lead a trend of international aid. Intellectual production is needed in order to ensure outgoing information dissemination. It is important for JBIC to appropriately evaluate the impact of projects, especially infrastructure projects, and to publicize such evaluation results. Methods and tools need to be developed to conduct impact evaluations. Thus far, evaluation schemes have been developed in the field of development economics to measure minute impact mainly in the areas of education and micro-finance. In the future, similar schemes need to be developed for infrastructure

projects. The impact evaluation for the Improvement of Living Environment and Livelihoods in Poor Communities in Peru, which JBIC conducted last year, is a good example of an impact evaluation.

Impact evaluations can also be used in project formation. It is important to appropriately analyze the effect of a pilot project and thoroughly verify the project effect before scaling up a project. Projects should be designed to enable appropriate conduct of impact evaluations during project formation.

The new JICA needs to have a permanent organizational structure in place for tackling impact evaluations, such as an impact evaluation unit within the Research Institute.

4. Bridge collapse accident in Can Tho, Vietnam

In FY2007, there was a bridge collapse accident in Can Tho, Vietnam, which was the largest disaster in the history of Japanese ODA loan projects. The evaluation, analysis, and measures taken should be mentioned in the evaluation report. As of the end of 2007, the Governments of Japan and Vietnam have respectively established investigation committees, which are discussing recurrence prevention measures and project supervision. JBIC’s homepage also shows this information, which is still insufficient because of the current investigation of the situation. Since details are changing moment by moment, the appropriate timing to include this accident in the report needs to be considered carefully. However, at the same time, when thinking about accountability, we feel it is important to send out as much information as possible in a timely manner.

JBIC’s response to the bridge collapse accident in Can Tho

At present (February 2008), a committee to discuss prevention of a recurrence of the bridge collapse accident in Can Tho has been established in the Ministry of Foreign Affairs. A senior executive director in charge of this accident is participating as a member of the committee from JBIC. JBIC itself has established a safety measures committee and is working diligently to study improvement measures designed to enhance safety (<http://www.jbic.go.jp/japanese/base/report/index.php>).

