



JBIC is striving to use evaluation to improve aid effectiveness with a focus on management for development results.

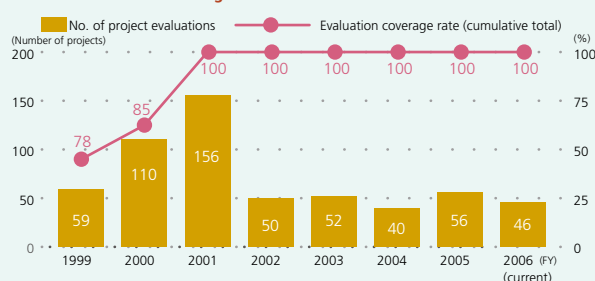
1. History of JBIC's Evaluation

(1) Establishing an Integrated Evaluation System: From Ex-ante to Ex-post Evaluation

JBIC has been carrying out ex-post evaluations since FY1975, achieving a 100% evaluation coverage rate for ex-post evaluation in FY2001. Also, ex-ante evaluation reports have been released for all projects since FY2001 and a consistent evaluation system has been established, which uses quantitative indicators from ex-ante to ex-post for each project.

Furthermore, JBIC introduced a rating system in FY2004. Based on the results of the ex-post evaluation, each project receives one of four ratings: "A (Highly Satisfactory)," "B (Satisfactory)," "C (Moderately Satisfactory)," or "D (Unsatisfactory)." The purpose of establishing this rating system is not only to make the results of ex-post evaluations easier to understand, but also to deepen understanding of evaluations for the public.

Trend of Evaluation Coverage Rate



(2) Introduction of Mid-term Review and Ex-post Monitoring

Starting in FY2004, trials for introduction of mid-term review and ex-post monitoring were carried out to strengthen the evaluation system further. Mid-term review is carried out in the fifth year after the conclusion of loan agreement to verify mainly "relevance" and "effectiveness" regarding projects. Ex-post monitoring is conducted seven years after project completion to verify "effectiveness," "impact," "sustainability," etc.

(3) Expanding Participation of Developing Countries in Evaluations through Joint Evaluation

JBIC aims to have developing countries conduct evaluations of their public projects by themselves. Since FY2004 JBIC has started to conduct joint evaluations, in collaboration with external evaluators and planning authorities, executing agencies, etc., of developing countries.

Examples of Joint Evaluations

Conducted in FY2005

Country	Project Evaluated	Participating Agencies
Thailand	Regional Development Project	• Ministry of Finance (Public Debt Management Office)
Malaysia	Port Kelang Power Station Construction Project (3)	• Tenaga Nasional Berhad • Economic Planning Unit
India	Srisailem Left Bank Power Station Project (1) – (3)	• Andhra Pradesh Power Generation Co. Ltd.
Dominican Republic	Aglipo Agriculture Development Project (2)	• National Water Resources Institute

Conducted in FY2006

Country	Project Evaluated	Participating Agencies
Indonesia	3 projects including Small Scale Irrigation Management Project (3)	• National Development Planning Agency (BAPPENAS)
Philippines	3 projects including Philippine-Japan Friendship Highway Rehabilitation Project (1) (2)	• National Economic and Development Authority (NEDA)
India	Bakreswar Thermal Power Projects	• West Bengal Power Development Corporation

2. Current Evaluation at JBIC

(1) Reviewing and Expanding Use of Quantitative Indicators in Evaluations

To measure as objectively as possible the effects of development projects, JBIC made the "Reference for Operation and Effect Indicators" in March 2000, and the "Manual for Internal Rate of Return (IRR)" in September 2002. However, environmental and human development projects have been increasing and it has been difficult to measure the effect of those projects with existing indicators. Therefore, there is a need to improve the rate of return calculation methods applicable to such projects.

(2) Rating System Improvements (see p.23)

Since FY2004, JBIC has been introducing the rating system for ex-post evaluations. Ratings are not only to show evaluation results in a concise manner, but they are also useful for investigating measures to improve development projects. In FY2006, JBIC analyzed the characteristics and trends of rating results for 324 projects which JBIC had conducted ex-post evaluations in the past. The "25 criteria evaluation method" has been recommended from the analysis and in FY2007, JBIC is carrying out pilot evaluations using the method. JBIC is striving to improve its rating system by analyzing the results of this trial in the future.

To meet its goals of further improvements in ODA projects and increased transparency, and to fulfill its duty to be fully accountable for its projects, JBIC started ex-post evaluations in FY1975 and achieved a 100% evaluation coverage rate in FY2001. Also, the rating system was introduced in FY2004, along with the introduction of mid-term reviews and ex-post monitoring. JBIC will continue to strive for expansion of evaluations and quality improvements. Also, with the Second International Roundtable on Managing for Development Results held in Marrakech (2004), and the Paris High-Level Forum on Aid Effectiveness (2005), efforts to improve aid effectiveness with a focus on development

results management have gradually become mainstream in the international community. Management for development results is a management strategy which focuses on improvement of development results and ensuring improvement for developing countries in a sustainable manner. This results in demands for developing countries to reinforce policies and measures which contribute to economic growth and poverty reduction, and for developed countries to provide more effective aid. Following this trend, JBIC is striving for effective and efficient ODA operations by actively implementing evaluations.

(3) Cooperation with Universities for Evaluations

JBIC is making efforts to utilize the knowledge of universities for evaluation. In FY2005, individual project ex-post evaluations were performed by Kyoto University (Thailand "Environmental Fund Project"), Keio University (Indonesia "Syiah Kuala University Development Project," etc.), Hosei University (Sri Lanka "Transmission and Substation Development

Project," etc.), and Hiroshima University (Bangladesh "Area Coverage Rural Electrification Project (Phase 4-C)"). In FY2006, in addition to these universities, as shown in the table below, the University of Tsukuba and Senshu University also participated in evaluation activities. In addition to project evaluation by the five DAC evaluation criteria, each professor's expertise was also utilized to perform thematic evaluations.



India: External evaluators participate in the "Ajanta-Ellora Conservation and Tourism Development Project" workshop (Tsukuba University)

University	External evaluators	Country, Project	Thematic evaluation
Keio University	Satoshi Ohira Kazuhiro Takanashi	Vietnam: Small and Medium-Sized Enterprises Finance Project, etc.	Proposals on evaluations and supervision of sector loan
Hosei University	Yasutami Shimomura Yoshitaro Fuwa Kyoji Fujii Ryo Fujikura	Thailand: Promotion of Electricity Energy Efficiency Project, etc.	Enhancement of environmental evaluation techniques
Hiroshima University	Norihiro Kuroda Kazuhiro Yoshida	Indonesia: Professional Human Resource Development Project (2)	Measurement of capacity enhancement of scholarship programs
Hiroshima/ Hosei/ Yamaguchi University	Shinji Kaneko Ryo Fujikura Tsuyoshi Imai	China: Beijing No. 9 Water Works Expansion Project, etc.	Effect of water supply improvements in Beijing
Tsukuba University	Kenichiro Hidaka and 8 others	India: Ajanta-Ellora Conservation and Tourism Development Project (1)	Evaluation from the perspective of UNESCO standard, etc.
Kyoto University	Hiroshi Yamamoto	China: Power Distribution System Rehabilitation Project (Chongqing)	Finance mechanisms of China's power sector
Senshu University	Juichi Inada Mamoru Kobayashi Takeo Inuma	Sri Lanka: Telecommunication Network Expansion Project in Colombo Metro Area, etc.	Effects of privatization of the telecommunications sector

*Titles omitted

3. Future JBIC's Evaluation Activities

(1) Building Evaluation System in the New JICA (see p.33)

In October 2008, the Overseas Economic Cooperation Operations of JBIC will merge with JICA, and the three aid schemes- technical cooperation, loan assistance and grant aid- will be executed by the new institution (new JICA) in a unified manner. New JICA will build the evaluation structure and system that will contribute to the improvement of ODA operations and will promote greater transparency as well as enhanced accountability to the people.

(2) Using Impact Evaluation for Quantitative Analysis of Development Effect (See p.32)

JBIC carries out impact evaluation after project implementation to verify quantitatively whether the development results were brought about by our project. In impact evaluation quantitative analysis is conducted using "before/after" and "with/without" comparisons, as already established in evaluations on public policy. In addition to ex-post evaluation, JBIC is also working to conduct impact evaluations in order to achieve an even more objective understanding of the effectiveness of JBIC projects.

(3) Building Evaluation System of Development Aid Projects through New Approaches

In recent years, JBIC has been implementing aid projects using new approaches, such as general budget support not linked to a specific project activity and funds invested directly in developing countries, and emergency reconstruction support for countries suffering from disasters like tsunamis or earthquakes. JBIC is attempting to develop evaluation methods and improve the evaluation system in order to measure those development results even more objectively.