

Establishing a Consistent Evaluation System from Ex-ante to Ex-post

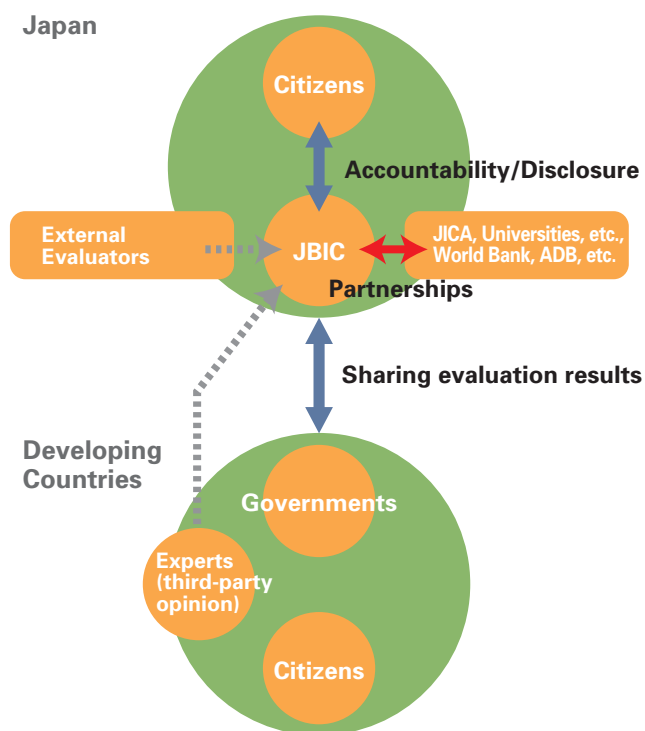
JBIC has undertaken ex-post evaluation since the late 1970s (attaining a 100% evaluation coverage ratio since FY 2001). Also, it has published ex-ante evaluation reports for all projects since FY 2001 and has established a consistent evaluation system from ex-ante to ex-post evaluation using the same quantitative indicator. In order to further enhance this system, JBIC is in the process of introducing **mid-term review**, which is conducted five years after the conclusion of a loan agreement and focus on the relevance and the effectiveness of project, and **ex-post monitoring**, which is conducted seven years after the project completion and assesses the project's effectiveness, impacts and sustainability. The lessons learned and recommendations obtained from ex-post evaluation are utilized when conducting ex-ante evaluations of new projects.

Accountability and Disclosure

In terms of the accountability to the public, external experts conduct evaluations and ratings based on objective criteria, and JBIC obtains the third-party opinions from experts in developing countries (**third-party opinion: 100%**), all of which are published (**disclosure: 100%**). JBIC also makes efforts to actively put out information, by making presentations on evaluation results at international conferences such as the Conference on Scaling Up Poverty Reduction in Shanghai sponsored by the World Bank (May 2004).



Highway 5 in northern Vietnam. It was constructed in one of the projects evaluated in "Impact Assessment of Transport Infrastructure Projects in the Northern Vietnam" that was reported on at the Shanghai Conference.



Sharing Evaluation Results and Partnerships

With the intention of improving development projects, JBIC shares its evaluation results, lessons learned and recommendations with developing countries (**feedback: 100%**). In addition, in cooperation with JICA, JBIC invites government officials in developing countries to Japan and hold an evaluation seminar. In this way, JBIC supports capacity building and promotes evaluation by developing countries themselves. JBIC also undertakes joint evaluations with the Asia Development Bank (ADB) (thematic evaluation: The Effectiveness of Farmer Participation in Alleviating Poverty) and promotes partnerships with other aid organizations.



A meeting to discuss evaluation results in India

When conducting the evaluation activities, JBIC cooperates and shares the evaluation results with the Government of Japan, including Ministry of Foreign Affairs.

Project Evaluation

Project evaluation is conducted for all projects two years after completion. JBIC employs the five evaluation criteria agreed upon by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD). Moreover, as a basic framework for the evaluation, JBIC adopts the Project Design Matrix (PDM)* used by aid organizations throughout the world. **External evaluators** hold discussions with government representatives and the executing agency in the developing country, collect information from project beneficiaries, and conduct site surveys. Followed by discussions with JBIC, the evaluation result and rating are finalized (if there are differences of opinion between the evaluator and JBIC, both assessments are given). In order to further enhance the objectivity of the evaluation, **third-party opinions** are obtained from experts in developing countries. Fifty-two projects were evaluated in FY 2003.

*The PDM is a summary showing the various components that are necessary for projects, such as activities, inputs, external conditions and indicators, and the logical correlation among them.

The Five DAC Evaluation Criteria

Item	Content
Relevance	Examine the relevance of project objectives and plans both at appraisal and at present taking into consideration changes in background factors and presumed conditions.
Efficiency	Compare plans for outputs, terms and costs with the results and analyze the efficiency of project implementation.
Effectiveness	Compare planned and actual figures using operational and effect indicators and internal rates of return (IRR) to examine to what extent project objectives have been attained.
Impacts	Examine the direct and indirect effects of the project set as an overall goal from macro-economic, social and environmental perspectives.
Sustainability	Examine the medium and long-term sustainability of project effects, and consider what countermeasures are required to resolve them if problems exist.

Thematic Evaluation

In most cases, thematic evaluation involves a comprehensive assessment of a number of projects that extends beyond the scope of individual projects, on the basis of a specific theme, such as poverty reduction or economic growth. Bearing in mind the seven priority areas in the Medium-Term Strategy for Overseas Economic Cooperation Operations (see below), JBIC selects themes that offer far-sighted lessons and recommendations as well as the suggestion applicable to the strategy for operations. Six thematic evaluations were conducted in FY 2003, including "The Effectiveness of Farmer Participation in Alleviating Poverty", which explored the theme of poverty reduction, and "Contribution of Infrastructure to Economic Growth and Poverty Reduction", which considers the themes of economic growth and provincial development.

Seven Priority Areas in the Medium-Term Strategy for Overseas Economic Cooperation Operations

- Strengthening Support for Poverty Reduction
- Developing Infrastructure for Economic Growth
- Supporting Environmental Improvement and Anti-Pollution Measures
- Addressing Global Issues
- Supporting Human Resource Development
- Supporting the Dissemination of Information Technology in Developing Countries
- Supporting Provincial Development



Del Rosario Street: the central trunk road that runs north to south through Cebu city in the Philippines. The thematic evaluation "Contribution of Infrastructure to Economic Growth and Poverty Reduction" confirmed that congestion had been alleviated and that citizens' lives had become more convenient.