

Challenges for and the Future of ODA Loan Project Evaluation

We are constantly striving to improve and enhance our ODA evaluation system

Challenges for ODA Loan Project Evaluation

① **Strengthening the consistent evaluation system**

Building a consistent evaluation system that covers every stage from appraisal through completion including operation and effect indicators is key to our evaluations and special efforts are needed to strengthen the monitoring during the implementation stage with third-party viewpoints.

② **Further improvements in evaluation quality**

Evaluation capabilities need to be strengthened so as to ensure the quality of evaluation processes and results.

③ **Increase in the participation of developing countries and knowledge transfer activities to developing countries**

To enhance the effectiveness of the lessons learned and recommendations, it is necessary to increase the participation of developing countries in the evaluations. There is also a need for JBIC to make intellectual contributions to these countries based on its experience.

Specific measures to address these challenges

① **For strengthening the consistent evaluation system: introducing mid-term review**

Current project supervision focuses on the efficiency of a project in terms of its scheduling, costs and so forth; however, the mid-term reviews will be undertaken 5 years after loan agreements are concluded and will examine mainly on relevance and effectiveness. As an attempt, mid-term reviews were undertaken for 9 projects in FY 2004.

② **For improving evaluation quality: strengthen partnerships with universities and other research organizations, and improve evaluation methods, etc.**

With a view to promoting efficient and effective overseas economic cooperation operations, JBIC has processed the partnerships with a number of universities, including Kyoto University, Waseda University, Ritsumeikan University. In the field of evaluation, JBIC will make use of knowledge and expertise of these organizations while seeking to contribute to the development of highly-specialized human resources. JBIC will also endeavor to improve its evaluation techniques, contriving to make descriptions more accurate and intelligible about

whether project goals have been achieved. Furthermore, it will undertake quantitative evaluations and attempts to develop scientific evaluation techniques where economic theory is applied. In addition, given the greater emphasis on the relationship between ODA policy and the Millennium Development Goals (MDGs), JBIC has a plan to evaluate from a point of impact that ODA loan projects have on each of the MDGs.

③ **For wider participation in evaluations by developing countries: joint evaluations and workshops**

Since ODA loan projects belong to the recipient countries, it is important not only for JBIC, but also for a wide range of project proponents in developing countries, to be deeply involved in the evaluations. JBIC will carry out joint evaluations, hold workshops as a part of all project evaluations, and establish forums for the exchange of opinions at an early stage of the evaluation process. These activities will further increase the significance of evaluations. We are convinced that such efforts in conjunction with our ex-post monitoring activities strengthen ownership in developing countries and improve their evaluation capabilities.