

Incorporating expert opinion to enhance project evaluations

Ex-Post Evaluation of ODA Loan Project Feedback Committee

The role of the Ex-Post Evaluation of ODA Loan Project Feedback Committee is one of the initiatives that JBIC has taken with a view to enhancing the quality of its evaluation work. Committee meetings have been held bi-annually since FY 2002 and by December 2005, the Committee had met on a total 8 occasions. The Feedback Committee is chaired by the Executive Director of JBIC and comprises 19 members including a 9-member panel of external

experts (see below for details). Its role is to examine project evaluations and related feedback from various angles. At JBIC, the content of Committee discussions is reflected in ODA loan operations in a bid to enhance project evaluations and to strengthen feedback. Summaries of meeting proceedings are available on the JBIC website.

Panel of External Experts on the Feedback Committee

Name	Office	Career Summary
Kiyoko Ikegami	Director, United Nations Population Fund (UNFPA), Tokyo Office	Has held her current position since September 2002 after stints at the Office of the United Nations High Commissioner for Refugees (UNHCR), the UN HQ in New York, the Japanese Organization for International Cooperation in Family Planning (JOICFP), and the International Planned Parenthood Federation (IPPF). Is also a member of the Second Consultative Committee on ODA Reform.
Eietsu Imamatsu	Editorial Writer, editorial office, the Mainichi Newspapers	Has held his current position since April 2000 after stints 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. He is currently a provisional member of the Financial System Council and of the Fiscal System Council.
Hidekazu Tanaka	Manager, International Affairs Department, Policy Research Division, UFJ Research Institute	Has held his current position since July 2005 after working for the Engineering and Consulting Firms Association (ECFA). As a JICA long-term expert, has been on long-term dispatch to Indonesia's Investment Coordinating Board, etc.
Hiroshi Nakayama	Leader of Asia Group and International Cooperation Group, International Cooperation Bureau, Nippon Keidanren	Has held his current position since April 2005 after stints at the General Administration Bureau and as the leader of the Land Policy Group, the Industrial Affairs Bureau at Nippon Keidanren.
Ikuo Mitake	Assistant manager, Nishiya water purification plant, Yokohama Water Bureau	Has held his current position since April 2005 after working at the Aoba branch of the Yokohama Water Bureau. Is also a member of the Yokohama Water Bureau's Committee on International Cooperation. Has worked on Special Assistance for Project Implementation (SAPI) studies for JBIC waterworks projects in Nepal and India.
Satoko Miwa	Director, Office of Evaluation, Planning and Coordination Department, Japan International Cooperation Agency (JICA)	After joining JICA, was transferred on assignment to the Ministry of Foreign Affairs (MOFA) and the United Nations Development Program (UNDP); has held her current position since April 2004. Has been Vice Chairman of the DAC Network on Development Evaluation since June 2005.
Hiromitsu Muta	Dean, Graduate School of Decision Science and Technology, Tokyo Institute of Technology	Has held his current position since April 2005 after working at the Education Ministry's National Institute for Educational Research and as a professor in the faculty of engineering at Tokyo Institute of Technology. Is a member of the ODA Comprehensive Strategy Board and chairman of the JICA's Advisory Committee on Evaluation.
Tadashi Yamazaki	Chairman and secretary general, Japan NGO Center for International Cooperation (a specified non-profit organization)	Has held his current position since June 2005 after stints as planning director at the Wild Bird Society of Japan, and as director of PR and external relations, standing director and secretary general at the Japan NGO Center for International Cooperation. Is a member of the Ministry of Foreign Affairs' Evaluation Committee for Independent Administrative Institutions.
Akiko Yuge	Japanese Representative, United Nations Development Program	Has held her current position since April 2002 after stints as the Japanese representative at the Indonesian and Bhutanese offices of the United Nations Development Program (UNDP) and as a professor in the Faculty of Global and Inter-cultural Studies at Ferris University. Is also a member of the Second Consultative Committee on ODA Reform.

* Titles omitted.

Ex-Post Evaluation of ODA Loan Project Feedback Committee Proposals and JBIC's response

1. Evaluation System

Feedback Committee Proposals	JBIC's Response
Strengthen ex-ante evaluation Evaluations should be organized in consideration of primary objectives / project objectives and continuous monitoring that is based on performance indicators that include impact level should be undertaken. (FY2002)	The introduction of a standard form for improved ex-ante evaluations and project supervision resulted in the establishment of a consistent, indicator-based monitoring system. (as of FY2003)
Interim evaluation Interim evaluations should be used to improve the quality of project operations. (FY2003)	Mid-term review introduced. (as of FY2004)
Follow-up on evaluation results Results on projects with low ratings must be followed up. (FY2004)	Where necessary, a Special Assistance for Project Sustainability (SAPS) study is undertaken and results are confirmed through ex-post monitoring, carried out 7 years after the completion of ex-post supervision. (ex-post monitoring has been carried out since FY2004)
Participation in evaluations There is a need to promote the involvement not only of experts, but of various stakeholders in ODA loan project evaluation operations. (FY2002)	Participation of experts (newspaper editors, etc.) in ex-post evaluations. (as of FY2004)

2. Evaluation Methods

Feedback Committee Proposals	JBIC's Response
Enhance ex-post evaluation The role played by development in improving living condition of people must be evaluated. (FY2002)	Various evaluation methods have been developed for use in thematic evaluations including a quantitative method for analyzing the poverty reduction effects of ODA loan projects. Further, improvements made to the beneficiary survey methods used for project evaluations mean that the impacts of projects on living condition of people are now being evaluated from various perspectives. (as of FY2003)
Contribute to MDG achievement Evaluations must indicate the extent of the contribution being made to achieving the Millennium Development Goals. (MDGs) (FY2003)	Impact evaluations (analysis of the channels from projects to poverty impacts) are undertaken in addition to improved ex-post evaluations. (as of FY2003)

3. Feedback

Feedback Committee Proposals	JBIC's Response
Communication tactics Communication tactics must be stepped up in order to achieve accountability. Further, statements in the form of evaluation results should be made on the benefits in the recipient country and the importance of infrastructure development be highlighted. (FY2002)	Full reviews of evaluation reports and a rating system have been introduced. Further, extensive distribution of evaluation reports and the compilation of pamphlets offering simple explanations of evaluation operations ensure the widespread publication of information on ODA loan project effects both within JBIC and to the general public. (as of FY2004)
Clarify feedback objectives Feedback to developing countries, including to project beneficiaries, needs to be strengthened and objectives to respective targets (to Japanese citizens, the governments of developing countries, beneficiaries, etc.) must be clarified. (FY2003)	For project evaluations, feedback is provided on all projects undertaken in developing countries. Thematic evaluations are undertaken once feedback plans (targets and objectives) have been clarified. (as of FY2004)

4. Development of Evaluation Capabilities

Feedback Committee Proposals	JBIC's Response
Policy discussion with / capacity building for developing countries The efforts of developing countries are necessary to ensuring the sustainability of development results, and the participation of / discussion with the developing country is critical during the evaluation process. (FY2002)	This is being addressed through joint evaluations and efforts to strengthen feedback. (as of FY2004)
Utilizing evaluation results Evaluation results must be accumulated and efforts made to utilize them in future ODA loan operations. (FY2004)	JBIC has developed a post-graduate level course entitled: "Project Management and Evaluation of ODA Loan Projects" through joint research undertaken with Waseda University. (as of FY2004)



From the Panel of External Experts on the Feedback Committee: Seeking improvement in ODA loan project evaluations

The Ex-Post Evaluation of ODA Loan Project Feedback Committee has discussed the JBIC evaluation operations based on the Evaluation Highlights of ODA Loan Projects 2005 report. The following statement is a summary of the opinions and recommendations of the panel of external experts.

1. JBIC's Evaluation System

JBIC's evaluation system plays a pioneering role. The fact that JBIC undertakes evaluations throughout the project cycle, i.e. at ex-ante, mid-term and ex-post stages, a system that is designed to improve the effectiveness of ODA loan operations, is of particular note, and an aspect of the evaluation system that should be emphasized. For the future, JBIC will need to explore ways of carrying out these evaluations efficiently and of feeding the results back into the planning/formulation of projects and the development of strategy for overseas economic cooperation operations.

2. The Evaluation Highlights on ODA Loan Projects 2005

(1) General Remarks

In view of the fact that the Millennium Development Goals (MDGs) constitute a shared development objective/framework for the international community, the statement on the relationship between the MDGs and ODA loan operations made in the introduction is highly appropriate. JBIC has started developing method for analyzing the contribution of ODA loan operations to the achievement of the MDGs and their impact on the poor people as part of its thematic evaluations (see India "The Role of Infrastructure in Alleviating Poverty"), but will need to continue conducting these studies. At the same time, greater emphasis needs to be placed on the role of ODA loan operations in encouraging self-help of developing countries. With respect to the effects of infrastructure, JBIC is proactively involved in the discussions of the Organization for Economic Cooperation and Development-Development Assistance Committee's (OECD-DAC) POVNET (Poverty Network) and it is hoped that JBIC will undertake analyses and explain the impact of infrastructure development.

(2) The Compilation of the Report

The Evaluation Highlights on ODA Loan Projects 2005 report deserves high praise for its excellent workmanship; for the highly readable content, design and layout, and the marked transparency of its contents. Nonetheless, the report would be improved by providing more detailed analyses/explanations, not just for project evaluations, but for thematic evaluations with a large framework, including the linked effects of technical cooperation with global-scale problems such

as the environmental issues that were analyzed in the thematic evaluation on China ("Assistance for Environmental Improvement"), for example.

It is also difficult to grasp the consistency of individual projects with the medium-term strategy for overseas economic cooperation operations. The introduction, for example, should indicate the overall direction of future cooperation operations within JBIC and a clearly-worded statement indicating that project evaluations are being conducted accordingly. Evaluation of the medium-term strategy is predominantly input-based (e.g. how many poverty-related projects have been implemented), while ex-post evaluations of ODA loan projects are based on outcomes and impacts (e.g. how much did the number of people in poverty decrease); providing links between the two will serve to further clarify JBIC's achievements. Undertaking comprehensive analyses of ratings and assessing JBIC's performance in terms of its response to recommendations should serve to bridge the relationship between policy (i.e. the medium-term strategy for overseas economic cooperation operations) and project evaluations. Further, in the Evaluation Highlights on ODA Loan Projects 2005 report, the opinions of external evaluators have been supplemented by a statement from JBIC; where there is divergence between the experts and JBIC, the opinions of both parties should be given on all occasions. This does not mean casting aspersions on one opinion as opposed to the other: assistance projects are long-term undertakings and, rather than criticizing a snapshot taken at one specific point, where another perspective exists, it is pertinent to offer another opinion.

(3) Evaluation methods and, specifically, ratings

Ratings were introduced in the Evaluation Highlights on ODA Loan Projects 2004 and the publication of the ratings with project titles constitutes a great achievement. Although some projects have received D ratings, there are indications of overall leniency in the rating process. JBIC is advised to be more resourceful with its rating notation: replacing ◎○△ with a, b, c, for example. (Note: The notation system came into use in this year's report.)

The high overall effectiveness ratings awarded for project evaluations are evidence of the fact that responding to developmental needs in developing countries is producing results. As to the other evaluation criteria, far-sighted improvements, such as the stricter efficiency evaluations that took effect this year, should be highly evaluated. Reflecting this, the ratings awarded for efficiency and sustainability tend to be lower, but grouping evaluation results by country or sector and undertaking a comprehensive analysis of the factors behind the low effectiveness and sustainability ratings could be an effective way forward. JBIC might be better served were it to establish a separate

evaluation criteria for project impacts.

In addition, precedence is given to quantitative criteria with the ratings for effectiveness and efficiency, but there are some aspects of project operations that cannot be rated using such criteria alone. Consideration should be given both to the clarity of the criteria and to the assessment of the whole. Any rigid judgment of ratings is problematic and there are no standard international criteria; nonetheless, a comparison with the ratings awarded by the World Bank or the Asian Development Bank would render JBIC's ratings more comprehensible and allow to counter any charges of leniency in its evaluations. JBIC is also recommended to demonstrate the extent to which its evaluation criteria have been enhanced during the last decade.

3. Feedback on Evaluation Results

It is important to disclose the results of all ODA loan project evaluations, even those for which a D rating was awarded, and to utilize any recommendations made on future projects. Recommendations made on ex-post evaluations should be used to enhance ex-ante evaluations and the outcome of such improvements highlighted. Further, while domestic public relations are important, it is also crucial that feedback be provided to partner countries and that accountability be achieved.

At the international level, JBIC is leaning towards stringent evaluations of impact. Japanese ODA has been linked to investment promotion and economic growth in Asia, and JBIC would do well to undertake an in-depth study of this in its thematic evaluations.

4. Publication of Evaluation Results

The results of ODA loan project evaluations need to be published in such form that they are comprehensible not only to aid-related organs but also to the general public. JBIC is advised to explore the use of approaches and messages that are age specific: press releases in magazines for young people, for example. JBIC needs to make active use of the media to achieve widespread publicity. As with the interview with Ms. Misako Konno, UNDP Global Goodwill Ambassador, that was featured in this year's report, getting goodwill ambassadors affiliated with UN organizations to publicize the work of JBIC in their own words will facilitate understanding among the general public.

Soliciting the involvement of media professionals in expert evaluations was a significant move. Given the desirability of achieving greater awareness of ODA in Japan, initiatives aimed at enhancing understanding in this area via the involvement of media experts in evaluation operations are of critical importance.

JICA and the ministry of foreign affairs (MOFA) are experimenting with

various PR tactics, such as using NGO networks to promote dialogue in the regions. JBIC is also working to enhance its public relations but has few regional offices and thus, to ensure that more people read its reports should utilize JICA and the NGO networks and conduct study sessions in local communities.

As "infrastructure and AIDS prevention" was taken up at the Seventh International Congress on AIDS in Asia and the Pacific (ICAAP) held in July 2005, highlighting projects that promote infrastructure development in conjunction with improvement to local environment is key to PR and every effort should be made to play on this fact. Greater emphasis could be given to the fact that environmental assistance to China is helping, in the first instance, to conserve Japan's environment and, beyond that, to address global-scale problems.

5. Cooperative Relations with Partner Countries

For partner countries, ODA loan projects are projects undertaken using borrowed money, and given that the beneficiaries are citizens of these countries, evaluations should rightfully be undertaken by the counterpart governments and executing agencies. However, since this remains practically difficult, so as to increase partner country participation new evaluatory techniques need to be developed, such as the use of joint evaluations. At the working level, ensuring post-completion sustainability is of critical importance, but in many cases, as analyzed in the thematic evaluation on Tunisia ("Integrated Management of Water Resources"), even when infrastructure and equipment have been provided in many cases there are institutional problems involved. Given the need to ensure sustainability, more meticulous follow-up that incorporates Special Assistance for Project Sustainability (SAPS) studies and ex-post monitoring needs to be undertaken with the cooperation of the partner country. By contrast, the thematic evaluation on the Philippines ("Financial Assistance for Agrarian Reform") is an excellent example of how, with the involvement of the counterpart government, policy-based financial institutions and NGOs, as well as the beneficiaries themselves, technical assistance provided via an ODA loan has linked to poverty reduction.

6. The Role of the Feedback Committee

The fact that Feedback Committee is not merely a venue for exchanging views, but that its role in improving JBIC operations is incorporated as "Feedback Committee Proposals and JBIC's Response" is worthy of high praise. The Feedback Committee would like to voice its appreciation of the fact that JBIC takes its opinions seriously and that such are helping to improve the operation.