



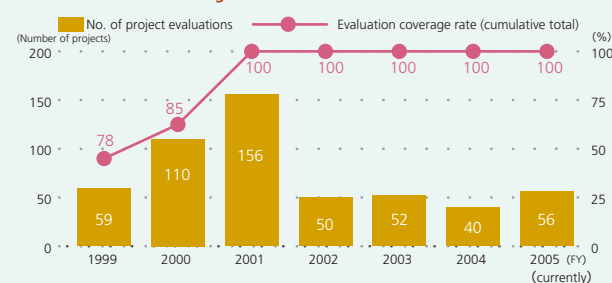
JBIC is striving to use evaluation to improve aid effectiveness with a focus on management for development results.

## 1. History of JBIC's Evaluation

### (1) Establishing an Integrated Evaluation System Stretching from Ex-ante to Ex-post Evaluation

JBIC has been carrying out ex-post evaluations starting in FY1975, and achieved a 100% evaluation coverage rate for ex-post evaluation on each project in FY2001. Meanwhile, 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, since FY2004 JBIC has been releasing evaluation results with utilizing "rating" in which based on the results of ex-post evaluation it has been provided 4 levels of rating such as "A (Highly Satisfactory)," "B (Satisfactory)," "C (Moderately Satisfactory)," and "D (Unsatisfactory)" onto each project. The purpose of establishing this "rating" is that not only the published results of ex-post evaluation would be made easier to understand, but also the understanding regarding the said evaluation would be deepened.

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 that aimed to improve evaluation even further. Mid-term reviews have been carried out in the fifth year after the conclusion of loan agreement to verify mainly "relevance", "effectiveness" regarding projects. Ex-post monitoring have been implemented seven years after project completion to verify "effectiveness", "impact", "sustainability", etc. Since this fiscal year mid-term review and ex-post monitoring has been standardized and fully introduced.

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

JBIC aims to have developing countries conduct evaluations regarding their own public projects by themselves. Since FY2004 it has been started to conduct joint evaluations between external evaluators and planning authorities, executing agencies, etc., of developing countries.

#### Joint Evaluation Conducted

##### Conducted FY2004

Country	Project Evaluated	Participating Agencies
Thailand	Project evaluation "Bangkok Water Supply Improvement Project (4-2) (5), and Networks System Improvement Project"	<ul style="list-style-type: none"> <li>Ministry of Finance (Public Debt Management Office)</li> <li>Metropolitan Waterworks Authority</li> </ul>
Indonesia	Project evaluation Jakarta Fishing Port/ Market Development Project (4)	<ul style="list-style-type: none"> <li>National Development Planning Agency (BAPPENAS)</li> <li>Ministry of Marine Affairs and Fisheries</li> </ul>
Philippines	Thematic Evaluation Credit Support to Beneficiary of Agrarian Reform	<ul style="list-style-type: none"> <li>Department of Agrarian Reform</li> <li>Land Bank of the Philippines</li> </ul>
Tunisia	Thematic Evaluation Integrated Management of Water Resources	<ul style="list-style-type: none"> <li>Ministry of Agriculture, Environment, and Water Resources</li> </ul>

##### Conducted FY2005

Country	Project Evaluated	Participating Agencies
Thailand	Project evaluation Regional Development Project	<ul style="list-style-type: none"> <li>Ministry of Finance (Public Debt Management Office)</li> </ul>
Malaysia	Project evaluation Port Kelang Power Station Construction Project (3)	<ul style="list-style-type: none"> <li>Tenaga Nasional Berhad</li> <li>Economic Planning Unit</li> </ul>
India	Project evaluation Srisaigram Left Bank Power Station Project (1) - (3)	<ul style="list-style-type: none"> <li>Andhra Pradesh Power Generation Co. Ltd.,</li> </ul>
Dominican Republic	Project evaluation Aglipo Agriculture Development Project (2)	<ul style="list-style-type: none"> <li>National Water Resources Institute</li> </ul>

## 2. Current Evaluation at JBIC

### (1) Reviewing and Expanding Use of Quantitative Indicators

To measure as objectively as possible the effects of implemented development projects, JBIC made the "Reference for Operation and Effect Indicators" in March 2000, and the "Manual of Internal Rate of Return (IRR)" in September 2002 in order to measure objectively as much as possible regarding the development results of the implemented projects. Meanwhile, due to diversification of development projects carried out by JBIC in recent years, the number of projects such as environmental and human projects has been increasing and it has been difficult to measure with existing indicators. Therefore, it would be required to improve in rate of return calculation methods to apply for such projects.

JBIC is striving to improve and expand indicators to measure the development results in an even more objective manner and, moreover, for the analysis of the impacts of projects on developing countries, which cannot be included in the direct results of projects.

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

JBIC has been providing ratings in ex-post evaluations since FY2004. Ratings are not only to show evaluation results in an easy to understand way, they are also useful for investigating measures to improve development projects based on those results. JBIC is proactively performing studies and analyses regarding the current rating system to pick out the issues and measures to improve the development results based on this rating system.

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, introduction of the rating system began in FY2004, along with implementation of mid-term reviews and ex-post monitoring. JBIC will also strive in the future for expansion of evaluations and improvements of the quality. Also, with the Second International Roundtable on Managing for Development Results held in Marrakech (2004), it has become mainstream that the improvement of aid effectiveness has been emphasized with focusing manage-

ment for development results in the international community gradually.

Management for development results is a management strategy which focuses on improvement of development results and ensuring improvement for developing countries in sustainable manner. It would be required that developing countries should reinforce policies and measures to contribute to economic growth and poverty reduction, developed countries should provide support through even more effective aid and trade policies. Following this trend JBIC is striving ODA projects effectively and efficiently with actively implementing evaluations.

### (3) Cooperation with Universities for Evaluation

JBIC is making efforts to utilize the knowledge of universities for evaluation. In FY2004, the evaluation has been implemented by university professors as an external evaluator: "China: Assistance for Environmental Improvement (Air/Water Quality)" (Kyoto University), and "India: Impact analysis on Ex-post Evaluations" (Hosei University). Also, individual project ex-post evaluations were carried out in FY2005 by Keio University, Hosei University, Hiroshima University, and Kyoto University, as shown on the right. Furthermore, the University of Tsukuba and Senshu University participated in evaluation activities in FY2006, in addition to the four universities on the right.



Beneficiary survey by university professor

#### Ex-post Evaluation of Individual Projects in Cooperation with Universities (FY2005)

Country	Project	University	External Evaluator
Thailand	Environmental Fund Project	Kyoto University	Akihisa Mori
Indonesia	Rehabilitation of Bridges For Java North Line (1/2)	Keio University	Satoshi Ohira Kazuhiro Takanashi
	Syah Kuala University Development Project		
Sri Lanka	Kelanitissa Combined Cycle Power Plant Project	Hosei University	Yasutami Shimomura, Yoshitaro Fuwa, Noriharu Fujiwara
	Transmission and Substation Development Project		
Bangladesh	Area Coverage Rural Electrification Project (Phase IV-C)	Hiroshima University	Masahiko Togawa Shinji Kaneko

\*Titles omitted

## 3. Future of JBIC's Evaluation Activity

### (1) Using Impact Evaluation for Quantitative Analysis of Development Results

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 implemented with 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 implement impact evaluations in order to achieve an even more objective understanding of the effectiveness of JBIC projects.

### (2) Trial of Aid Program Evaluation by Country

JBIC is implementing integrated evaluations spanning from before projects to after project completion, through ex-ante evaluations, mid-term reviews, ex-post evaluations, and ex-post monitoring at the project level. However, evaluation methods were not established above the project level, i.e., at the sector level and country level in JBIC internally. Other aid institutions, such as the World Bank and Asian Development Bank, are actively carrying out evaluations of aid programs by country based on the international trend to emphasize development results. Following this trend, JBIC has also begun to investigate the evaluation of aid programs at the country level on a trial basis since FY2006.

### (3) Building Evaluation System of Aid 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.

(For "general budget support," see p.35)

