

# EX-POST EVALUATION

To make ODA projects more efficient and effective, and to ensure the accountability, JBIC conducts ex-post evaluation two years after the completion of each project in accordance with international evaluation criteria.

## Overview of Ex-Post Evaluation

### 1. Based on International Evaluation Criteria

JBIC employs the five evaluation criteria, DAC (Development Assistance Committee) of OECD (Organization for Economic Cooperation and Development), which serve as an international evaluation criteria. In the ex-post evaluation, JBIC assess several points, including whether the project is consistent with the policies of developing countries (relevance), how short the time and how low the cost required to complete the project was (efficiency), whether effects are being realized as planned (effectiveness and impact), and whether the effects are likely to continue in the future (sustainability).

#### The Five DAC Evaluation Criteria

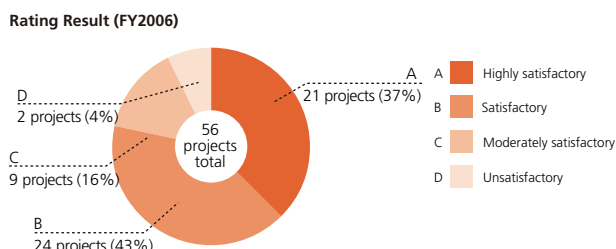
Criterion	Content
Relevance	Examine the relevance of project objectives and plans both at the time of appraisal and at the time of ex-post evaluation taking into consideration changes in background and preconditions.
Efficiency	Compare the plans for output, project period, and costs with the actual result and analyze the efficiency of project implementation.
Effectiveness	Compare planned and actual figures using operational and effect indicators and Internal Rate of Return (IRR) to examine to what extent project objectives have been achieved.
Impact	Examine the direct and indirect effects of the project set as an overall goal from macroeconomic, social, and environmental perspectives.
Sustainability	Examine the medium and long-term sustainability of project effects, and consider what countermeasures are required to resolve any problems that may exist.

### 2. Conducted Entirely by External Evaluator (see p.29-30)

External evaluators, who are experts in development assistance or evaluation selected through competitions by public biddings, confer with the government of the developing country and the executing agency, collect data from beneficiaries, and conduct project site survey. In cooperation with JBIC, external evaluators perform a final evaluation and assign a project rating. When there is a discrepancy between the JBIC and the external evaluators, opinions of both are referred.

### 3. Rating Based on Evaluation Results (see p.21)

Since FY2004, JBIC has adopted four levels rating for all the ex-post project evaluation. The projects are rated according to one of four categories: A: extremely satisfactory; B: satisfactory; C: moderately satisfactory; and, D: unsatisfactory.



### 4. Inclusion of Opinions from Experts from Developing Countries (see p.31)

To enhance the objectivity of the evaluations, JBIC obtains third-party opinion by asking to verify the evaluation results for each project ex-post evaluation from experts in developing countries.

### 5. Sharing Evaluation Results with Developing Countries (Improving Policy and Projects by using Lessons Learned and Recommendations from the evaluation)

By sharing all the evaluation results including lessons learned and recommendations obtained through evaluation with developing countries, JBIC aims to improve development assistance operation and policies. Moreover, the evaluation results are shared with the Japanese government and JICA.

### 6. Discussion by the Yen Loan Evaluation Expert Committee (see p.25-28)

The Yen Loan Evaluation Expert Committee\*, which includes external experts, has been held since FY2002. Efforts are made to reflect the matters discussed in this committee to further fulfill the evaluation activity.

\* In FY2006, the name was changed from the Ex-post Evaluation of ODA Loan Project Feedback Committee.

## 7. All Evaluation Results Are Published

To ensure the public accountability, JBIC publishes the evaluation results, ratings, and the third-party opinions. For the full version, please see the JBIC's web site. (<http://www.jbic.go.jp/english/oec/post/index.php>).

## 8. Improvement of the Operation through the Feedback of Evaluation Results

JBIC feeds back the ex-post evaluation results including lessons learned and recommendation to the future and on-going projects. In particular, in ex-ante evaluation and Special Assistance Facilities (SAF), ex-post evaluation results for similar projects in the past are reflected, contributing to project improvements.

### Forestry Sector Project in the Philippines (ex-post Evaluation conducted in FY2005)

In this project, Survey, Mapping and Planning for the regional development, Community Organizing, Comprehensive Site Development such as reforestation were implemented in the whole of the Philippines with aims to expand the forest cover and to improve household income. As a result of the ex-post evaluation for this project, the following lessons learned and recommendations were derived:

- 1) Tendency was observed that the success of income enhancement programs led to improvement of beneficiaries' incomes, strengthening of organizational capacity of people's organizations, and proper operation and maintenance activities for forests. For that reason, an income enhancement program should be introduced clearly in afforestation projects.
- 2) There were cases observed that due to selection of NGOs with poor implementation capacity, there were delays in schedule and increase in the project cost. Consequently, when working with NGOs, selection should be conducted based on a sufficient determination of their strengths.
- 3) There have been cases where more detailed guidelines regarding the implementation and operation of subprojects were needed at the stage of project implementation. Accordingly, it is necessary to develop an implementation system and procedures in the form of guidelines or manuals at the planning stage of the afforestation project.



JBIC is currently considering the implementation of an afforestation project in the Philippines. In planning the project, based on the results of the ex-post evaluations above, a) the introduction of an income enhancement program as an incentive for local residents to engage in tree-planting program, b) the positive utilization of NGOs through valid selection processes, and c) the establishment of guidelines for operation and maintenance of afforestation will be included in the project. For projects under consideration, planning has been based on points indicated through ex-post evaluation results. It is expected that the effectiveness of projects will exceed those of other projects whose ex-post evaluations have been completed.

### Locomotive Factory Manufacturing Project in Pakistan (ex-post Evaluation conducted in FY2004)

With an aim towards incrementally enhancing domestic manufacture of locomotives, this project constructed a locomotive factory and transferred locomotive manufacturing technology to Pakistan. Because actual results for locomotive manufacture were sluggish, the project was given an overall rating D, and several recommendations were devised in the ex-post evaluation. First, to improve operations, the Pakistan Railway (the project's executing agency) should be turned into a public corporation and should allow the entry of the private sector into some parts of its operation. At the same time, market research should be conducted focusing on long-distance heavy-weight cargo transport, and the strategic provision of infrastructure is required. Secondly, a study should be done to enhance administrative efficiency, including spinning off the locomotive factory.

After receiving these evaluation results, together with the executing agency and the Pakistani Government, JBIC is carrying out studies on how to improve this project. Specifically, through the Special Assistance for Project Sustainability (SAPS), which forms a part of the Special Assistance Facility (SAF), JBIC



is conducting an assessment regarding the various issues that Pakistan Railways facing, and orientation toward its further organizational reform, and investigating measures to utilize the locomotive factory as well as proposing services that the factory could supply.