

**Third Party Evaluation 2006,
The Ministry of Foreign Affairs of Japan**

Evaluation on Japan's Development Studies

Summary

March 2007

PREFACE

This report summarizes the results of the “Evaluation on Japan’s Development Studies” carried out by the External Advisory Meeting on ODA Evaluation based on the request from the International Cooperation Bureau of the Ministry of Foreign Affairs (MOFA).

Japan’s Official Development Assistance (ODA) has kept its world top-class scale in terms of the gross amount, but is still expected to attain higher quality and more effective and efficient implementation, both by the Japanese nationals and in the international arena. The MOFA, as the coordinating ministry for ODA, evaluates the ODA mainly at the policy level, for two objectives: to support the implementation and management of ODA and to ensure its accountability. This evaluation study is designed to validate the purpose, process and results related to development studies, derive lessons learned and recommendations for more effective and efficient implementation of future studies through review of the development study scheme, and also fulfill the accountability by releasing the evaluation results.

The External Advisory Meeting on ODA Evaluation is an informal body of the Director-General of the International Cooperation Bureau of the MOFA, founded with an aim to elevate the objectivity of evaluation. The Meeting assumes the role of carrying out ODA evaluation based on the request from the Director-General, starting with formulation of the evaluation method, and put the evaluation results together into a report, in order to feed back the findings as referential views for the Bureau. This evaluation was carried out by Chairperson of the Meeting, Dr. Hiromitsu Muta.

In carrying out this evaluation study, we requested help of Professor Kohichi Sakamoto of Toyo University, who kindly extended tremendous assistance. Also, this study was only possible with cooperation of related personnel of the MOFA, Japan International Cooperation Agency (JICA) and Japan Bank for International Cooperation (JBIC). We would like to express our sincere gratitude for all of them. In this evaluation study, the ODA Evaluation Division of the International Cooperation Bureau of the MOFA centrally coordinated the implementation, with KRI International Corp. entrusted with supplementary works such as collection and analysis of information.

Last but not least, it must be noted that views and opinions expressed in this report are not a reflection of the position of the government of Japan or any other related organizations.

March 2007

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1 Policy and Method of Evaluation

(1) Background

Since 1962, the government of Japan has been providing developing countries with assistance in formulating official plans for their social and economic development and transferring the technologies necessary for formulation of such plans, in the form of “development study”, which is one of its technical cooperation schemes. This development study has been providing avenues for pioneering technical cooperation methodologies, by way of introducing pilot projects, providing emergency rehabilitation assistance and adopting other measures within the scope of the study. It is obvious, on the one hand, that these accomplishments have produced significant outcomes, but also observed, on the other, that there are some cases where projects drawn up by development studies have failed to materialize or the studies have not been fully utilized in official plans or policies of the recipient developing countries. It is vital, therefore, to evaluate the development study scheme that sets the stage for other assistance schemes at this point in time, particularly in view of the new ODA execution structure to be launched in the fiscal year 2008.

(2) Purpose

The purpose of this evaluation study is to conduct a comprehensive and holistic assessment of the roles and functions that the development study has shouldered, extract the lessons learned that can be reflected in the more effective and efficient implementation of future development studies, particularly under the new ODA execution structure, and make the necessary recommendations, from the standpoints of supporting ODA management and ensuring accountability. At the same time the evaluation is also intended to contribute to a deeper understanding of Japanese nationals on the development study, and provide feedback to the parties concerned of the recipient countries as well as other donors, thereby serving the purpose of public relations as well.

(3) Scope of evaluation

This evaluation was conducted on all studies initiated under the category of “development study” approximately for the last decade (since 1995). It covers not only the analysis and ascertainment of the characteristics and tendencies of all development studies, but also the systems and mechanisms that support the full sequence of a development study, encompassing preparation, implementation and results. Furthermore, to make the evaluation more in-depth, field surveys (case studies) were performed in two selected countries, namely Indonesia and Egypt.

(4) Framework of evaluation

This evaluation was carried out at two levels: A) the development study scheme as a whole and B) specific development studies in the two countries selected for the field survey. For each of these levels, examination and analysis was conducted based on the following three dimensions: relevance of purpose, appropriateness of process, and effectiveness of results. The framework of evaluation is outlined as in Table 1 below.

Table 1 Overview of the Evaluation Framework

Dimension of evaluation	Scope of evaluation			
	A. Development study as a whole		B. Development studies in the two countries selected for the field survey	
	A.a Systems and mechanisms	A.b Characteristics and tendencies of all studies	B.a All development studies	B.b Case studies
Relevance of Purpose	A : Roles as an ODA scheme	A : Relevance to Japan's ODA strategies, international development agenda, and policies of MOFA, other ministries, JICA and JBIC	B : Relevance to development needs and plans of recipient countries and plans and policies of Japan	B : Each case study was evaluated as to its purpose, process and results, based on the views of the recipient country government and the consultant who undertook the study
Appropriateness of Process	A : Systems and mechanisms to support development studies	A : Questionnaire survey		
Effectiveness of Results		A : Project implementation and utilization of development study results (Analysis of JICA's Follow-up Study of Development Studies) A : Questionnaire survey	B : The status of project implementation and utilization of development studies in each country	

(5) Method of evaluation

The following means were applied in this evaluation, in addition to interviews with the Ministry of Foreign Affairs (MOFA), JICA, JBIC and other related organizations in Japan and examination of literature.

- **Field survey (case study)** — *Corresponds to B.a and B.b of the Evaluation Framework (Table 1)*
Field surveys were carried out in order to broadly view the development studies that were undertaken in Indonesia and Egypt over the last decade and to examine selected cases in detail (ten in Indonesia and five in Egypt respectively) through interviews with the concerned parties on both the recipient and Japanese sides. Additionally, a questionnaire survey (as mentioned below) was conducted on the consultants who carried out these case studies.
- **Analysis of JICA's Follow-up Study of Development Studies** — *Corresponds to A.b of the Evaluation Framework (Table 1)*
JICA conducts a "Follow-up Study of Development Studies" every year. The latest report (FY2005) was examined, accompanied by additional analysis on the original data obtained from JICA.
- **Questionnaire survey** - *Corresponds to A.b of the Evaluation Framework (Table 1)*
The report for the JICA's Follow-up Study does not touch upon the detailed situations concerning each study at the start time or in the implementation stage, nor provide information on the status upon completion of the study with respect to those finished in recent years. To address this information gap, a questionnaire survey was conducted targeting 100 cases, randomly chosen from 344 development studies completed between 2001 and 2005, and the questionnaire was distributed to the consultants having carried out these studies. At the outset, there were also plans to distribute the questionnaire to the JICA personnel who engaged in the preparation and supervision of the studies, too, but the idea had to be abandoned as it was relatively difficult to trace the staff in charge at the time of preparation and implementation of each sample study. Hence, the survey was conducted only with the consultants.

(6) Implementing organization

- The External Advisory Meeting on ODA Evaluation:
Professor Hiromitsu Muta, Tokyo Institute of Technology
- Advisor:
Professor Kohichi Sakamoto, Toyo University

- Consultant: KRI International Corp.

(7) Structure of the report

This report initially deals with different themes contained in the Evaluation Framework one by one, and then provides an overall evaluation on each of the three dimensions, namely: “purpose”, “process” and “results.” Table 2 below correlates to the chapters in this report and the elements of the Evaluation Framework.

Table 2 Correlation between the chapters and the Evaluation Framework

Note: The codes (such as A) referred to in this table correspond to those in Table 1.

Chapter	Description/Relevant Elements of the Evaluation Framework
Chapter 2 Characteristics of the development study	<ul style="list-style-type: none"> • Basic facts concerning the development study • A — Partial evaluation with regard to the “purpose”
Chapter 3 JICA’s Follow-up Study of Development Studies and its analysis	<ul style="list-style-type: none"> • Contents and methodologies of JICA’s Follow-up Study • A and A — Partial evaluation with regard to the “purpose” and “results”
Chapter 4 Systems and mechanisms supporting the development study	<ul style="list-style-type: none"> • Analysis of systems and procedures for carrying out development studies • A — Partial evaluation with regard to the “process”
Chapter 5 Detailed study on the process and the results (questionnaire survey)	<ul style="list-style-type: none"> • Methods and results of the questionnaire survey • A and A — A deepened understanding on the “process” and “results” reviewed in Chapters 3 and 4.
Chapter 6 Case study I: Indonesia	<ul style="list-style-type: none"> • B -B
Chapter 7 Case study II: Egypt	<ul style="list-style-type: none"> • B -B
Chapter 8 Overall evaluation	<ul style="list-style-type: none"> • Overall evaluation on the three dimensions, namely: “purpose”, “process” and “results.”
Chapter 9 Recommendations	

2 Characteristics of the Development Study

2.1 Purposes and roles of the development study

The government of Japan provides technical cooperation assistance in various forms (schemes): technical cooperation projects, development studies, the dispatch of experts, training in Japan and overseas, and the dispatch of volunteers, etc. The development study scheme was established in 1962 as part of technical cooperation assistance, consisting of different categories, including “Feasibility Study (F/S)”, “Master Plan (M/P)”, and “Basic Study” (to develop database, maps, etc.), “Detailed Design (D/D)” or a study combining M/P and F/S, all of which help developing countries create development plans for their public projects. During the last decade, in particular, this scheme has been utilized in diverse fields for many different purposes, with the introduction of the “study on the integrated regional development plan” for preparing an overall development plan targeting a certain region, the “study for policy formulation” for supporting reforms in fiscal, monetary, and legal spheres among others, and more recently, since 2000, the “sector program development study” for formulating comprehensive assistance strategies and plans for a certain sector, and the “emergency assistance study” for facilitating peace-building or post-disaster reconstruction. At the same time, the “pilot project” concept has been introduced, aiming to enhance the reliability of the contents proposed in a development study, which has successfully contributed to improving the persuasiveness and effectiveness of the study recommendations. Moreover, under emergency assistance studies, certain projects for rehabilitation and reconstruction are implemented within the scope of the particular study.

The purport of the development study also embraces “technology transfer”. It is emphasized today to provide assistance for strengthening the capacity of developing countries to address their own issues, or “capacity development” in short. JICA has recently introduced a system to allow the flexible choice of schemes, development study or technical cooperation project, in consideration of the needs and purposes of the recipient country. Now that projects are often implemented as pilots under the development study scheme and that capacity development is becoming increasingly important, the boundary between the two schemes is blurring.

2.2 Performance and trends in terms of budget

The budget for the development study has remained at between the second half of 1% to the second half of 2% of the entire ODA budget for the past decade. Although the ratio previously represented about 20% of the entire technical cooperation budget in JICA in the late 1990s, the figure has been declining down to 13% (as of FY2005). Likewise, the budget for technical cooperation projects is also diminishing, albeit not as rapidly as for development study. The budget for development studies comprises a subsidy from MOFA and the outsourcing budget of the Ministry of Economy, Trade and Industry (METI). The ratio between the two financial sources was roughly 7 to 3, respectively, a decade ago (as of FY1995) but is now 9 to 1 (as of FY2005), with a significant drop in METI’s contribution.

2.3 Roles in ODA

As described above, development studies are carried out for many different purposes. However, Japan has various other ODA schemes and tools that have functions partly overlapping the development study scheme. Table 3 below attempts to subdivide the development study into constituting elements and list other schemes and tools, in order to compare the respective functions. The table confirms that the development study covers a wide scope and many aspects of assistance, ranging from determination of Japan’s assistance policies to assisting developing countries in preparing and implementing specific plans. In particular, it is worth noting, with the uniqueness of the development study in mind, that i) it undertakes planning through the implementation of pilot projects; and ii) it can cover a range of activities within the scope of a single study, including a situation assessment, preparation of a specific plan and implementation of pilot projects. With regard to ii), projects for rehabilitation are carried out in some emergency cases. Such capacity to respond to a

broad range of issues can be highlighted as a strength of the development study scheme, which has particularly high value in emergency situations.

Table 3 Comparison between the development study and other ODA tools with similar functions

	(a) Study for project preparation and formation							(b) Assistance for capacity development
	Formulation of assistance policies and strategies	Understanding of the current status and needs	Formulation of overall plan	F/S	F/S supplementary study	D/D	Pilot projects	
Development studies								
Infrastructure improvement M/P				(pre-FS)				
Project preparation								
Assistance for policy formulation and institution development								
Sectoral or regional development plan								
Emergency assistance								
Other JICA studies and projects								
Project study								
Project formation study								
Grant-aid basic design study								
Grant-aid preliminary study								
Technical cooperation project								
JBIC studies and assistance								
SAPROF*								
Entrusted/commissioned survey								
Technical assistance by ODA loan								
Studies by other organizations								
JETRO F/S								

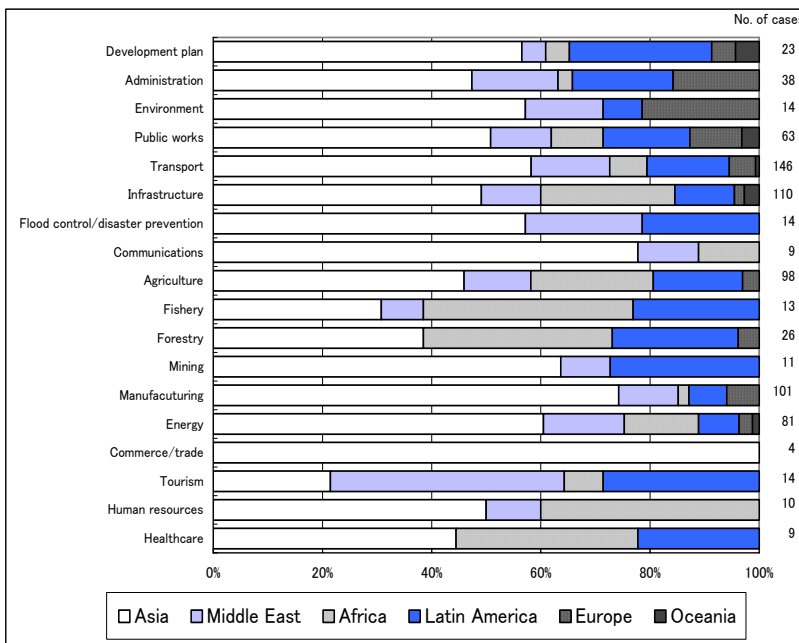
: Primary functions or always included. : Usually or occasionally included.
 * SAPROF : Special Assistance for Project Formulation

3 JICA's Follow-up Study of Development Studies and Analysis Thereof

3.1 Follow-up Study of Development Studies

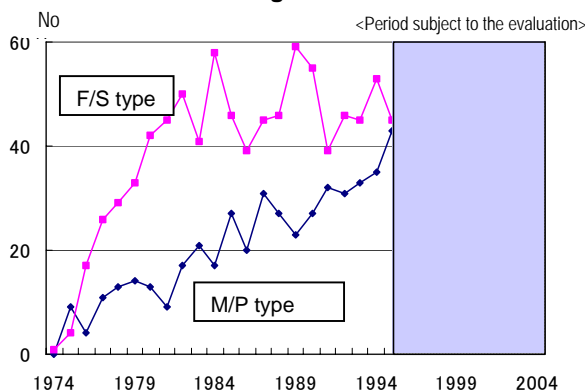
JICA has been carrying out follow-up studies, since FY1984, in order to take stock of how the outcomes of development studies are utilized in the recipient countries, and publishing the findings every year in the "Report for the Follow-up Study of Development Studies". In light of the fact that the progress and status of the utilization of study results are not always obvious, this study is primarily intended to clarify the actual conditions of utilization of the development study results and project implementation upon completion of development studies periodically and systematically, and extract the issues to be addressed in future development studies. In particular, it is difficult to grasp the overall picture of development studies because they come in many different types and from multiple budget sources. In the Follow-up Study, therefore, JICA sorts out the characteristics, trends and status of utilization of study results and project implementation via a questionnaire survey with the consultants who carried out the respective studies and the counterpart agencies of the recipient countries.

3.2 Contents and trends of the issues covered by the development study



The issues and contents covered by the development study are generally consistent with international development agenda as well as priority issues and areas set out in Japan's ODA policies. An analysis of a total of 785 studies completed between FY1995 and FY 2004 identified that, since the late 1990s, development studies have also been carried out, though still in a relatively low volume, in the healthcare and education sectors that were previously mainly handled by the technical cooperation project scheme. A majority of development studies in the energy, mining and manufacturing, and commerce and trade sectors take place in Asia, whereas those in the agriculture, and water resources development areas are concentrated in Africa. (Figure 1)

Figure 1 Sectoral and the regional distribution of development studies



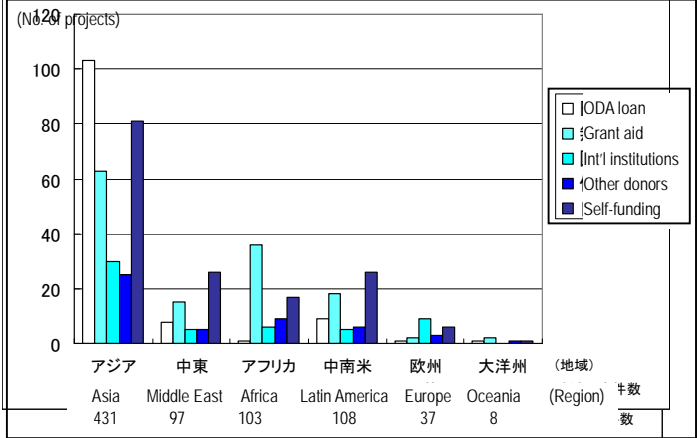
Source: Above both figures were created based on the "report for the follow-up study of development studies" (FY2005 edition)

Figure 2 Trends of Nos. of M/P-type studies and F/S-type

Development studies can be roughly classified into two types: F/S-type studies that can directly contribute to project implementation and M/P-type studies that include sector studies, basic studies and studies for assisting policy-making. The share of F/S-type studies has lately been decreasing vis-à-vis M/P-type studies. (Figure 2) Development studies used to focus on ASEAN member states, but today, the target areas have diversified to also include, for example, African countries where ODA loans

are not commonly provided. One of the factors behind this trend is probably the readiness to provide follow-up assistance through technical cooperation projects, which contribute to the diffusion of technologies, rather than funding. Furthermore, as mentioned above, the number of M/P studies for assisting policy formulation, the purpose of which is not the implementation of a specific project, is on the rise.

3.3 Outcomes of development studies



Source: Created based on the data from the follow-up study of development studies (FY2005 edition)

Figure 3 No. of projects materialized per region per financial source

JICA’s Follow-up Study observes the results of all (2,071) development studies conducted to date, based on the state of utilization of study results as to M/P-type studies and project implementation as to F/S-type studies. The outcomes of M/P-type studies vary and include database development, the implementation of specific projects and influence on national plans. The ratio of the studies that have been utilized in one way or other has reached as high as 90%. As for F/S-type studies, the ratio of project implementation is also relatively high at above 60%.

The 785 development studies subject to this evaluation were reviewed in detail with respect to the circumstances of project implementation. The key to the materialization of projects is obviously the presence of ODA loans, grant aid, or any other form of financial assistance from Japan. In particular, in countries with lower income levels, projects realized by their own funds are very limited. Looking at regional variations (Figure 3), projects materialized by ODA loans dominate in Asia whereas self-funded projects predominate in the Middle East and Latin America. In Africa, projects are largely implemented by Japan’s grant-aid. A sectoral analysis (Table 4) reveals that many F/S-type studies, which typically concern public works, i.e. economic infrastructure, have led to project implementation using financial assistance from Japan.

In addition, the Follow-up Study of Development Studies analyses the number of years it took for the project to be implemented upon completion of the development study. Of the development studies that resulted in project implementation, those that were realized within two years upon completion of the study exceed 50%, for both M/P- and F/S-type studies, and those within five years account for 60%. These findings suggest that it is essential to follow up on the results of the studies within five years of completion.

**Table 4 Overview of development studies by sector
(number, types and follow-up assistance)**

Sector	Subsector	No. of cases	M/P type	F/S type	Number, type and follow-up assistance				
					Loan-based project	Grant-aid-based project	Technical cooperation project	Dispatch of experts	Dispatch of trainees
Planning/administration		63	51	12	7	8	0	14	7
Public works/services		328	109	219	82	79	6	47	30
	Public works	63	12	51	14	21	1	10	7
	Transport/transportation	146	40	106	48	24	2	22	14
	Infrastructure	110	54	56	18	49	3	15	9
	Communications/broadcasting	9	3	6	2	3	0	0	0
Agriculture/forestry/fishery		136	65	71	14	31	10	35	17
	Agriculture	97	40	57	12	21	8	22	10
	Forestry/Fishery	39	25	14	2	10	2	13	7
Mining industry		108	96	12	1	2	3	14	12
Energy		80	38	42	12	7	3	12	9
Commerce/tourism		14	5	9	3	0	0	2	0
Human resources		9	8	1	0	1	1	1	1
Health and medical care		8	8	0	1	3	1	3	0
Social welfare		1	1	0	0	0	0	0	0
Disaster relief		14	6	8	2	5	0	1	0
Others		24	21	3	1	0	0	2	1
Total		785	408	377	123	136	24	131	77

Source: Created based on the data from the follow-up study of development studies (FY2005 edition)

3.4 Method of JICA's Follow-up Study of Development Studies and its limitations

JICA's Follow-up Study has doubtless played a significant role in capturing the enormous number of development studies across the board for the past twenty years. However, the database that keeps the record of past development studies, which provides the foundation for the Follow-up Study, has room for improvement. For example, at least two cases completed in FY2003 in Indonesia and one completed in 1998 in Egypt have been found as missing. Moreover, as described above, the study depends on the results of questionnaires distributed to the consultants and the counterpart agencies of the recipient countries as the information source, but the field surveys in this evaluation have found that discrepancies exist concerning project implementation between what is mentioned in the questionnaire forms and the actual status. Therefore, there is a limit to the current method in terms of providing accurate information that serves the basis for solid analysis.

Furthermore, as the questionnaires do not explore details of each study, it is not possible to identify the contributing factors when the rate of study result utilization is low. There are calls to review the questions used in the questionnaires and the survey targets, in order to extract the lessons learned and to identify measures for improving the utilization and project implementation, thereby raising the utility value of the Follow-up Study.

4 Systems and Mechanisms Supporting the Development Study

4.1 Implementing structure of the development study

On the Japanese side, four organizations/parties are involved in forming and implementing development studies, namely MOFA, JICA, a consultancy team contracted by JICA, and a support committee established by JICA. As for the development studies carried out with METI's budget, MOFA and METI co-manage the selection and monitoring of the studies. The roles of these parties are summarized in Table 5 hereunder.

Table 5 Roles in the implementation and supervision of development studies

	Preparatory stage	Implementation stage	Post-study stage
MOFA and METI *	<ul style="list-style-type: none"> Needs survey and application for technical cooperation Screening and adoption Conclusion of an agreement between two governments 	<ul style="list-style-type: none"> Monitoring of the studies 	<ul style="list-style-type: none"> Review and evaluation of the development study scheme (such as this evaluation)
JICA	<ul style="list-style-type: none"> Preparatory works, including the collection of basic information related to the requested studies and necessary coordination with the governments on the recipient side (including the undertaking of preparatory studies.) Facilitation of the needs survey and application for technical cooperation Preparation of the development study Agreeing on scope of work documents (S/Ws) with the recipient country governments Recruitment of consultants Establishment of respective support committees Coordination with concerned ministries 	<ul style="list-style-type: none"> Supervision on the implementation of the studies (organizing the support committee meetings, on-site monitoring, etc.) Review and receipt of reports (outputs) Supervision on procurement Accounting settlement 	<ul style="list-style-type: none"> Implementation of the follow-up study of development studies
Consultants (Study team)		<ul style="list-style-type: none"> Implementation of development studies (information collection, consultation with the governments and counterpart agencies of the recipient countries, technology transfer, preparation of recommendations and reports, etc.) 	<ul style="list-style-type: none"> Provision of information for JICA's follow-up study of development studies
Support committees		<ul style="list-style-type: none"> Review of the reports, provision of advice to JICA 	

*Needs survey and application for technical cooperation and the conclusion of an agreement between two governments are performed by MOFA alone.

4.2 Adequacy of systems and mechanism

The sequence of a development study, from formation to completion, is primarily managed by MOFA and JICA. The mechanism of the management was examined, based on the documents obtained in the course of this evaluation and interviews with concerned parties, focusing on standardized rules and procedures. The actual practices of managing the processes of implementing development studies were reviewed through the questionnaire survey to consultants and are described in Chapter 5.

(1) Preparatory stage

The preparatory stage of a development study consists of two phases: (i) needs survey and application for technical cooperation by MOFA (or jointly by MOFA and METI for studies funded by the METI) and conclusion of an agreement between two governments for adopted studies by MOFA and (ii) a preparatory work conducted by JICA upon the selection of studies by MOFA.

MOFA has been striving to streamline the preparatory procedures by considering the required assistance for each of the recipient countries all at once through a yearly needs survey and application for technical cooperation and grant aid, a method which enables more appropriate prioritisation of candidate studies and projects. It has also been promoting the conclusion of comprehensive technical cooperation agreements with over 60 countries, in order to eliminate the procedure whereby an agreement is entered into for each study or project. Meanwhile, JICA has also been improving procedures, as exemplified in the application of a “fast-track” process for studies such as in response to emergency situations. Under this process, a study can start within one or two months of a decision being made by MOFA.

The preparatory process handled by JICA starts immediately after MOFA’s adoption of a study and is elaborately designed. An “implementation plan” is prepared twice, namely before and after the preliminary study conducted in the recipient country for two weeks, and meetings to discuss the implementation policy are held at least three times with the participation of MOFA personnel. Since MOFA signs an agreement between two governments right after the adoption of the studies, the studies will be initiated notwithstanding the results of JICA’s preparatory works, except perhaps in rare cases where studies are drastically modified or abandoned if this is regarded as absolutely necessary. Accordingly, it would make more sense if more time and weight were allocated to the preparatory works before rather than after the adoption of studies. In fact, there are certain cases where JICA’s overseas office takes the initiative in conducting a preparatory study in the course of (or even before) the needs survey and application for technical cooperation. Doing so would contribute to the formation and implementation of studies that respond to real needs, ensuring consensus with the recipient governments regarding the objectives and scope of the studies. There may be room for further rationalization of the preparatory processes, encompassing both before and after study adoption.

As the key during the preparatory works is to foster a common understanding with the government of the recipient country as well as to make appropriate decisions concerning the scope and design of the study, based on sufficient expertise, JICA has been pouring its efforts into accurately understanding the conditions in the country and the availability of human resources with necessary expertise and experiences, by strengthening the roles of overseas offices, introducing in-house thematic advisors, constructing intra- and inter-networks of experts, and so forth.

The key to ensuring the quality of development study is to select competent consultants with the necessary expertise. However, at present, consultant selection is heavily dependent on document screening with the description in candidates’ curricula vitae prioritized, not necessarily requiring interviews as for technical cooperation projects. It can also be considered vital to check the expertise that conforms to the needs of the recipient country and the leadership capacity to draw out the strength of the study team, comprising members of differing expertise.

(2) Implementation stage

Supervision on the content of a development study is carried out by the support committee, comprising experts of the relevant fields and disciplines, by way of providing comments on the reports submitted at each stage of the study. Traditionally, support committees have individually been set up for different studies, but now a plan is underway to establish standing support committees for respective fields and issues.

According to JICA's internal documents and the results of the questionnaire to consultants (to be discussed later), the procedural aspects in implementing studies are emphasized, whereas insufficient weight is placed on monitoring the works of study teams and providing advice or assistance as required. Currently, JICA is reviewing the supervision system so as to fully utilize the strengths of both JICA headquarters and overseas offices. However, at the same time, it is also important to reform the system to be more results-oriented, enabling effective and efficient supervision focusing on the results of the works of consultants.

Currently, MOFA and JICA are considering a new approach, whereby programs are formulated for each sector or theme, so that the contents and sequence of assistance extended through different schemes, including the development study, are adequately positioned within the framework of programs. When this program-based approach becomes operational and takes root, the strategic focus and quality of supervision of development studies are both expected to improve.

(3) Post-study stage

As for the mechanism to follow up on a completed study, JICA carries out the Follow-up Study of Development Studies once a year, and in some cases dispatches the consultants who carried out the studies as short-term experts, who will conduct additional study or provide assistance to the counterpart agencies. However, a mechanism to decide on specific activities or responsibility for the follow-up has not been established, and improvement may be required in this area.

In order to ensure that the results of development studies are utilized in recipient countries and lead to next-stage assistance, it is vital, needless to say, to share the same understanding among the parties concerned from an early stage of the studies. The participation of personnel in charge of grant aid as well as loan assistance in discussions in the preparatory and implementation stages of development studies, and more recently, close coordination at the ODA taskforce established in the recipient country have been underway with this aim in mind. Moreover, as mentioned earlier, the program-based approach is currently under consideration, and when it is functional in the near future, consistency in Japanese assistance will be ensured with a view to future assistance following a development study.

On the other hand, as for F/S-type development studies, JBIC has pointed out their weakness in terms of the examination of implementing structures and fiscal and financial aspects. Therefore, the requirements of ODA loan appraisal must be taken into consideration in conducting F/S-type studies when loan assistance is anticipated to be implemented upon its completion.

In addition, in order to clarify specific points to be improved when conducting development studies, it is important to carry out ex-post evaluation, particularly with regard to studies for assisting in policy formulation and the development of a master plan, as part of a program evaluation or in another form, in concert with ex-ante evaluation. (For all development studies, ex-ante evaluation is conducted, as for other ODA schemes, but no ex-post evaluation is currently carried out, despite attempts to do so.)

5 Detailed Study Concerning Examination of the Process and the Results (Questionnaire Survey)

5.1 Purpose and outline of the questionnaire survey

In order to capture the characteristics and challenges not mentioned in existing literature, such as the report for the Follow-up Study of Development Studies , and to better understand the relevant systems and mechanisms, a questionnaire survey was carried out; targeting consultants who were engaged in 100 development studies randomly chosen from studies completed in recent years. The questionnaire was structured in accordance with the three dimensions of the Evaluation Framework, with a combination of multiple choice and free-answer questions, designed to assess the bigger picture, including the context of the studies. 94 responses were collected and analysed. It must be noted here while the survey results were based on the subjective opinions of the respondents, they were treated as important facts when similar opinions were presented repeatedly.

5.2 Analysis based on survey responses

The project materialization and capacity development are major factors that characterize respective development studies. With regard to project materialization, despite the fact many study cases were completed recently, more than half of the studies have led to financing or at least remain under consideration, of which 20 cases would see ODA loans materialize. Concerning capacity development, more than 40% of development studies involve pilot projects, and many respondents expressed positive appreciation for the effectiveness of pilot projects in term of capacity development. Criticism has been often heard that development studies tend to over-focus on the preparation of reports, but the questionnaire survey revealed that a variety of initiatives were undertaken for capacity development, by, for example, hosting workshops, involving the staff of the counterpart organizations closely in the study processes, and obtaining consensus from beneficiary citizens. The opinions gathered were sorted in accordance with the three stages of the development study: namely the preparatory, implementation, and post-study stages.

(1) Preparatory stage

Some respondents pointed out the fact that the intervention of experts on the relevant sectors and regions during the preparatory stage was insufficient. Other issues highlighted were that: 1) the scope of study must be fixed after verifying the needs and evaluating the relevance from a professional perspective; 2) sufficient consultation must take place with counterpart agencies concerning Japan's assistance policies and the purpose and contents of the development study; and 3) sub-contract assignments must be determined after clarifying the roles to be played by the counterpart as well as understanding the capacity (including overall skills and the conditions of available data) of the recipient country. Moreover, the adequacy of the terms of reference (TOR) is called for, together with flexibility, in order to accommodate potential changes required in accordance with circumstances after the initiation of the study. In relation to the volume of study, budget, and person-months, some voiced the need for adequate setting of study periods, considering the time for coordinating with counterparts, travelling, and managing sub-contract assignments. Further, discretion must be granted for cases in regions and sectors where experiences of Japan's assistance are limited.

(2) Implementation stage

Capacity development has long been considered a subordinate issue rather than the main focus of a development study. Consequently, although some efforts have been observed, such as the introduction of workshops or effective training and measures to respond to decentralization, there are also some constraints, due to the limited inputs of the development study and peculiar implementing arrangement (There are reportedly some situations whereby officers in charge get transferred to other assignments or are too busy in their side businesses and are thus unable to cooperate in the study in countries where public servants are poorly paid.).

Pilot projects under the development study exerted positive effects in raising the persuasive level of the study by demonstrating the theory and also uplifting the motivation and sense of ownership of the recipient country. Having increased the flexibility of development studies by introducing pilot projects and proved its effectiveness, the operation of technical cooperation projects have been considered influenced.

Regarding the procedure, some respondents pointed out that the approval and accounting settlement procedures, particularly those associated with pilot projects requiring speed, are so complex that they hamper the implementation of the work. They call for a sub-contracting procedure, with attention paid to the cost required for the settlement works. In terms of reporting requirement, there were opinions requesting a balance between the volume and frequency with the period, and purpose and contents of the study. In addition, more consideration is called for the time allocated to prepare and explain reports to the counterparts and more flexibility in the preparation of the report in the local language, with the linguistic situation in the recipient country in mind.

(3) Post-study stage

The approach taken to initiate a development study with the strategy of the output utilization at an early stage, and with close coordination among JICA, JBIC and other related organizations, remains limited. Consultants are not in a position to participate in decision-making with regard to follow-up assistance. In many cases, the consultants have to explain the final report to recipient governments without having any information concerning the prospects for financing upon completion of the study. Therefore, they request the more active involvement and assistance of JICA resident offices, particularly when explaining to high-level officials of the recipient side. If the rendering of Japan's financial aid is not clearly determined from the initial stage, it is difficult to put due thought to the implementation structure or financial plan within the development study period, despite the substantial impact promised by the project. Moreover, as a result, the lack of due examination of project feasibility may present itself as a hindrance in the course of materialization. Another aspect seen as problematic by many is the fact that although continuity of assistance does contribute to enhancing assistance effects, the means for consultants or JICA to follow up on study results remain quite limited.

In addition, as described in Chapter 3 hereof, JICA's Follow-up Study of Development Studies is currently conducted to solely target the consultants and counterpart agencies of the recipient countries, but the degree of knowledge possessed by consultants on the latest situation following completion of the study varies significantly, and in many cases, they must contact the parties concerned on the recipient side for confirmation, in order to write accurate answers. Therefore, some consultants are doubtful about the appropriateness of being asked for reporting on the follow-up situation without conducting an additional study.

6 Case Study I: Indonesia

6.1 Characteristics and outcomes of development studies in Indonesia

Indonesia has maintained either the first or second place as the recipient country of Japan's ODA for the past ten years; the number of development studies carried out in the country is the largest among all recipient countries. Japan, a major donor to Indonesia contributing to approximately 50 to 70% of the bilateral assistance, provides assistance under the Country Assistance Program for Indonesia (2004), which places priority on three areas, "sustainable growth led by the private sector," "building of a democratic and equitable society" and "peace and stability."

The number of on-going development studies in mid-90s was between 20 and 30 per year. Later, reflecting a cut back of Japan's ODA since the late-90s together with the serious political and economic turmoil after the financial crisis in 1997, its number decreased to between 10 and 20. After that, the number has been catching up with the previous level. Recently, studies for policy formation and institution development have been introduced in line with the democratisation and market-oriented economic reform. The management aspect is further highlighted in studies for economic infrastructure projects, while studies focusing on social development, such as education, are also being carried out. In the wake of the great earthquake offshore Sumatra in 2004, Japan extended not only non-project grant aid assistance but also immediate and comprehensive assistance as a development study, which increased the presence of Japanese aid in the eyes of the international community.

With the significant quantity of assistance provided, development studies in Indonesia pioneered new measures of technical cooperation. Firstly, studies with pilot projects were conducted with the aim of expanding and strengthening proven approaches in the next phase of assistance. Secondly, studies for forming sector and regional development programs were planned strategically. Thirdly, emergency assistance studies with the application of the fast track procedures were conducted. In the meantime, the decentralization adopted by Indonesia in 2001 confused the role sharing between central and local governments, as a result of which more attention was required to the institution building of local governments and clarification of responsibilities among the bodies concerned.

According to JICA's Follow-up Study, there were 65 development studies completed between FY1995 and 2004 in Indonesia, 35 of which were realized as projects financed by certain sources. 20 of the remaining 30 cases fall under the M/P type or the study for assisting policy formulation, not intended for specific project preparation. The final 10 cases, categorized as the F/S type, are presumed to be delayed for materialization or cancelled due to the aftermath of the financial crisis. The materialized projects were financed by ODA loans in 18 cases, by grant aid and by Indonesia's own funds for 11 cases respectively, while some were realized by a combination of multiple financial sources. Formerly, development studies were adopted and conducted with limited linkage with other ODA schemes. However, more coordination and cooperation among various ODA schemes has been carried forward today under the country based ODA taskforce. Of the study cases that led to financing by ODA loan, the transport and transportation sector, such as marine transportation and ships, ranks first, followed by the social infrastructure sector, including rivers and sand erosion control, and agriculture. As for those financed by grant-aid, river and erosion control cases outnumbered the others, followed by the agricultural sector.

6.2 Evaluation of study cases

In light of the characteristics of development studies carried out in Indonesia, ten study cases¹ were selected

¹ The ten selected studies are, in order of completion time, 1. Study on the Project for Coral Reef Management in North Sulawesi, Indonesia (M/P), 2. Study on the Project for the Development of Road Systems in Central and Southeast Sulawesi

based on the following criteria: i) studies of different categories; ii) studies entailing pilot projects, policy formation, institution development, energy and environment sectors, decentralization, and post-earthquake and tsunami recovery assistance; iii) studies with a higher level of utilization and materialization. The ten selected studies were viewed from a broad perspective and evaluated based on the three dimensions of the purpose, process and results.

(1) Purpose

The purposes of the ten studies are all consistent with Japan's assistance policies and plans as well as the framework of the national plans of the Indonesian government. The National Development Planning Agency (BAPPENAS) of Indonesia and the counterpart agencies of the projects observe the development studies as being in accord with the needs and plans of the country. In particular, they highly value Japan's assistance in regional development in response to decentralization and in the shape of urgent and flexible responses against the great earthquake and tsunami disasters.

(2) Process

BAPPENAS, with the assistance of JICA, has smoothly implemented the requesting process. Although some counterpart agencies replied that preparation of a request form required extra effort, generally speaking, it is not a problem because they are getting used to handle it.

As for project formation, some counterpart agencies declared it difficult to accommodate the thinking behind prioritisation with the Japanese side during the preliminary study. A fairly large number of consultants also called for improvement in the way preliminary studies were conducted, stating that the existing approach did not function well enough to design appropriate Scope of Work ("S/W") or TOR and that the study periods were rather short relative to the volume of work required.

Some consultants also pointed out that, despite the fact counterpart organizations were quite adequately selected in general, the implementation structure was not necessarily satisfactory. Most counterpart agencies had the common recognition that they carried out appropriate monitoring on the process of the study. However, there was an indication as to the necessity to clarify role sharing between central and local governments and measures to improve communication between the two levels.

The knowledge and technical standards of consultants were positively evaluated on the whole, while the employment of local consultants was also highly appreciated. The Indonesian side further requested collaboration with academia and other human resources in the country.

(3) Results

The Indonesian side affirmatively evaluated the contents of the development study reports as a whole, as evidenced by some study cases that were utilized for sector plans or improvement of the relevant laws and regulations. On the other hand, some considered the recommendations not detailed enough or too complicated and impractical. The ten cases studied in detail all evolved into a subsequent stage of assistance, in the form of the second phase of the development study, a technical cooperation project, dispatch of experts, grant aid assistance, etc., or taking shape using Indonesia's own budget or funds from other donors. So far none of the ten cases has led to financing by ODA loan, presumably because the number of studies for assisting policy formulation increased in accordance with the change in the government's priority following the economic

(M/P+F/S), 3. Master Plan Study for Promotion of Domestic Shipping and Maritime Industries (M/P), 4. Study on the Project for Integrated Musi River Basin Management (M/P+F/S), 5. Study on the Project for Agricultural Development in Highland Area (F/S), 6. Study on Assistance for Regional Education Development, Phase 2 (M/P), 7. Study on the Project for Supply of energy in Rural Areas with Use of Renewable Energy (M/P), 8. Follow-up Study on Supporting Industries in Indonesia, Phase 2 (export promotion) (M/P), 9. Study on Implementation of Integrated Spatial Plan for MAMMINASATA Metropolitan Area, South Sulawesi (M/P+F/S), and 10. Study on the Program for Japan's Assistance In Response to the Damages caused by the Great Earthquake off the Coast of Sumatra, the republic of Indonesia, and by the Indian Ocean Tsunami Disaster (M/P).

crisis, and also because preparation regarding the financial aspects and the implementation arrangements was unsatisfactory.

Pilot projects were carried out in more than half the ten cases and are highly appreciated by both the counterpart agencies and consultants, based on the effects of enhancing the capacity of the recipient side in terms of problem-solving and increasing a sense of ownership, which will eventually expedite the project procedure upon completion of the study. Among all, the education study deserves particular attention since the study results are further introduced to the other projects carried out under the country's own budget or sponsored by other donors.

In terms of capacity development, some counterpart agencies requested an extension to the period of consulting services in order for the counterpart personnel to learn the entire processes of the study, as knowledge building is stimulated through close communication between consultants and counterparts. Conversely, others believe that technical cooperation projects and the dispatch of experts are more appropriate for capacity development.

Moreover, emergency assistance studies and studies that contribute to regional development strategies and program formation have yielded the expected results in accordance with the needs of the Indonesian side, and hence indicate the importance of ambitious, pioneering approaches and efforts capturing the needs of the recipient from a broader perspective.

7 Case Study II: Egypt

7.1 Characteristics and outcomes of development studies in Egypt

Egypt is one of the largest recipient countries of Japan's ODA in the Middle East. The number of development studies completed between FY1995 and 2004 was the largest in the world other than Asia. The granting of ODA loans was temporarily suspended between FY1991 and 2001 in response to the worsening debt problem and succeeding debt relief from the end of the 1980s, but very recent development studies, with a view to project implementation using ODA loans, have again been considered. As posted in Japan's Country Assistance Program for Egypt (now under revision), the accent of assistance is placed upon the "sustainable growth and realization of job creation", "poverty reduction and improvement of living standards", and "promotion of regional stability".

A total of 17 development studies were initiated during the period subject to this evaluation, which can be broken down into eight industrial infrastructure cases, four agricultural cases, and the remaining five, including tourism, energy, environment and manufacturing cases. Under JICA's strategic framework, "industrial development and export promotion" and the "improvement of agricultural production and water use efficiency" have been the thrust of development studies in this country. In particular, and exemplifying the prowess of Japan, many cases were conducted in the transport sector, or more specifically, assistance has been delivered for the Cairo urban transport issue via the development study scheme for as long as 20 years.

The parties concerned of the related governmental organizations highly value the development study, for its contribution to formulation of detailed policies and plans based on the data analysis. In particular, in the transport sector, the degree of contribution to the policy formulation and planning is high. Regarding the development studies recently completed with the intention of implementation with ODA loans, discussion with JBIC is underway. There has been one case that the project was materialized using Japan's grant aid assistance and another materialized by private sector fund.

7.2 Evaluation of study cases

In the case of Egypt, five study cases² (including three in the transport sector) were selected, which were carried out in recent years and involved a high feasibility of project materialization, because coordination with other schemes was in place from the preparatory and implementation stages. The five selected studies were viewed from a broad perspective and evaluated based on the three angles of the purpose, process and results, as follows:

(1) Purpose

The five studies are all consistent with Egypt's development needs and plans in general. In particular, Japan's long-standing assistance in the Great Cairo transport sector and the Suez Canal, where problems are accumulating, is highly evaluated. However, some implementing agencies that are unused to Japan's assistance seem to lack sufficient understanding concerning the role and purpose of the development study, meaning it is vital to adequately explain and discuss these points, together with the overall mechanism of Japan's assistance, at the preparatory stage.

(2) Process

Whereas those counterpart agencies that have received Japan's assistance for long years are intimately familiar

² The five selected studies are, in the order of the time of completion, the Study on the Project for Improvement of Alexandria Port (M/P+F/S), Study on the Project for Improvement of the Water Environment in Central Delta Rural Area (M/P+F/S), Study on the National Tourism Development Master Plan (M/P), Study on the Project for Improvement of the Suez Canal Management (M/P+F/S), and PPP Program for Cairo Urban Toll Expressway Network Development (M/P).

with the details and procedures of Japan's technical cooperation and excel in promoting capacity development or utilizing the study results by themselves, those counterpart agencies that are not experienced are not sufficiently acquainted with the requirements from or processes of Japan. These counterpart agencies see the fact that the Japan side finalizes the scope within a short period of time in the preliminary study without ample discussion with the Egypt side is problematic. Moreover, there were some requests for a flexible response to the necessity for urgent change during the implementation of the study by modifying the TOR.

It was highly appreciated that organizing a cross-ministerial structure, such as a steering committee, during the execution of a development study contributed greatly to alleviating the adverse effects of the vertically divided administrative system. Regarding the roles of the counterpart organizations, some worked together with the consultants in compiling the reports, while others only played a limited role, such as collecting data, etc. Obviously, the former had a high sense of ownership.

(3) Results

The contents of the reports are highly evaluated and the degree of contribution to the Egyptian government's policies and plans is relatively high. At the same time, they are partly utilized by the World Bank and other donors as reference documents. Thus, it can be said that these studies have yielded results, as the needs of the recipient country and Japan's prowess converged well. However, in assistance in new fields, the influence of the study results on their policy formulation is limited, which implies that the nature of collaboration and mutual understanding with the Japan side at the preparatory stage has effects on the degree of post-study utilization. In adopting a program-based assistance approach for countries with a limited presence of Japan's ODA functions, unlike the major Asian recipient countries, special attention should be paid to ensure a strategic approach and consistency, and sharing the same recognition with the partner governments. In addition, there were requests to utilize more local consultants in development studies from the standpoint of more effective follow-up on study results.

8 Overall Evaluation

8.1 Relevance of purpose

The sectors, issues and areas covered by the development study have been consistent with the international development agenda and the priority issues and areas in Japan's ODA policies on the whole. While F/S type studies that formulate a stand-alone project formerly constituted the majority of development studies, increasing numbers of M/P-type studies are now conducted corresponding to the mainstreaming of approaches to identify a project or study from a broader perspective, grasping the situations and the needs in the entire sector. With the emergence of new types of studies, such as the sector program study and the study for assisting policy formulation, the development study is playing an important role in the social development sector, such as healthcare and education, and also in post-disaster or emergency situations. Region-wise, although ASEAN member countries have traditionally been at the centre of the assistance, development studies are now being conducted elsewhere, including African states. Along with the diversification of types of the development study and the areas covered, various innovative attempts have been introduced in the context of the study, such as the undertaking of pilot projects that can test theories and thus ensure the success of the recommended measures, implementation of rehabilitation projects in emergency situations, and accentuating the capacity development aspect.

Accordingly, the development study scheme, despite representing a mere 1 to just over 2% of Japan's entire ODA outlays has coped with wide-ranging roles, including enhancing decision-making for Japan's assistance policies, the formulation of specific plans in developing countries and, in some cases, implementing projects. Such functions of the development study are strategically significant, in that they enable comprehensive assessment of the issues in the relevant developing country or sector, and allow the appropriate schemes and modalities of assistance to be identified from the menu that includes grant-aid assistance, ODA loans, technical cooperation, and dispatch of experts and volunteers (JOCV). Whereas Japan's ODA has other schemes and tools, with the functions partly overlapping with the development study, the uniqueness of the development study scheme essentially lies in the fact that i) it conducts planning through to implementation of pilot projects; and ii) it covers a diverse array of activities, ranging from a situation assessment, formulation of specific plans to the partial implementation of actual projects and hence can demonstrate its strength, especially in emergency responses.

Looking at the two countries selected for the case studies, development studies have been carried out in accordance with the issues and needs of the recipient side in both Indonesia and Egypt. In Indonesia, while many studies were carried out in the economic and industrial sectors, reflecting the importance of the country to the Japanese economy, an increasing number of studies were also carried out in education and poverty reduction arenas. In addition, many experimental, pioneering methods were initiated in studies conducted in the country. In Egypt, the studies concentrate on the transport sector, reflecting requests from the country as well as the comparative advantage of Japan's experiences. However, aside from the counterpart agencies in the transport sector who are familiar with the Japanese assistance, government organizations in other sectors take it for granted that the projects recommended by development studies would be implemented with Japan's grant aid, which indicates that it is necessary to have sufficient communication and coordination with the counterpart with regard to the purpose and use of the study at an early stage of preparation.

8.2 Appropriateness of process

The evaluation was conducted by examining each stage of the cycle of the development study, namely, preparatory, implementation and post-study stages, consolidating the descriptions and analyses provided in Chapter 4 (Systems and Mechanisms Supporting the Development Study), Chapter 5 (Questionnaire Survey

Results), and Chapters 6 and 7 (Case Studies).

(1) Preparatory stage

The procedures for the preparatory stage have been streamlined through various efforts by MOFA and JICA. For example, MOFA, through conducting an annual needs survey and application for technical cooperation and grant aid, considers the necessary assistance to the respective developing countries by examining the applications across sectors and issues all at once, whereby appropriate prioritisation becomes possible. It also promotes an approach of concluding a comprehensive technical cooperation agreement with a recipient country, under which an agreement between two governments is signed once a year covering all the technical assistance studies and projects to be initiated in a given year. In the meantime, JICA has applied the fast track process to the initiation of studies in response to large-scale natural disasters and peace-building efforts.

On the other hand, elaborate processes follow during the preparatory stage after the adoption of studies by MOFA, involving repeated discussions with MOFA and other related ministries. In view of the fact that MOFA makes bilateral commitment after it adopts a particular study for implementation, it would be prudent to devote more time and energy to the preparatory process before the adoption. Many consultants expressed the views that revamping of the approaches to the preliminary study would be necessary so as to more accurately determine the necessary expertise and inputs (i.e. person-months) and prepare the S/Ws and TORs based on sufficient discussion and coordination with the recipient governments. Moreover, it was pointed out that, in order to implement effective capacity development, it is vital to ascertain the existing structure and capability of the counterpart agency and introduce an adequate mechanism in advance. With regard to case study countries, while JICA and the recipient government managed to establish a cooperation system to facilitate identification and initiation of studies in Indonesia, in Egypt, the preliminary study period was regarded as too short and discussion with the Egyptian side insufficient, according to some voices.

Recently, JICA has been adopting various measures to improve information gathering and analysis and necessary coordination in the recipient countries through enriching internal expertise on respective sectors and themes and strengthening the functions of overseas offices. Still, there is room for MOFA and JICA to jointly review the entire preparatory processes for possible further rationalization and improvement.

(2) Implementation stage

In supervising development studies being carried out, as previously described, JICA has been striving to secure the quality of studies by enhancing the internal expertise and strengthening the functions of the local offices. Furthermore, the introduction of pilot projects deserves considerable attention since it contributes to providing solid recommendations through practicing theories and assumptions and to elevating the motivation and sense of ownership of the recipient country. In terms of assistance for capacity development, many initiatives have been taken, such as holding workshops with the participation of stakeholders representing a range of relevant segments, conventional methods of on-the-job training and training in Japan or third countries as well as measures to cope with politically and administratively decentralized structures in some of the recipient countries.

On the other hand, consultants have expressed requests for JICA staff and the members of support committees to provide more adequate support and advice in a timely manner. In particular, many voices call for making adjustments to the texts and interpretations of the S/W and TOR in a flexible manner in response to new findings or changes in the situations in the recipient country during the course of the study. Additionally, it was pointed out by many that the procedures for approval of sub-contracting and for accounting settlements were too complicated to enable smooth implementation of activities in the recipient country (particularly with regard to pilot projects for which speed is crucial).

Similarly, some consultants raised requests for adjusting the obligation of report writing in view of the purpose,

contents and duration of the study as well as the size of the budget allocated to it. Otherwise, the frequent preparation of reports creates burdens that prevent the consultants from concentrating on their works in the field.

In the two case study countries, there were some views in the recipient governments calling for flexible operation of the studies (such as adding extra work items to the TOR) in response to changes in the situations, instead of preparing a fresh proposal. The recipient countries positively evaluate the knowledge and skills of consultants in general, but as for capacity development, there were many opinions requesting the more active involvement of counterpart personnel in the study processes and for utilizing locally available human resources.

For the sake of smooth implementation of the study and with enhancement of the study quality in mind, it is critical for JICA to further upgrade the system, not only at the level of individual staff members but also at an organizational level, so that human resources with necessary expertise and experience can be mobilized for negotiation and coordination with the recipient country as well as supervision of the study as appropriate. In particular, it would be essential to streamline and simplify the procedures applied to the implementation of the studies to the extent reasonable, in consideration of transaction costs incurred on both consultants and JICA, and to take further measures for ensuring the readiness and necessary systems to support the study teams so that they can concentrate on generating quality outputs.

(3) Post-study stage

To increase the utility of development study results, personnel in charge of ODA loans and grant aid are involved from the preparatory stage of the development study and various other efforts are made, both at the headquarters level and through the mechanism of the ODA taskforce. Currently MOFA, JICA and JBIC are studying the program-based approach, under which Japan's assistance to different sectors will be strategically set out, including any follow-up assistance upon completion of a development study.

With respect to F/S-type studies, which, needless to say, presuppose the implementation of a project as an outcome of the study, requests have been made from JBIC to deepen the examination on fiscal and financial aspects as well as the implementing arrangement concerning the proposed project.

JICA's Follow-up Study of Development Studies attempts to ascertain the situations after the completion of development studies in a systematic manner. However, the study solely depends on the information provided by the consultants and the counterpart agencies of recipient countries, as a result of which some information is missing or erroneously reported. An improvement in the way the Follow-up Study is designed and implemented would be needed with a view towards ensuring the appropriate utilization of the studies, including project implementation where applicable, in the context of the program-based approach, which will be the norm in future Japanese ODA.

Regarding M/P-type studies or studies for assisting policy formulation, ex-post evaluation is possible focusing on certain aspects and is worth consideration with the goal of ensuring the quality of the studies. While the introduction of program evaluation is underway in JICA, conducting ex-post evaluation of development studies would be meaningful at least during the transition phase.

8.3 Effectiveness of results

The development study scheme addresses wide-ranging issues and has brought about various concrete outcomes, including database development, implementation of specific projects, and assisting formulation of national plans and policies of the recipient countries. In the two case study countries, while there were some constraints in project implementation using ODA loans after the financial crisis in Indonesia and during the

period when new ODA loans were frozen in Egypt, the reports of the development studies are widely utilized as basic reference materials for preparation and implementation of policy measures. Hence, the degree of contribution to policy-making and planning is affirmatively appraised in general. Pilot projects that are increasingly carried out in Indonesia and emergency assistance provided immediately after the tsunami disaster in the same country are highly regarded by the recipient government as well as the consultants. In Egypt, the long-term assistance in the transport sector is a result of the convergence of Japan's strength and the needs on the recipient side and has borne substantial fruit. The development study results in the sector are not only appreciated by the recipient country but also utilized by other donors.

However, when looking at details of "utilization" of study results in the case studies, it varies from being used as reference to being actually materialized into formulation of specific laws and regulations. Besides, 60% of the development studies designed for project implementation were realized within five years upon completion of the studies, which suggests that it is extremely important to follow up on the study results as early as possible.

This relates to the "Appropriateness of Process," but in order to ensure that the study results will evolve into actual projects and be utilized by the recipient countries, it is crucial to follow up on the results in appropriate manners and at appropriate timings. In view of the ongoing shift to the program-based approach, a framework is expected to be developed that would set out directions for post-study interventions. At the same time, a mechanism may be developed in which a plan elaborating concrete follow-up actions is devised immediately upon completion of development studies, and JICA takes a leading role in carrying forward the actions capitalizing on the resources of the ODA taskforces. Concurrently, if the contents of development studies are solid, the possibility of utilization or project implementation naturally increases, thus, it is vital to improve the necessary systems for assuring the quality of the development study, as described in 8.2 above.

9 Recommendations

The experiences of the development study, which assumes missions in upstream segments of Japan's ODA and has demonstrated capacity to respond to diverse issues and emergency situations, present a number of lessons and ideas that can inform the process of reviewing and rearranging technical cooperation and study schemes and tools, which are currently underway to prepare for the launch of the new JICA in 2008. Through the evaluation of the development study scheme, which assessed its characteristics and trends as well as underlying systems and mechanisms on the three dimensions (i.e. relevance of purpose, appropriateness of process and effectiveness of results), the evaluation team recommends the following with a view to enhancing the strategic nature and effects of Japan's technical cooperation.

9.1 Strategic utilization of studies in the era of the new JICA

(1) Realignment with other schemes, while ensuring flexibility and speed in project formation

The purpose of the development study is basically two-fold: (i) cooperation in preparation of development plans and (ii) capacity development assistance, the former of which can further be subdivided into a) sectoral study (to assess the situations and needs of the relevant sector as a whole prior to provision of specific assistance); b) study aiming at next-stage assistance in the form of, for example, financial aid; and c) cooperation in planning and policy-making of the recipient government.

The studies that are mainly designed for (i)-a) or (i)-b) are partly overlapped with other study schemes and tools of JICA and JBIC. Hence, integration with those similar study schemes and tools may be possible in consideration of their respective comparative advantages. As for the studies geared to preparation and formation of projects, it would be important to position them as assistance preceding "technical cooperation" rather than "technical cooperation" itself, which is subject to the Japanese government's agreement with the recipient country, so as to ensure flexibility and speediness in project preparation. The primary focus of the development study, therefore, will be on formulation of master plans, policies and institutions in the recipient countries. On the other hand, if the second purpose of the development study, (ii) capacity development assistance, is more emphasized, the role of the study will be similar to the one born by the technical cooperation project scheme, and realignment of the two schemes may become necessary, too.

(2) Securing the innovative roles played by the development study scheme

When we take the overall view at the roles that the development study has fulfilled and the outcomes that it has produced, the biggest strengths of the scheme can be summarized as (i) deepening the contents of development studies through implementing pilot projects and pioneering new methodologies and approaches through trial-and-error efforts; and (ii) responding to a broad range of tasks from situation assessment to project implementation within the scope of one study in emergency or peace-building assistance. As the development study is being reviewed for possible realignment and integration with other schemes and tools, these two distinctive aspects should be preserved and strategically leveraged in Japan's technical cooperation.

In particular, pilot projects have made significant contributions to capacity development by innovating and operating new methods and systems together with the recipient governments. There are examples where such collaboration led to the concrete and accurate grasp of the problems by the recipient governments. Furthermore, it must be noted that the development study took the lead in allowing the deployment of non-Japanese experts for up to 50% of study team members. By involving non-Japanese professionals in the areas where Japan's assistance is relatively new (such as the healthcare and education sectors and institution development), the studies succeeded in satisfying the needs of the recipient country and at the same time contributed to nurturing

the capacity of Japanese consultants who worked together with professionals from other countries. Accordingly, it is vital to secure such innovative roles of the development study, regardless of the future of the development study scheme.

(3) Further utilization of the development study for deepening policy dialogue in tandem with the program-based approach

Currently, MOFA, JICA and JBIC are discussing a program-based approach encompassing different ODA schemes for each of the partner countries, under which directions on post-study assistance will be articulated. When the program-based approach takes root, the ODA executing agencies will be able to accumulate sufficient information and knowledge on a particular sector or theme, but until then, the development study can play an important role in conducting situation assessment and identifying the necessary interventions in a particular sector or region or across sectors and regions. The outputs of development studies can then be used as a frame of reference for ensuring a meeting of minds on the Japanese side as well as with the recipient governments, and also for sharing the understanding on Japan's assistance with all the stakeholders, including professionals and citizen groups in the recipient countries and other donors, who are involved in the development of the concerned sector.

(4) Refinement of the F/S-type study

As for F/S-type studies, it would be important to ensure value-added provided by the study, by having it specialize in more difficult cases that require an examination of sector-wide systems including financial and organizational aspects and in those where there is a good prospect of financial assistance in the wake of the study. As developing countries are increasingly equipped with the capacity to conduct F/Ss on their own, such value-addition would be required to justify external assistance to F/S. In order to ensure the realization of a project, a study must identify and propose concrete measures and necessary assistance to ensure appropriate implementation and management structure, instead of leaving it to the individual efforts of the recipient countries.

9.2 Refinement and improvement of the institutions for ensuring the quality of the study

(1) Refinement and rationalization of the preparatory process

In the context of the shift to the program-based assistance approach, MOFA, JICA and JBIC have been introducing a rolling plan, which sets out the roles of the development study scheme and other schemes to address issues in the respective sectors, and which serves as a basis for study/project formulation and preparation. There are calls to further promote such an approach, expanding it to other countries. At the same time, efforts to prepare appropriate TORs based on accurate assessment of the needs and situations and sufficient dialogue with the recipient country are required, so as to launch quality studies in an efficient and timely manner. To this end, it would be important to review the entire preparatory process managed by both MOFA and JICA and to examine the possibility of further refinement and rationalization.

(2) Securing adequate mechanisms and inputs corresponding to the capacity development purpose

Whereas ever-increasing importance is attached to capacity development in the course of conducting development studies, the process of preparing plans and policy recommendations is inevitably often led by consultants, due to the limitation of the study period and budget. On the other hand, there are some examples where the utilization of workshops, training or pilot projects have made significant contributions to capacity development. In order to enhance the effects of capacity development, it is vital to explicitly plan and implement activities targeting the same, instead of assuming that the development study activities will

automatically attain capacity development. To this end, it would be necessary to confirm the intention, implementation structure, and existing capacity level, etc. of the counterpart agency of the recipient country, to determine appropriate methods of capacity development in light of the urgency of the required intervention, and to reflect the purpose and methods of capacity development clearly in the TOR, in order to ensure consensus with the recipient government and the consultant in advance.

(3) Rationalization and flexible operation of the procedures focusing on results

Many consultants have pointed out that the rigidity and complexity of the procedures often hampers the smooth implementation of the principal works of the study. There are calls to refine the existing system further so that both JICA and consultants can focus on the quality outputs of the study by allocating more time and energy to improving quality instead of pursuing the stringency of the procedures. In doing so, the TOR to be determined in the preparatory stage of a study needs to be at a strategic and conceptual level, so as to allow some leeway for discretion in responding to new findings or changes in the situations during the course of the study. Such strategic management of the TOR is already taking place in some parts of JICA, and it would be necessary to mainstream the approach throughout the entire organization.

In addition, concerning the procedures for approvals and accounting settlement with regard to the implementation of pilot projects and subcontracted works, it would be necessary to streamline and simplify the procedures to the extent reasonable in consideration of transaction costs incurred on both consultants and JICA and to determine the requirements for reporting in a flexible manner in view of the purpose, duration and inputs and budget of the relevant study as well as conditions in the recipient country.

Furthermore, opinions were raised in the case of study countries calling for the further utilization of local human resources available in the academic sphere and consultancy profession. The involvement of local professionals will contribute to the objective of capacity development and enhancement of the sense of ownership in the recipient country, thus it would be essential to install mechanisms to enable such an approach.

(4) Improvement of the follow-up structure for future materialization and utilization

With the introduction of the program-based approach, a framework will be installed to facilitate consideration and preparation for post-study activities and assistance. At the same time, it would be helpful to set up a structure to ensure specific actions are implemented in the wake of a development study. Preparation of an “Action Plan”, based on consensus with the recipient country before or immediately after the completion of the study and following up on the study results on the basis of the Action Plan capitalizing on the ODA taskforce functions would be recommended. The involvement of consultants in the follow-up activities may be considered necessary, since there are not always experts of the relevant fields in JICA offices or ODA task forces. In formulating the Action Plan, however, it is necessary to ensure that the information and knowledge accumulated by the consultants will be communicated and transferred accurately to JICA.

(5) Refinement of the follow-up study and undertaking of ex-post evaluation for strategic usage of evaluation results

The Follow-up Study of Development Studies has been carried out based on questionnaires to the governments of recipient countries and the consultants. However, this method must be urgently reviewed and refined to improve the accuracy and consistency of the data and information gathered and analysed. In particular, detailed information concerning the causes of delays or difficulties in implementing projects or proceeding to the next stage cannot be obtained through the framework of the current Follow-up Study, as such causes often involve weaknesses in the implementing structure and fiscal and financial conditions that require in-depth

examinations. It would be important to analyze the causes of the delays or difficulties on the part of the recipient side or on the part of Japan (which may have deemed project implementation inappropriate) and to extract and archive the lessons learned, in order to avoid the recurrence of similar problems.

Furthermore, with respect to the study for assisting policy formulation or institution development as well as M/P-type studies, there are calls to conduct ex-post evaluation in some form, or as part of program evaluation, in order to reflect any derived lessons learned for future studies in similar fields. Whereas program evaluation is expected to become the mainstream in the near future, as program-based assistance becomes the standard, it would be useful to extract and stock-take the experiences and lessons learned by conducting separate evaluations for the development studies, at least during the transition period. The perspectives of such evaluations would be: to what extent the development study outputs are in harmony with and reflected in the policies, systems, plans, etc. of the recipient countries; how they contributed to the development or reform of the institutions and systems of the recipient governments; and what were the factors behind the successful cases, among others.

Consolidating the results of development studies, which play significant roles in the upstream segments of Japan's ODA, through improving the Follow-up Study of Development Studies and the implementation of ex-post evaluations, shall have significant relevance for upgrading the methods and quality of the country evaluation and sectoral evaluation as well as meta-evaluation.