Foreword

Official development assistance (ODA) is an important means of diplomacy for Japan and the importance of providing assistance for developing countries is becoming ever stronger. Preparations are currently in progress at the government level to conduct rational and economic evaluations of government policies based on the recent debates on administrative reform. In the midst of the growing expansion of the practice of "evaluation" in general, the evaluation of ODA is now attracting much attention in many quarters in Japan.

In fact, the significance of Japan's ODA and the effectiveness and efficiency of its implementation are facing tough questioning given the stringent fiscal situation in recent years. Coupled with the strong demand for a qualitative improvement of ODA rather than its quantitative expansion, the importance of evaluation is steadily increasing in order to implement more effective and efficient assistance. There is a strong international trend to emphasise the role of evaluation and new movements are beginning. What is critical is to conduct evaluation which can contribute to the realisation of more effective and efficient ODA in addition to clearly displaying the results of ODA to the taxpayers. Accountability to the public must be fulfilled, and the disclosure of information on evaluation findings must be hurther promoted to ensure the transparency of ODA.

Although Japan's ODA evaluation system has been praised by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), there is still room for improvement. The Ministry of Foreign Affairs (MoFA) has requested the AID Evaluation Reviewing Panel, a private advisory body to the Director General of the Economic Cooperation Bureau, and the Working Committee for Evaluation Research established under the said Reviewing Panel to examine the ODA evaluation system for its further improvement. The results of their discussions have been compiled in "the Report on Improvement of the ODA Evaluation System" which was submitted to Mr. Kono, the Minister of Foreign Affairs, on 15th March, 2000.

Under these circumstances, there have been various attempts to improve Japan's ODA evaluation system. This year's Annual Report introduces a number of improvement efforts. The attempt to evaluate policies and programmes at a higher level than individual projects which have been the subject of conventional evaluation, preparations to establish a consistent evaluation system which incorporates pre, mid-term and ex-post evaluation instead of ex-post evaluation alone, and the swift announcement of evaluation findings using the Internet are some examples of such efforts. While explaining these activities to improve the evaluation of ODA, the Annual Report analyses the results of ODA by listing the findings of evaluation activities over a one year period.

As the environment surrounding ODA is changing, the evaluation of ODA is "in a period of reform". It will be our greatest pleasure if the publication of this Annual Report on Japan's Economic Cooperation contributes to enhancing the understanding of and support for ODA and recent movements surrounding ODA evaluation. Since last year, the Annual Report has been prepared in two volumes, i.e. Summary and Evaluation Findings for Individual Projects, for easy reference and use. Please refer to the Evaluation Findings for Individual Projects for the detailed evaluation findings.

From last year, the Report includes the responses to those ODA projects singled out by the audit. This year's Report compiles the current situation and follow-up of ODA projects, including those for which certain problems have been identified. It is our intention to strive to achieve the further refinement of the Report to respond to the interest expressed by people in Japan.

We are determined to make continued efforts to further improve ODA evaluation. Please do not hesitate to contact us with any question or comment you may have regarding this Annual Report.

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