



Donors Speak

ADB has allowed us to broaden our development assistance in Asia, says donors

By Jet Damazo

AFTER APPROVING over \$63 million for 119 technical assistance projects over the past five years, the [Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategy](#) (NPRS) and [Poverty Reduction Cooperation Fund](#) (PRF) are due to close in early 2008.

Following the Donors-ADB 8th NPRS-PRF Strategy Meeting held last 5 and 6 February in Manila, we took the opportunity to ask the donors representatives a few questions and talk about working with ADB, the impact of the two funds, and moving forward.

Andrew McSkimming, Policy Officer, Partnerships, Asia Directorate, Department for International Development-London, speaks for the PRF, a 36 million Pounds Sterling (close to \$65 million) grant facility from the UK Government's Department for International Development (DFID), established in July 2002.

Marloes Geelen, ADB Desk Officer, Ministry of Foreign Affairs, The Hague, speaks for the NPRS, a multi-donor fund established in November 2001 through an initial contribution of 6.8 million Euro (about US\$8.0 million) from the Government of The Netherlands.

Q: What is the wisdom behind partnering with an institution like ADB to carry out part of your country's/agency's development work in general, and, in particular, related to poverty reduction?

MCSKIMMING: International organizations such as ADB play a major role in delivering development assistance. As aid increases, donors will need to increasingly rely on multilateral channels to deliver it. The UK is also committed to working with others where they can add value to the bilateral program. DFID currently channels around 40% of its aid through multilateral organizations.

At the same time, we believe that many regional problems are best solved at the regional level. ADB is one of the largest donors to Asia and the Pacific and has a key role to play in reducing poverty and promoting economic growth in the region.

Partnering with ADB provides opportunities for DFID to have increased policy leverage and broader coverage through its involvement in ADB projects and programmes. Regional institutions such as ADB can be particularly useful on issues such as infrastructure, the spread of diseases, regional markets, cross-border investment and access to scarce water, where DFID is not always well-placed to assist via bilateral programmes of assistance.

DFID also wants to improve the effectiveness of the international development system. Thus, DFID partners with ADB in its desire to improve donor division of labour and achieve greater complementarity and effectiveness of development assistance in Asia, in the context of our mutual commitments to the Paris Declaration principles.

GEELLEN: ADB is one of the largest donors to Asia and the Pacific and has a key role to play in reducing poverty and promoting pro-poor economic growth in the region. Working together with the ADB has given the Netherlands the opportunity to broaden its development assistance in Asia.

Q: What are your impressions of the type of projects initiated under the NPRS and PRF funds?



DFID's Andrew McSkimming

MCSKIMMING: We are satisfied with the commitment level and the volume of projects that have been initiated under the PRF. DFID-China has also reported as being very satisfied with the management and implementation of the PRF-PRC (People's Republic of China) portfolio.

A total of 106 TA projects have been endorsed worth US\$56.11 million, of which 89 are for the PRF Regional Window (known as PRF-HQ) and 17 for the PRF-PRC. Of the 106 TAs endorsed, 25 TAs are completed and 81 TAs are currently under implementation as of December 2006, of which 70 are for the PRF-HQ window.

With a greater number of PRF projects reaching completion stage, there was a better sense at this year's strategic review meeting than previously of what was being done by the PRF (both HQ and PRC windows). Both ADB management and staff have said that the PRF is providing ADB with a valuable mechanism that enables it to be flexible and to respond to gaps and to DMC governments' requests that do not fit neatly into ADB's policy framework. PRF is helping ADB build social inclusion, cooperate with civil society and explore innovative ways of working with vulnerable groups on issues such as gender, ethnicity, livelihoods, migrant labour and human trafficking.

With regard to the impact of PRF-funded TAs, I do not think that it is possible for us to say at this time what the impact is or has been. But I am now rather more optimistic than previously that the PRF will have a good story to tell at the end of the day. However, an assessment of the impact of PRF-funded TAs will need to await a full evaluation of PRF activities. Such an evaluation is planned and we hope that it will get under way in the second half of 2007.

Q: How did the performance of the two funds contribute to the achievement of your organization's poverty reduction goals in the Asia and Pacific region?

MCSKIMMING: The original aim of the PRF, when it was created in 2002, was to supplement ADB resources by providing support for grant-based TA activities covering training and advisory services, institutional support and other TA services testing new ADB approaches to poverty reduction, plus other activities which may be agreed between DFID and ADB. So the intention was that the PRF would ultimately contribute towards improving the poverty reduction focus of ADB operations. To what extent the PRF has or has not impacted on the poverty focus of ADB operations will be one of the key questions that the planned evaluation will need to address.

GEELLEN: The objective of the NPRS-Fund is to support ADB's poverty reduction

strategy by helping DMCs (developing member countries) formulate, prioritize, implement, monitor, and reformulate their respective national poverty reduction strategies. The activities under this fund seem to match the objectives. However, we want to wait for the outcomes of the evaluation before making a final judgement. Although the fund is progressing well, the evaluation should address questions like: does the work under these funds really belong to the core operations of ADB, what is ADB doing with the results, and how is ADB going to disseminate the results?

Q: What is your impression of ADB's performance as a fund/project manager?

MCSKIMMING: Generally good. DFID has tended to operate a 'light touch' approach to PRF supervision. We have consequently relied heavily on ADB to manage the PRF portfolio with DFID becoming involved only as and when necessary. Aside from some on-going concerns about over-optimistic forecasting of PRF funding requirements and slow disbursements, DFID has enjoyed a close and amicable working relationship with the [NPRS-]PRF Manager, Sonomi Tanaka, and her team. The annual PRF strategy review meetings, held jointly with NPRS, have been well prepared by RSDD and have helped improve DFID knowledge and understanding of the PRF considerably.

GEELLEN: Looking at the performance of the NPRS-fund, I would say that ADB is doing rather well. We have received a lot of information from the Manager, Sonomi Tanaka, and her team. The ADB's strategic review meetings each year provided us with a clear understanding of the progress of the activities of this fund.

Our only concern with funding the ADB in general is that a lot of funds have a slow start, which causes delays in the implementation.

Q. The funds are due to close early in 2008. What do you think should the next steps be in terms of:

a. Broadening and deepening the impact of the two funds?

MCSKIMMING: I would say that the immediate next step for ADB is to gather together the lessons from NPRS/PRF experience and disseminate them widely. A knowledge management project (RETA 6270) is underway to gather together this information and ADB are planning an event to be held in Manila in November 2007 to highlight and publicise this work. Following that, the ADB needs to find ways to ensure that the lessons are absorbed by ADB management and staff, so that they really do inform subsequent ADB practice.

GEELLEN: The impact of the two funds will depend on the way the information from the two funds will be disseminated in other activities and strategies of ADB.

b. Your partnership with ADB?

MCSKIMMING: No immediate follow-up to the PRF is planned by DFID after the PRF ends in March 2008. The next step will be to review progress to date on DFID-ADB cooperation under the terms of the MOU signed by DFID and ADB in May 2005. We hope that this review will get under way soon. The report of the



The Netherlands's Marloes Geelen

review will be used to inform DFID dialogue with the ADB about how we can both work together better to address the mutual challenges we face in reducing poverty in Asia.

GEELLEN: If you refer to our partnership with the ADB in general – I think this will continue. I am not sure whether the Netherlands will choose to continue this fund. This will depend on the outcomes of the evaluation.

Q: Will changes in your country's development policy for the Asia and Pacific region affect ADB?

MCSKIMMING: As a consequence of a recent DFID Senior Management Review, it has been decided to alter the structure of Asia Division in DFID to have one Director dedicated to South Asia rather than to Asia as a whole. Effective from January 2007, the South Asia Division in DFID, under the leadership of Charlotte Seymour-Smith, will have HQ responsibility for DFID programmes in South Asia, while HQ responsibility for DFID programmes in China and South East Asia is passed on to the Europe, Middle East, Americas, Central and East Asia Division (EMAAD) under the leadership of Martin Dinham. This change should not significantly affect DFID-ADB relationships at the country level. Additionally, South Asia Division is currently working on a new medium-term strategy paper covering the period 2007-2015. It is planned to consult on the draft with selected external partners including ADB.

GEELLEN: The new Dutch government has emphasized the importance of the achievement of the MDGs in 2015. Given the current delay of the achievement of the MDGs also in the South of Asia, the Netherlands will continue to be involved in Asia.