

## II. OVERVIEW OF JAPAN SPECIAL FUND OPERATIONS IN 2000

### A. Overview

4. The JSF, now operational for 12 years, has been instrumental in addressing ADB's most important strategic priorities. To sustain ADB's overarching goal of eliminating poverty from the region, the JSF continues to support ADB operations aimed at poverty reduction in line with the three pillars of the new strategy: pro-poor, sustainable economic growth; social development; and good governance.

5. During 2000, the JSF provided a total of \$77.1 million for 113 TAs on an untied basis, accounting for 38 percent of all TA approvals.

6. To counteract the social challenge of poverty, the JSF has been promoting investments in human and physical infrastructure to enhance the quality of life. It provided substantial support to the health sector in Cambodia and Indonesia, helped meet water and urban sector needs of the People's Republic of China, addressed the environmental degradation of the Pasig River in the Philippines, and supported urban social infrastructure development in Uzbekistan and Viet Nam.

7. In Cambodia, for example, to improve the effectiveness of the Government's response to the HIV/AIDS<sup>1</sup> epidemic (Box 1), the JSF is supporting (i) the Government's institution-building program for the National AIDS Authority and related key line ministries; (ii) local responses to HIV/AIDS by building capacity at provincial levels; and (iii) a refinement of the existing HIV/AIDS response through more rigorous and critical analysis of available data from surveillance surveys and other sources.

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<sup>1</sup> HIV/AIDS refers to human immunodeficiency virus/acquired immunodeficiency syndrome.

### Box 1: Capacity Building for HIV/AIDS, Cambodia

The technical assistance has three components, all focusing on strengthening: (i) multisector response by helping the newly established National AIDS Authority (NAA) prepare its work plan and the HIV/AIDS strategic plan for 2001-2005; (ii) provincial response by supporting and strengthening the ongoing process of decentralization and devolution of ownership of local response to the epidemic; and (iii) analysis of surveillance data by providing technical support to NAA and the National Center for HIV/AIDS, Dermatology, and Sexually Transmitted Diseases to build in-country capacity to review and evaluate the strengths and weaknesses of existing surveillance data.

TA 3511-CAM: *Capacity Building for HIV/AIDS*, for \$600,000, approved on 3 October 2000.

8. In Indonesia, several TAs assisting the health sector were approved during the year. ADB's loan for the Decentralized Health Services Project was accompanied by TA to support policy reforms in the health sector, which will permit the Government, and districts and provinces in the project area to take advantage of decentralization to identify, develop, and implement health sector reforms adapted to the local context.

### Box 2: Support for Health Sector Policy Reform, Indonesia

The technical assistance will have two components: (i) consulting services, and (ii) research and analysis. TA funds will be used to ensure continuity of advisory services and facilitate exchange of experience and lessons learned between the Government agencies, other institutions, provinces, and districts, with particular emphasis on the project provinces. It will also provide resources to be allocated by the Ministry of Health for surveys, workshops, operations research, and studies in support of health sector reforms.

TA 3579-INO: *Support for Health Sector Policy Reform*, for \$1,000,000, approved on 14 December 2000.

To improve the adoption and impact of the Indonesian Health and Nutrition Sector Development Program (HNSDP), and improve the program's targeting and delivery mechanisms, a supplementary TA focusing on monitoring and evaluating the HNSDP is being implemented. It emphasizes involvement of nongovernment and community-based organizations as monitors to collect data directly from beneficiaries at program sites on the effectiveness of beneficiary targeting of the HNSDP.

### Box 3: Monitoring and Evaluating the Health and Nutrition Sector Development Program, Indonesia

The technical assistance aims to develop a comprehensive project performance monitoring system to enable the Government and the Asian Development Bank to assess progress, identify constraints, and adjust delivery mechanisms to improve the efficiency of the Health and Nutrition Sector Development Program; and to evaluate the effectiveness of program strategies for subsequent refinement and institutionalization.

TA 3175-INO: *Monitoring and Evaluating the Health and Nutrition Sector Development Program*, for \$1,000,000, approved on 25 January 2000.

9. The JSF funded TA will support the Mongolian Government's goals for the housing sector as set out in the Housing Law (April 1999). To meet the borrowing needs of low- and middle-income households in Mongolia, the TA will prepare a project that is suitable for ADB funding and promote a sustainable, market-based system for the delivery of housing finance.

### Box 4: Housing Sector Finance, Mongolia

The technical assistance components include (i) formulating financial and management criteria for the selected participating commercial banks (PCBs); (ii) conducting detailed financial and operational analyses of the PCBs; and (iii) undertaking financial and operational analyses of selected savings and credit cooperatives, small-scale contractors, and other prospective borrowers, etc., with the ultimate goal of developing a viable housing finance system for Mongolia.

TA 3406-MON: *Housing Sector Finance Project*, for \$998,000, approved on 12 September 2000.

## B. Recognition of JSF Assistance

10. ADB's efforts to reduce poverty in Asia and the Pacific were reinforced in 2000 as the JSF continued to help fund social infrastructure improvements in Cambodia, People's Republic of China, Indonesia, Mongolia, Philippines, Sri Lanka, and Uzbekistan. Beneficiaries and governments recognize the contributions of JSF-funded

as which also focused on agriculture and natural resources, transport and communications, environment, and energy activities.

11. Residents from low- and middle-income households in Mongolia expressed strong support for JSF-funded TA to the urban development sector; it is expected to result in the first Housing Finance Project in Mongolia and the establishment of a viable housing finance system in the country.

12. In Indonesia, the Government Environmental Impact Management Assessment agency, BAPEDAL, praised the successful implementation of the JSF-financed TA, Capacity Building for Decentralization of Environmental Impact Assessment (EIA), which was instrumental in strengthening the role of EIA in the project permit system. The TA helped integrate and simplify the EIA process by introducing strategic environmental assessment, establishing a mechanism to promote transparency and stakeholder participation on the EIA process, and reaching an understanding between central and local governments on developing district and city environment institutions.

13. In the People's Republic of China, residents of Anhui Province expressed willingness to participate in the implementation of the JSF-financed Acid Rain Control and Environmental Improvement Project.

### **C. Evaluation of JSF-financed Technical Assistance**

14. ADB postevaluates its TA operations to provide feedback to improve ongoing and future TA activities. Following a two-step evaluation system, a TA completion report is first prepared by the division or office in charge of TA implementation. The report is prepared within six months to one year after TA completion.

15. The second step is the preparation of a TA performance audit report (TPAR) by the Operations Evaluation Department within six months to one year after completion of the TA completion report. TPAR's are prepared on a highly selective basis, generally based on ADB-wide priorities, and the relevance and appropriateness of lessons learned for design and implementation of TAs in a particular sector or country. The TPAR assesses implementation performance, evaluates the achievement and impact of the TA, and draws lessons from the experience to improve ADB's TA activities.

Postevaluated projects, programs, and TA operations are classified as generally successful, partly successful, or unsuccessful. TPAR's from 1995 onward are available on-line by accessing OED's website at <http://adb.org>.

#### **D. Contributions from the Government of Japan**

16. To support these endeavors, in 2000, the Government of Japan provided a total of ¥4.1 billion, all in regular contributions, as its 12th annual contribution to the JSF. This brings Japan's cumulative contributions to the JSF, since its inception in March 1988, to ¥90.6 billion (about \$782.5 million equivalent), comprising regular contributions of ¥72.6 billion and supplementary contributions of ¥18.0 billion.

#### **E. Balance of Contributions Available for New Commitments**

17. Of the total contribution received by the JSF, as of 31 December 2000, \$652.7 million had already been used to fund TAs. As of 31 December 2000, TAs totaling \$38.7 million had been approved by both the Government of Japan and ADB, but had not yet become effective, and further TAs totaling \$10.9 million had been approved by the Government of Japan and were being processed by ADB. At the end of 2000, the uncommitted balance available for new commitments was \$51.1 million.

#### **F. Operational Highlights**

##### **1. Total Approvals for the Year and Cumulative Totals**

18. In 2000, the JSF provided about \$77.1 million for 113 TAs (including both country-specific TAs and regional TAs) (Appendix 2), compared with \$61.0 million the previous year. This total represents about 38 percent of ADB's total TA Program during 2000. From 1988 to the end of 2000, a total of \$727.4 million under the JSF was committed to finance 1,180 TAs (Appendix 3).

## **2. Total Approvals by Country**

19. During 2000, the JSF financed 94 new country-specific TAs in 25 countries for a total of \$66.0 million. Since its establishment, the JSF has supported 33 countries (Appendix 4).

## **3. Nature and Type of TA Projects Supported**

20. In support of ADB's goal to eradicate poverty in the region, the JSF has made untied funds available for advisory, project preparatory, and regional TAs.

21. In 2000, the JSF supported 52 advisory TAs for \$36.3 million. Since its inception in 1988, the JSF has financed 567 advisory TAs for \$359.2 million.

22. During 2000, the JSF financed 42 project preparatory TAs for \$29.8 million. Cumulative approvals of project preparatory TAs from 1988 to 2000 totaled \$287.9 million for 481 TAs.

23. In 2000, the JSF financed 19 regional TAs for \$11.1 million. From 1988 to 2000, a total of \$80.3 million for 132 TAs were approved for JSF financing.

## **4. Total Approvals by Sector**

24. The JSF can support a whole range of sectors and subsectors (Appendix 5). Since its inception in 1988, the agriculture and natural resources sector (28 percent of total funding with 276 grants for \$180.2 million), and the social infrastructure sector (22 percent of total funding with 254 grants for \$144.9 million) received the most support.

**Table 1: Japan Special Fund  
Technical Assistance by Sector, 1988-2000**  
(\$'000)

Sector	1999			2000			1988-2000		
	No.	Amount	%	No.	Amount	%	No.	Amount	%
Agriculture and Natural Resources	17	13,343.0	25	20	14,050.0	21	276	180,217.5	28
Energy	10	7,034.0	13	6	4,164.0	6	120	68,923.4	11
Finance	5	4,500.0	8	11	8,065.0	12	61	37,766.0	6
Industry and Nonfuel Minerals	2	2,600.0	5	1	400.0	1	39	19,471.0	3
Social Infrastructure	15	8,530.0	16	24	16,624.0	25	254	144,918.0	22
Transport and Communications	15	10,221.0	19	15	10,809.0	16	165	106,755.0	16
Multisector	1	900.0	2	1	830.0	1	5	8,064.0	1
Others	9	6,325.0	12	16	11,085.4	17	128	81,023.2	13
Subtotal	74	53,453.0	100	94	66,027.4	100	1,048	647,138.1	100
Regional TAs	18	7,510.0		19	11,060.0		132	80,277.3	
<b>Total</b>	<b>92</b>	<b>60,963.0</b>		<b>113</b>	<b>77,087.4</b>		<b>1,180</b>	<b>727,415.4</b>	

TA = technical assistance.

Source = Annual Report 2000.

## G. Financial Statements

25. Since 1997, explanatory notes to the JSF financial statements have been included in ADB's Annual Report to show the actual and realistic balances available to finance new TA proposals under the JSF (Appendix 6). This provides a clear picture of the uncommitted JSF balances to date.

## H. Home Page

26. Beginning with the 1997 JSF Annual Report, the English version of the JSF Annual Report has been made available through the ADB website <http://www.adb.org> under the Cofinancing Opportunities section.