

## Basic Facts and Key Features

### A. Overview

1. The 2008 Annual Report of the Japan Special Fund (JSF) is the 12th prepared by the Asian Development Bank (ADB) since the fund's inception in 1988. It describes JSF operations in 2008, provides background and details on implementation, and highlights the fund's achievements during the year and over its history.

### B. Purpose

2. The JSF supports ADB's technical assistance (TA) program with untied grants that ADB administers. It helps ADB developing member countries (DMCs) (Appendix 1) restructure their economies in response to the changing global environment, broaden their opportunities for new investment, and prepare loan projects. JSF places particular emphasis on industrialization, natural resource development, human resource development, and technology transfer. It also supports ADB's efforts to promote regional cooperation and integration and capacity development.

### C. Types of Technical Assistance

3. A small team under a funds coordinator in ADB's Office of Cofinancing Operations administers JSF. It also oversees other trust funds provided by the Government of Japan. JSF supports three types of TAs:

- (i) Project preparatory TA (PPTA) prepares feasibility studies for projects, including designs; preliminary engineering; cost estimates; and technical, financial, economic, and socioeconomic analysis.
- (ii) Advisory TA (ADTA) helps DMCs (a) establish or strengthen institutions; (b) prepare national and sector development plans and programs; (c) implement, operate, and manage ADB-financed projects; (d) handle build-operate-own and build-operate-transfer projects; and (e) carry out studies on policy and issues and in specific economic sectors.

(iii) Regional TA (RETA) covers more than one DMC and furthers the common interests of benefiting them or provides a cost-effective means of jointly assisting individual countries.

4. On 28 May 2008 ADB's Board of Directors approved the paper *Increasing the Impact of the Asian Development Bank's Technical Assistance Program*.<sup>1</sup> The paper redefines the nomenclature for TA, replacing RETA with research and development TA, and ADTA with capacity development TA and policy and advisory TA. PPTA has been maintained. The new TA types will be used starting from January 2009.

## Japan Special Fund Operations in 2008

### A. Operational Highlights

5. **20th Annual Contribution to JSF from the Government of Japan.** In January 2008, the Government of Japan contributed ¥1.9 billion (\$17.4 million equivalent) in new capital to JSF, bringing its cumulative contributions since inception in 1988 to ¥112.9 billion (\$973.7 million equivalent), comprising ¥94.8 billion in regular contributions and ¥18.1 billion in supplementary contributions.

6. **ADB TA Approvals for JSF Financing.** In 2008, ADB approved 57 TA projects (Appendix 2) funded by JSF, totaling \$55.0 million and representing about 20% of the TA projects that ADB approved during the year. The agriculture and natural resources sector

**In 2008, the JSF financed 20% of the total amount of the TA projects that ADB approved**

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<sup>1</sup> ADB. 2008. *Increasing the Impact of the Asian Development Bank's Technical Assistance Program*. Manila.