



March 2006

Annual Report of the Cooperation Fund in Support
of the Formulation and Implementation of National
Poverty Reduction Strategies
January–December 2005

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
CFA	–	Channel Financing Arrangement
CSP	–	country strategy and program
CSPU	–	country strategy and program updates
DFID	–	Department for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland
DMC	–	developing member country
ECRD	–	East and Central Asia Department
ERDI	–	Development Indicators and Policy Research Division
GMS	–	Greater Mekong Subregion
MDG	–	Millennium Development Goals
MKRD	–	Mekong Department
NGO	–	nongovernment organization
NGOC	–	NGO and Civil Society Center
NPRS Fund	–	Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies
OCO	–	Office of Cofinancing Operations
OED	–	Operations Evaluation Department
PARD	–	Pacific Department
PRC	–	People's Republic of China
PRF	–	Poverty Reduction Cooperation Fund
RCSP	–	Regional Cooperation Strategy and Program
RM	–	resident mission
RSDD	–	Regional and Sustainable Development Department
RSGS	–	Gender, Social Development and Civil Society Division
RSDD-PU	–	Poverty Unit
SARD	–	South Asia Department
SPI	–	social protection index
TA	–	technical assistance

NOTE

In this report, "\$" refers to US dollars.

CONTENTS

	Page
I. INTRODUCTION	1
II. BACKGROUND	1
A. Objectives	1
B. Eligibility	1
C. Approval Procedure	2
D. Fund Management	2
E. Coordination and Partnership	2
F. Reporting	3
G. Monitoring and Evaluation	3
III. OVERVIEW OF NPRS FUND ACHIEVEMENTS: JANUARY – DECEMBER 2005	3
A. Project Portfolio Development and Management	3
B. Financial Status	6
C. Key Achievements in Fund Management	7
IV. ACTIVITIES FOR THE YEAR 2006	9
APPENDIXES	
1. Projects Endorsed for NPRS Fund Financing by the Netherlands	
2. Description and Status of Projects in the NPRS Fund Portfolio, as of 31 December 2005	
3. Asian Development Bank Financial Statement for the NPRS Fund as of 31 December 2005	

I. INTRODUCTION

1. This Fourth Annual Report on the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies (NPRS Fund) covers the period from 1 January to 31 December 2005. The Report summarizes the overall achievements of the NPRS Fund in portfolio development and management and the proposed work program for 2006.

2. The Report was prepared by the Regional and Sustainable Development Department (RSDD) of the Asian Development Bank (ADB) in collaboration with the Office of Cofinancing Operations (OCO). It complies with the reporting requirements stipulated in the NPRS Fund Board Paper and the Channel Financing Arrangement (CFA).¹ The Report builds on the Third Annual Report (January–December 2004) and other relevant reports that have been submitted to the Government of the Netherlands. The next annual report will be submitted in early 2007.

II. BACKGROUND

A. Objectives

3. The NPRS Fund was established on 22 November 2001 as a multidonor fund, with an initial contribution of Dutch guilders 15 million² (approximately \$7.02 million as of 31 December 2005) from the Netherlands Ministry of Foreign Affairs (the Netherlands). The Fund supports ADB's poverty reduction strategy by helping developing member countries (DMCs) formulate, prioritize, implement, monitor, and reformulate their respective national poverty reduction strategies. It does so through (i) collaborative work with stakeholders in DMCs through temporary consultant support to contribute to the poverty reduction strategy process, (ii) support to participatory and consultative processes, (iii) training and capacity-building activities to DMCs, and (iv) research and analytical work. The key outputs are (i) national poverty reduction strategies formulated, (ii) substantial inputs for implementing the strategies, (iii) better understanding of poverty in DMCs, (iv) improved skills of DMC stakeholders, and (v) enhanced collaboration between ADB and the donors in formulating and implementing the national poverty reduction strategy.

B. Eligibility

4. To be eligible for NPRS Fund assistance, proposals should (i) strongly focus on supporting a national poverty reduction strategy; (ii) show evidence of country ownership and the inclusiveness of the proposed approach; (iii) promote sound collaboration with other donors; (iv) avoid supporting activities that would otherwise be financed by ADB (additionality factor); and (v) support systemic poverty reduction at a country level. The Fund also emphasizes that each proposal must have explicit links with ADB's country strategy and program (CSP) and its annual updates (CSPUs). ADB staff members are eligible to submit proposals.

¹ ADB. 2001. *Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies*. Manila; and ADB 2001. *Channel Financing Arrangement between the Netherlands Minister for Development Cooperation and the Asian Development Bank in regard to a Contribution to the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies.*, Manila.

² Converted into and fixed at about €6.8 million in 2001.

5. Given its size, the NPRS Fund had initially focused only on Cambodia, People's Republic of China (PRC), Indonesia, Pakistan, Uzbekistan, and Viet Nam. Given the broadening demand for assistance, the Fund later expanded its coverage to all DMCs.

C. Approval Procedure

6. Since the establishment of the Poverty Reduction Cooperation Fund (PRF) financed by the Department for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland (DFID) in July 2002, the approval procedure of the NPRS Fund has been fully aligned with that of the PRF. The procedure comprises two main stages: concept paper endorsement by the donor and technical assistance (TA) paper approval by ADB. First, the requests for NPRS Fund assistance are received by RSDD as a coordinating department from the ADB regional departments or resident missions throughout the year. During the Fourth Strategy Meeting held in January of 2004, the 'light-touch' approach was introduced by donors, i.e., peer review process to be used as a venue for primary decision on funding eligibility.³ The second stage is to obtain ADB approval. The operational project teams process the respective TA papers in accordance with ADB procedures and based on further discussion with the governments and civil society of the respective countries, and submit them for approval to the ADB Management or Board of Directors as appropriate. After ADB approval, ADB and the governments sign the TA cooperation letters, and project implementation begins. In March 2005, full commitment of the NPRS was achieved thus, no additional proposals were solicited.

D. Fund Management

7. The management of the NPRS Fund has been lodged with the NPRS-PRF Secretariat in the Poverty Reduction and Social Development Division (RSPR) of RSDD. With the reorganization of RSDD effective 1 July 2005, RSPR was split into the Gender, Social Development and Civil Society Division (RSGS) and Poverty Unit (RSDD-PU). The NPRS-PRF Secretariat moved to RSGS. The Secretariat acts as ADB's internal clearinghouse for policy compliance and quality assurance for the NPRS Fund. OCO acts as the official channel of communications between the donors and ADB, particularly on the financial performance of the Fund.

E. Coordination and Partnership

8. As mentioned in paras. 6 and 7, the NPRS Fund is administered and managed in close coordination with the PRF. The NPRS Fund and PRF partnership is strengthened through joint semi-annual strategy meetings in Manila during which the work program and the status of project implementation are discussed. The agenda of these strategy meetings, among others, include (i) progress and outputs of portfolio and pipeline; (ii) programming issues, including the strategic focus of the Fund in line with the global commitments such as Millennium Development Goals, managing for development results, harmonization, etc.; (iii) implementation issues and ways to accelerate disbursements; and (iv) outreach and communication.

9. The NPRS Fund also complements ADB's other poverty reduction funds and cofinancing mechanisms such as the Japan Fund for Poverty Reduction. Further, the NPRS Fund is

³ In January 2004, the Netherlands and DFID agreed to have the peer review process determine the funding eligibility instead of the semi-annual NPRS/PRF strategy meetings, the practice that had been followed until 2003.

coordinated with other thematic/sector trust funds managed by RSDD, such as Gender and Development Cooperation Fund, Governance Cooperation Fund, and many others. Periodic information sharing and discussion with other fund coordinators prevent overlaps and ensure complementarities across proposed activities.

F. Reporting

10. ADB furnishes the Netherlands with annual reports and semi-annual progress updates, as per the NPRS Fund Board Paper (para. 2), all of which are posted on the website (<http://adb.org/nprs/>). OCO submits quarterly reports on the status of the grant and statement of expenditures prepared by the Controller's Department. The semi-annual NPRS Fund/PRF strategy meetings also offer an opportunity for ADB to make up-to-date reports to the donors.

G. Monitoring and Evaluation

11. In addition to the standard monitoring and evaluation system for individual TAs (e.g., TA performance reports during implementation and TA completion reports upon completion), the overall performance of the NPRS Fund will be evaluated against the outputs specified in para. 3. Detailed methodologies will be developed in line with a comprehensive review which is expected to be undertaken in 2007.⁴ A mid-term review had been originally envisaged in early 2005 jointly with the PRF. However, the decision was later made by the Netherlands to wait until the comprehensive evaluation in 2007.

III. OVERVIEW OF NPRS FUND ACHIEVEMENTS: JANUARY–DECEMBER 2005

12. With the annual approval of TAs amounting to \$3.10 million in 2005, which is 43% of the approved 20 TAs for \$7.25 million⁵ since 2001, the Fund experienced the highest volume of TA approval in 2005 since its establishment. The renewed demand in this period (since late 2004) was observed primarily due to (i) the need for the preparation of the new generation of NPRSs and Poverty Reduction Strategy Papers in many countries (starting from 2006); (ii) the increased recognition by DMCs of the need to align NPRSs with the Millennium Development Goals; (iii) ADB's shifting institutional emphasis from project-specific poverty reduction work to country-level policy and strategy work such as NPRS and CSP (as per 2004 Enhanced PRS). The implementation progress, as measured by the disbursement pace, also significantly picked up during this period. A new knowledge management tool was developed for implementation in 2006-2007 (refer to paras. 27 and 32 for more details).

A. Project Portfolio Development and Management

13. **Overview.** As of 31 December 2005, a total of 20 project proposals have been endorsed worth \$7,252,000⁶ for financing by the NPRS Fund. They comprised three proposals endorsed

⁴ The Netherlands requested that the evaluation be carried out by ADB's Operations Evaluation Department (OED). It was requested by RSGS to be included in the OED's 2007 Work Program. However, the discussion between OED and the Development Effectiveness Committee of the Board of the Directors decided that the evaluation would be done primarily for the Japan Fund for Poverty Reduction and possibly for the PRF. Yet, the opportunity by the NPRS evaluation by the OED continues to be under exploration.

⁵ This figure includes the amount \$325,000 for VIE TA 4679 (*Capacity Building Support to Dak Nong Province for Improving Poverty Reduction and Growth Performance*) which was inadvertently processed as an NPRS and PRF cofinanced TA. Total amount which is committed under the NPRS should be \$6,927,000 for 19 TAs. However, in this report VIE TA 4679 was included pending the formal transfer of the TA's full funding to PRF.

⁶ See footnote 5.

in 2001 (totaling \$700,000), three in 2002 (totaling \$1,200,000), seven in 2003 (totaling \$1,850,000), and four in 2004 (totaling \$1,800,000) In 2005, a total of three projects⁷ were endorsed by NPRS peer review meetings, with a total amount of \$1,702,000 (amount includes the increase in TA amount by \$100,000 for REG: *Reviewing Poverty Impact of Regional Economic Integration in the GMS*). Of the 20 projects, 4 have been completed⁸ and fully implemented (\$930,000) and 16 TAs are being implemented⁹ (\$6,322,000). The projects endorsed for NPRS Fund financing are listed in Appendix 1.

14. **Portfolio Distribution.** The regional balance across DMCs was maintained during 2005. In the entire portfolio, the Mekong Region had the largest number of TAs (eight, 2 additional TA endorsed in 2005), followed by East and Central Asia Region (four, 1 TA withdrawn bringing the total down from 2004), and South Asia Region (three, though 1 additional TA was endorsed 1 TA was also cancelled). There were no additional endorsement for inter-regional TAs (three) and the Pacific Region (two).

15. In terms of the four categories of core TA emphasis (para. 3), (i) 15 TAs provided support to collaborative work with stakeholders to contribute to the national poverty reduction strategy process, (ii) nine TAs emphasized participatory and consultative processes, (iii) 11 TAs focused on training to DMCs, and (iv) seven TAs provided research and analytical work. Examples of each type among the projects approved are in the box.

Technical Assistance Illustrating Four Categories of Emphasis

Case 1: Collaborative Work for National Poverty Reduction Strategies

Maldives: Development of a Results-Oriented 7th National Development Plan (TA 4591, \$377,000)

This TA has assisted, in collaboration with UNDP, the Ministry of Planning and National Development to facilitate the consultative process for developing the 7th national development plan (NDP) for the country. Special emphasis has been placed with making the 7th NDP more results oriented and better aligned with the Millennium Development Goals.

Case 2: Participatory and Consultative Process VIE TA to Quang Tri and Hue provinces

Viet Nam: Support to Hue and Quang tri Provinces for Formulating Sustainable Poverty reduction and Growth Programs (TA 4644, \$900,000)

This TA will help the Thua Thien Hué and Quang Tri provinces in Viet Nam strengthen their capacity to formulate and implement provincial poverty reduction and growth programs. These programs need to be developed integrating the Comprehensive Poverty Reduction and Growth Strategy and the government's Socioeconomic Development Plan (SEDP). It is expected at the end of the TA that a results-oriented, strategic, and participatory socioeconomic development planning and monitoring of poverty reduction programs will be adopted.

Case 3: Training and Capacity Building

Lao PDR: Public Expenditure Planning for National Growth and Poverty Eradication Strategy (TA 4627, \$700,000)

The TA will help build capacity of relevant departments in the Ministry of finance and Committee on Planning Investments so that the Government of Lao PDR can mobilize, allocate and monitor public resources to effectively implement the National Growth and Poverty Eradication Strategy (NGPES). The capacity building would include improved database and computer system and a range of training programs including the introduction of the international good practice on public expenditure management.

⁷ See footnote 5.

⁸ REG TA-6120 (*Developing a Social Protection Index for Committed Poverty Reduction*) under Appendix 1 is categorized "under implementation" since TA is not yet financially completed. However, in the main text of this report the TA is included in the figure of completed TAs given that all project activities have been completed by December 2005.

⁹ See footnote 5.

Case 4: Research and Analytical Work

Sub-Regional (Lao PDR and Viet Nam): Developing New Policy Paradigms for Sustainable Livelihood Protection and Natural resources Management among Ethnic Minorities in the GMS: A Study of Policies and their Impacts, Strategies for Change (RETA 6242, \$150,000)

The TA, currently being implemented, is undertaking a desk study that aims to assess previous and ongoing policies related to shifting cultivation, land use planning and allocation, forest management, and voluntary relocation and their overall impact on poverty and well being among the ethnic minorities in the uplands of Northern Lao PDR and Central Highlands of Viet Nam. The TA findings are expected to guide agriculture and natural resource management sector roadmaps in the new country strategy and programs of ADB in both countries, which will be finalized in 2006.

16. **Endorsement.** Three proposals totaling \$1,602,000 or 26% of the total portfolio were endorsed in 2005,¹⁰ including: (i) capacity building of government to improve allocation efficiency of public resources according to the its development and poverty reduction policy objectives in Lao People's Democratic Republic; (ii) capacity building of officials in two provinces in Viet Nam using participatory poverty assessments and other participatory methodologies to formulate and implement provincial poverty reduction and growth programs; and (iii) capacity building of key officials in Dak Nong province in socioeconomic development planning to improve poverty reduction and economic growth performance. By September 2005, both projects have been approved. Both TAs focus on the MDG and PRSP process. In the same period, the increase in the amount of REG: *Reviewing Poverty Impact of Regional Economic Integration in the GMS*) for \$100,000 was approved.

17. **ADB Approval.** Six¹¹ TAs (\$3,102,000) or 43% of the total 20 approved TAs (\$6,927,000) were approved in 2005. This was significantly higher than the approval of four TAs (\$1,800,000) in 2004. The average speed of approval (i.e., between concept endorsement and ADB approval) in 2005 among the six TAs was 6.8 months, much faster than 10.5 months among the four TAs approved in 2004.

18. **Implementation.** Eighteen TAs were under implementation during the period, of which two¹² have been completed by end-2005. The pace of implementation of these TAs has been generally on track in 2005, except for UZB 3781 (*Comprehensive Medium-Term Strategy for Improving the Living Standards of the People of Uzbekistan*) and SRI 4278 (*Poverty Assessment and Information Management*) both of which had experienced a stagnant period. However it may be noted that for UZB 3781, the main output have been completed and what remains to be done is the statistical component of the project. For SRI 4278, project implementation was further delayed by the tsunami-related activities of the ADB resident mission staff in Sri Lanka. During the period, two TAs have completed their activities. There are two TAs that are nearing completion: (i) MON 4383 (*Participatory Poverty Assessment and Monitoring*); and (ii) MLD 4591 (*Development of a Results-Oriented 7th National Development Plan*). The detailed descriptions and status of all projects are in Appendix 2.

19. **Completed TAs and Preliminary Outcomes.** The two completed TAs in 2005 are: (i) CAM 4037 *Dissemination of the National Poverty Reduction Strategies* (\$80,000); and (ii) REG 6120 *Developing a Social Protection Index for Committed Poverty Reduction* (\$300,000, cofinanced by the PRF \$300,000).¹³ As per ADB project officer's self-assessments, both TAs

¹⁰ See footnote 5.

¹¹ See footnote 5.

¹² See footnote 8.

¹³ See footnote 8.

have produced expected outputs and achieved the TA outcomes. Both have resulted in the next phase or follow-on activities. However, some difficulties have been faced by both TAs as explained in detail below.

20. CAM 4037 initially suffered from a more than one year of delays due to the elections and the post-election political turmoil, combined by the turnover of project officers and the lost momentum by key stakeholders. Due to these, the TA needed to be redesigned from the dissemination of the Cambodia's NPRS to the awareness raising and collection of citizen's feedback for the next round of NPRS. The renewed consultation process, facilitated by a specialized local NGO, turned out to be a valuable and high-profile exercise. A summary of recommendations for the next round of the five-year plan (the National Strategic Development Plan, or NSDP) was submitted to the high level government policymakers. ADB's resident mission-based Poverty Reduction Specialist (Consultant) financed by NPRS-PRF have been instrumental in following up the results of the consultations be reflected in the final plan. The Special Review Mission in July 2005 carried out by the NPRS Coordinator also confirmed such positive outcomes. However, stakeholders seem to be in agreement that this small activity should not be generally carried out in a stand-alone TA.

21. The implementation of REG 6120 has been smooth from the beginning till the end. The analytical instead of advocacy nature of the TA, the technically capable consultant team guided by the project officer's strong leadership, and the high interest by participating DMC governments all positively contributed to the progress and outcomes of the TA. The project officer has been invited by the World Bank to share ADB's successful experience in piloting social protection index (SPI). A follow-on TA to expand the SPI to all other countries in Asia and the Pacific is being prepared for approval in the first quarter 2006. However, the success of the TA is more appreciated by the outside of ADB than inside. The 'scaling-up' phase is being challenged by the internally ambivalent position of ADB towards social protection in general; there has been a growing discussion that ADB does not have a comparative advantage in this area hence it should not proactively pursue further.

22. **Dropped TA.** Two TAs have been withdrawn from the portfolio before ADB approval. Having been endorsed for NPRS funding in July 2004, PAK: *Balochistan Pilot District Level Poverty-Targeted Action Plans*, the proposed TA was cancelled in March 2005 based on the assessment of the political and security situation on the ground. The KAZ: *Replicating Monitoring and Evaluation System for Poverty Reduction Program* project endorsed in December 2004 was dropped in July 2005 as the government informed ADB that they could carry out the proposed activities on their own.

B. Financial Status

23. **Overview.** The total NPRS Fund contribution committed by the Netherlands is about €6.81 million (footnote 2) from November 2001 to January 2008. As of 31 December 2005, the value of the NPRS Fund (including income from investment and interest earned) was \$7.43 million. Of this, ADB had received \$3.34 million. Of the total contribution of the Netherlands, \$7.25 million¹⁴ had been committed (i.e., approved by ADB) for 20 TAs (para. 13). The total actual disbursements of the committed amount was \$2.72 million. Together with administrative costs and bank charges, the total disbursement totaled \$2.86 million. The financial statement as of 31 December 2005 is in Appendix 3.

¹⁴ See footnote 5.

24. **Disbursement.** Actual annual disbursement in 2005 (excluding administrative costs and bank charges) was \$1,409,439, an increase from the cumulative disbursement of \$1,312,904 on 31 December 2004 (for 14 TAs totaling \$4.05 million) to \$2,722,343 on 31 December 2005 (for 20 TAs totaling \$7.25 million). This was a major acceleration from the 2004 annual disbursement at \$587,484. Most of the incremental expenditure came from progress made in four TAs: RETA 6171 (*Reviewing the Poverty Impact of Regional Economic Integration in the GMS*); RETA 6177 (*Mainstreaming Gender into Poverty Reduction Strategies in Four CARs*); TA 4591-MLD (*Developing Results-Oriented 7th National Development Plan*); and TA 4383-MON (*Participatory Poverty Assessment and Monitoring in Mongolia*).

25. **Disbursement Projections.** Pursuant to the agreements made during the Fourth Strategy Meeting in January 2004, a long-term disbursement projection was prepared by the ADB in July 2004, to provide a basis for the 6-monthly payment schedules of the NPRS. However, as this turned out to be an optimistic scenario compared with the actual disbursement amount (\$587,484) in 2004, a more conservative new projection was prepared using information on endorsed projects for future remittances. According to the revised projection, the total incremental disbursement in 2006 has been projected at about \$ 3.2 million, requiring additional remittance of about \$0.8 million by the first quarter in 2006 and about \$2.1 by the third quarter in 2006. Given the full commitment of the Fund, disbursement has become predictable.

C. Key Achievements in Fund Management

26. **Overview.** The NPRS (and PRF) fund management in 2005 has been characterized as a series of adjustments to the changing corporate environment and the shifting program emphasis from pipeline development to implementation support. The NPRS-PRF Secretariat in RSDD has successfully responded to the emerging situation and continued to manage the fund effectively and efficiently in coordination with other departments and offices concerned. The reorganization of RSDD in July 2005 has had minimum disruption in the funds management. Key reports (annual report, semiannual progress updates, quarterly financial statements, and disbursement projections) were delivered to donors and posted on the website.

27. **Response to Changing Corporate Environment in ADB.** Under the new leadership in the management, ADB in 2005 embarked on a range of new reform measures to improve relevance, responsiveness, and results of its operations in DMCs. Regional departments emphasized greater selectivity among new advisory TAs and closer monitoring of the number of TAs.¹⁵ Some of the trust funds-financed TA activities were increasingly seen as "add-on" when they were not closely aligned with the priorities in CSPs. The key outcome areas of the NPRS Fund, however, seemed to have been well regarded as they fit well with the ADB's emphasis on improved CSP quality and capacity building emphasis. Yet, the NPRS-PRF Secretariat realized that without the strengthened emphasis on disseminating the achieved results to the ADB management, DMC stakeholders, and donors, the relevance of the poverty trust funds like NPRS and PRF would be questioned in the near future. The knowledge management focus of the NPRS-PRF secretariat was fully supported by the Netherlands during the Sixth Strategy Meeting in June. This has resulted in the preparation of Regional TA REG-6270 Facilitating Knowledge Management for Pro-Poor Policies and Projects approved in November (\$980,000, financed by PRF, see para. 32).

¹⁵ In reality, there was a varying degree of selectivity applied across different departments. Departments under operations group 1 and knowledge management exercised the selectivity more rigorously compared to those under operations group 2.

28. **Reorganization of RSDD.** With the reorganization of the RSDD effective 1 July, the former Poverty Reduction and Social Development Division (where the NPRS-PRF Secretariat used to be located) was split into (i) Poverty Unit (RSDD-PU) and (ii) Gender, Social Development, and Civil Society Division (RSGS). The Secretariat followed the move of the Coordinator to RSGS. Despite some initial concerns, the coordination between the NPRS-PRF Secretariat in RSGS and the RSDD-PU on a technical basis such as quality assurance, training and knowledge dissemination, has been successful. One of such collaborative examples is the First Resident Mission Poverty Reduction Specialist Exchange Meeting (11-13 October, para. 31).

29. **Sixth Strategy Meeting.** Strategic discussions between ADB and donors (the Netherlands and DFID) continued in 2005, although the level of intensity and frequency was somehow reduced than in previous years, as the administrative procedures of the two funds had been further institutionalized in ADB. There was one ADB-donor semi-annual strategy meeting, i.e., the Sixth Strategy Meeting held in London on 23 June. Due to the difficulty in arranging schedules for two donors in Asia, the meeting was held outside of Manila for the first time. The representatives from the Netherlands and DFID (including those from the Board of Directors in Manila through a video conference) as well as the NPRS-PRF Coordinator joined the meeting. While the discussions were fruitful, not having a meeting in Manila appears to have resulted in decreased visibility of the two funds in ADB. The next strategy meeting scheduled on 20-21 March 2006 will come back to Manila, involving Director Generals from the regional and other relevant departments. The discussion could include increasing concerns by staff with the discontinuation of flexible trust funds as NPRS and PRF.

30. **Further Extension of the Program.** Given the initially slow pace of commitment and disbursements in 2003, the discussion with the Netherlands resulted in the extension of the Fund program from 31 August 2004 to 31 December 2005. In 2005, ADB and the Netherlands agreed to further extend the closing date of the fund to 31 January 2008. The Second Amendment to the Channel Financing Agreement between the Netherlands and ADB was signed in August 2005.

31. **Assistance to Operational Departments and Resident Missions.** Though the Fund was nearing full commitment at the start of 2005, quality peer review meetings continued pulling together resource persons from across ADB including resident missions. The NPRS-PRF secretariat technically and administratively assisted NPRS project officers with the entire processing cycle, including knowledge dissemination through websites and media releases. Cost-sharing support to fact-finding missions from the NPRS-PRF administration budget helped participation of additional mission members, contributing to the interdisciplinary TA design and participatory preparation process. Assistance for TAs under implementation also continued.

32. **Knowledge Management.** As mentioned earlier, REG 6270 starting in 2006 will support knowledge products development (mini-case study series, long case studies and synthesis papers), media and communication strategy, selected in-country post-TA support to DMCs, and regional exchange workshop of NPRS-PRF in Manila.¹⁶

33. **Special Review Missions.** The Coordinator carried out two special NPRS Review Missions to Cambodia (July) and Mongolia (September). The Cambodia mission reviewed CAM 4037 (*Dissemination of the National Poverty Reduction Strategy*), CAM 3955 (*Support to Poverty Reduction Activities in Cambodia*), and REG 6171 (*Reviewing Poverty Impact of*

¹⁶ See <http://www.adb.org/Documents/PRF/REG/REG6270.asp> for more details.

Regional Economic Integration in the GMS), while the Mongolia mission reviewed the progress of and participated in the national workshop for MON 4383 (*Participatory Poverty assessment and Monitoring*). While only for limited days, these review missions proved extremely useful in understanding the institutional dimensions and stakeholders' expectations. For example, the missions confirmed that there were strong demands by DMCs for small-scale post-TA support (e.g., conference participation of government, NGO or community representatives to disseminate their TA experience). This has been integrated into the design of the NPRS-PRF knowledge management project (REG 6270).

34. **RM Poverty Reduction Specialist Exchange.** The three-day workshop for the three RM-based poverty reduction specialists was held on 11-13 October, coinciding with the RM Gender Specialist Meeting to maximize the learning and minimize administrative costs. The three specialists from Cambodia, Pakistan and Viet Nam have been financed by the NPRS-PRF. RSDD-PU provided the overall guidance on the meeting program.¹⁷ The specialists raised awareness of ADB's overall operational procedures and how to align poverty analysis work with them. Resource persons from across ADB have been mobilized to share experience, most of them being the NPRS-PRF project officers. Based on the success of this first meeting as a poverty-related knowledge sharing venue across ADB, the next meeting is scheduled in mid-2006 with the expectations of resident mission-based national officers to join the meeting.

35. **Website.** The NPRS website revamped in 2004 (<http://adb.org/nprs/>) has been continuously updated in 2005.

IV. ACTIVITIES FOR THE YEAR 2006

36. The following are set as key activities for 2006.

- (i) Carry out two NPRS-PRF joint strategy meetings in Manila to ensure visibility of the NPRS Fund and poverty work in general in ADB.
- (ii) Comply with reporting requirements, including one annual report, two semi-annual progress updates, and quarterly financial statements, all of which to be posted on the website.
- (iii) Strengthen knowledge management and communication and outreach through the timely implementation of RETA 6270 which involves:
 - (a) producing NPRS knowledge products;
 - (b) developing and utilizing knowledge dissemination channels to reach broader community of practice; and
 - (c) developing and NPRS-PRF knowledge management system.
- (iv) Closely monitor back-to-office reports, TA interim outputs, TA performance reports, disbursements reports, and other relevant reports to ensure the implementation and disbursements of the NPRS-financed TAs are on schedule.

¹⁷ See <http://www.adb.org/Documents/Events/2005/National-Poverty-Reduction/default.asp> for more details.

NPRS ENDORSED PROJECTS (as of 31 December 2005)

Region	Country	Project Title	NPRS Contribution	Project Officer	Division	Peer Review Meeting	ADB Approval ^a	TA No.	Remarks
A. PROJECTS COMPLETED									
REG	INTER-REG	Regional Conference on National Poverty Reduction Strategies	50,000	B. Dark	SPPI	Nov-01	21-Nov-01	6006	Completed
MKRD	CAM	Dissemination of the National Poverty Reduction Strategy	80,000	C. Ouch	CARM	Nov-01	16-Dec-02	4037	Completed: Dec 04 Financial Completion/Closure: 26 May 05
PARD	SUB-REG	National Poverty Reduction Strategies in Pacific Developing Member Countries	500,000	S. Pollard	PAHQ	Jul-02	06-Sep-02	6047	Completed. For financial closure. TCR circulated and will be finalized once financially closed.
	3	Sub-Total	\$630,000						
B. PROJECTS UNDER IMPLEMENTATION									
ECRD	AZE	Participatory Strategy Development and Implementation for Achieving the MDGs	650,000	J. Zveglic	OPR/AZRM	Nov-04	21-Jul-05	4621	
ECRD	MON	Participatory Poverty Assessment and Monitoring (PPAM)	300,000	S. Handayani	ECSS	Jan-04	24-Aug-04	4383	
ECRD	UZB	Comprehensive Medium-Term Strategy for Improving the Living Standards of the People of Uzbekistan	570,000	R. Abdulkayumov	URM	Nov-01	28-Nov-01	3781	
ECRD	SUB-REG	Mainstreaming Gender into Poverty Reduction Strategies in Central Asia Region	350,000	S. Handayani	ECSS	Jul-03	14-Jul-04	6177	
MKRD	CAM	Engagement of a Poverty Consultant at the Cambodia Resident Mission (Extension)	31,500	C. Ouch	CARM	Jul-03	16-Dec-03	3955	TASF \$18,000; PRF \$78,500
MKRD	LAO	Public Expenditure Planning for National Growth and Poverty Eradication Strategy (NGPES)	700,000	S. Hattori/ V. Tan	MKGF	Dec-04	02-Aug-05	4627	
MKRD	VIE	Support to Poverty Reduction Activities in Vietnam	37,000	K. Lao-Araya	VRM	Jul-03	12-Dec-03	4252	TASF \$15,000; PRF \$73,000; Previous project officer: R. Adhikari
MKRD	VIE	Support to Hue and Quang Tri Provinces for Formulating Sustainable Poverty Reduction and Growth Programs	900,000	K. Lao-Araya	VRM	Mar-05	07-Sep-05	4644	Previous project officer: R. Adhikari
MKRD	VIE	Capacity Building Support to Dak Nong Province for Improving Poverty Reduction and Growth Performance	325,000	K. Lao-Araya	VRM	Mar-05	31-Oct-05	4679	Previous project officer: R. Adhikari. Cofinanced by the NPRS (\$325,000). But as NPRS fund became tight, the TA is proposed to be fully supported by the PRF. A memorandum changing the fund source is now underway
MKRD	SUB-REG	Reviewing Poverty Impact of Regional Economic Integration in the GMS	850,000	M. Mitra/J. Singh	MKAE	Jul-03	06-May-04	6171	Additional \$100,000 TA budget approved on 09 June 2005
MKRD	LAO/VIE	Developing New Policy Paradigms for Sustainable Livelihood Protection and Natural Resource Management among Ethnic Minorities of GMS: A Study of Policies and their Impacts, Strategies for Change.	150,000	M. Mitra	MKAE	Nov-04	12-May-05	6242	
SARD	MLD	Development of a Results-Oriented 7th National Development Plan	377,000	Z. Farhadian-Lorie	SAOC	Mar-05	25-May-05	4591	Activities completed Dec 2005. For financial closure.
SARD	PAK	Supporting of Poverty Reduction Initiatives in Pakistan	31,500	N. Hamid/S. Parvez	PRM	Jul-03	18-Dec-03	4277	TASF \$39,000; PRF \$63,500
SARD	SRI	Poverty Assessment and Information Management	350,000	J. Boestel	SLRM	Jul-03	18-Dec-03	4278	
PARD	SUB-REG	Strengthening Poverty Analysis and Strategies in the Pacific	400,000	K. Taniguchi	PAHQ	Dec-02	18-Dec-03	6157	PRF\$400,000; TASF\$200,000
REG	INTER-REG	Building Capacity for Participatory Approaches to Poverty Reduction in ADB Operation	300,000	A. Sweetser	RSQS	Jul-03	14-Jul-04	6176	PRF \$300,000
REG	INTER-REG	Developing a Social Protection Index for Committed Poverty Reduction	300,000	A. Weber	SASS	Dec-02	27-Aug-03	6120	PRF \$300,000. Activities completed Dec 2005. For financial closure.
	17	Sub-total	\$6,622,000						
	20	Grand Total	\$7,252,000						

NPRS ENDORSED PROJECTS (as of 31 December 2005)

Region	Country	Project Title	NPRS Contribution	Project Officer	Division	Peer Review Meeting	ADB Approval ^a	TA No.	Remarks
D. DROPPED TAs									
ECRD	PRC	Participatory Poverty Reduction Planning for Small Minorities	840,000	D. Sobel	PRCM	Dec-02	12-Aug-03	4158	Dropped in October 2004. Implementation was stalled as there was disagreement with the govt. over the choice of domestic consulting firm. As decision (over the new consulting firm) of the Executing Agency is being awaited, the TA reached the '12-mos lapse rule' which specifies that TAs that are inactive for more than 12 mos after approval should be cancelled.
REG	INTER-REG	Training and Capacity Building for Monitoring Poverty Reduction	400,000	A. Panggabean	RSPR	Jul-03	2004		Dropped in November 2004. Processing was stalled in view of the comments given by several departments that delivering training and capacity building for poverty monitoring could be better approached on a country basis. To rectify the design of the TA would again entail further delays. The slow processing pace of the RETA was another reason for the withdrawal.
SARD	PAK	Balochistan Pilot District Level Poverty-Targeted Action Plans	500,000	N. Hamid/ E. Hooper	PRM	Jul-04			A decision in March 2005 to defer the proposal to 2006 in view of the following: (1) The next local government elections are to be held by 31 August. There will therefore not be a complete group of stakeholders in place for engagement and capacity building at the local level at least until September 2005; (2) the security situation in Balochistan remains tense and volatile; (3) the provincial-local government relationship, which impacts on fund transfer from provincial to local level, is poor.
ECRD	KAZ	Replicating Monitoring and Evaluation System for Poverty Reduction Program	150,000	L. Adriano	ECAE	Dec-04			Dropped on 05 July 2005. The Government confirmed during the CPM that they can handle the task on their own.

DETAILED STATUS OF NPRS-ENDORSED PROJECTS UNDER IMPLEMENTATION (As of 31 December 2005)

Reg	Ctry	TA No.	Name of Project	Division	Amount	Donor Endorsement	ADB Approval	Project Description	Project Status as of 31 December 2005	Preliminary Outcomes and Issues as of 31 December 2005
A. Projects Completed										
REG	INTER-REG	6006	Regional Conference on National Poverty Reduction Strategies	PWD	50,000	Nov-01	21-Nov-01	Support to the Regional Conference on PRSP formulation and progress review, co-organized by IMF, UNDP, and WB.	Activities completed and financially closed on 31 July 2002.	The NPRS funding supported the participation of the government and civil society representatives from these countries. The fund enabled ADB to play a role in maintaining strategic partnerships with key donors on poverty reduction strategy formulation and implementation monitoring. The back-to-office report details the discussion and follow-up actions of the Conference. The Conference led to a more larger-scale involvement of ADB in the 2nd Conference on the same topic held in October 2003 in Phnom Penh.
MKRD	CAM	4037	Dissemination of the National Poverty Reduction Strategy	MKOC	80,000	Nov-01	16-Dec-02	Support to widely disseminate NPRS of Cambodia to local level and civil society.	Activities completed and financially closed on 26 May 2005.	

DETAILED STATUS OF NPRS-ENDORSED PROJECTS UNDER IMPLEMENTATION (As of 31 December 2005)

Reg	Ctry	TA No.	Name of Project	Division	Amount	Donor Endorsement	ADB Approval	Project Description	Project Status as of 31 December 2005	Preliminary Outcomes and Issues as of 31 December 2005
PARD	SUB-REG	6047	National Poverty Reduction Strategies in Pacific Developing Member Countries	PAHQ	500,000	Jul-02	06-Sep-02	To carry out participatory poverty assessment in 4 countries (Federated States of Micronesia, Fiji, Tonga, and Tuvalu) applying the methodologies previously developed in another RETA.	Activities under the RETA have been completed in 2004. The TA completion report have been prepared and will be finalized once the TA account has been closed. Process for closing the TA account is ongoing.	The TA continued on the work of an earlier TA REG-6002: Consultation Workshops for Poverty Reduction Strategies in Selected PDMCs. The TA supported increased awareness and capacity building for improved assessment and understanding of poverty, discussion of poverty, formulation of NPRSs, their incorporation into national development strategies, finalization of Poverty Partnerships, establishment of poverty reduction MDG-related performance indicators, and commitment to the implementation and monitoring of the same in selected PDMCs. Assessments were produced and poverty consultation workshops were also held in the four PDMCs covered by the TA. The output of the TA contributed to the design of another regional TA 6157 also financed by the NPRS.
Sub total					630,000					
B. Projects Under Implementation										
ECRD	AZE	4621	Participatory Strategy Development and Implementation for Achieving the MDGs	OPR/AZRM	650,000	Nov-04	21-Jul-05	The TA will assist the Government in integrating the focus on the Millennium Development Goals (MDG) into its development planning and implementation processes. The main outcome of this TA is the enhanced planning and monitoring capacity of the Ministry of Economic Development to achieve these goals through further planning of the next phase of the national poverty reduction strategy.	There are 3 packages of consulting services: i) individual consultants, ii) international firm, and iii) domestic consultants. The domestic consultants have all been recruited and fielded in September 2005. Recruitment of an international firm is ongoing, awaiting finalization/conclusion of contract. Selection of the individual consultants that will evaluate the previous national poverty reduction strategy is ongoing.	
ECRD	MON	4383	Participatory Poverty Assessment and Monitoring (PPAM)	ECSS	300,000	Jan-04	24-Aug-04	This TA shall strengthen the poverty monitoring and evaluation system in Mongolia by (i) enhancing the Government's capacity to develop effectively targeted poverty reduction program and (ii) strengthening institutional capacity in the area of qualitative and quantitative poverty assessment.	Two phases of community consultations in the rural aimags and urban study were carried out and presented during a Poverty National Workshop held on 14-15 September 2005 in Ulaanbatar. The NSO submitted a summary of the recommendation of the workshop to the Parliament in December 2005. In addition, a media plan was prepared by the PPAM team to aid in the systematic and targeted implementation of public awareness on the findings of the PPA.	TA extended from September 2005 to March 2006 to accommodate report preparation and the consultation process among key stakeholders for finalizing the report. The consultant will also develop the qualitative indicators for poverty monitoring and the manual for participatory poverty monitoring.

DETAILED STATUS OF NPRS-ENDORSED PROJECTS UNDER IMPLEMENTATION (As of 31 December 2005)

Reg	Ctry	TA No.	Name of Project	Division	Amount	Donor Endorsement	ADB Approval	Project Description	Project Status as of 31 December 2005	Preliminary Outcomes and Issues as of 31 December 2005
ECRD	UZB	3781	Comprehensive Medium-Term Strategy for Improving the Living Standards of the People of Uzbekistan	ECAE	570,000	Nov-01	28-Nov-01	Capacity building support to prepare a medium-term poverty reduction strategy with key stakeholder participation. The project will assist statistical data collection on living standards as well as provide training to policy makers on pro-poor growth strategies and social policy. The key output will be the medium-term strategy.	Main output of the TA-draft Living Standards Strategy (LSS) was finalized and endorsed by the Government of Uzbekistan in June 2004. The remaining funds were allocated for the activities under the statistical component that will contribute to the PRSP process. Activities were suspended due to lack of access to requisite statistical data. Administration of the TA was turned over from ECAE to URM. After the initial delay in the turnover to URM of TA administration, the TA is now on schedule. Currently, URM is in the process of recruiting two individual international consultants to assist the State Statistics Committee (SCC) in improving the methodology for the annual Household budget Survey and training the SSC staff on the use of SPCC software.	
ECRD	SUB-REG	6177	Mainstreaming Gender into Poverty Reduction Strategies in Central Asian Region	ECSS	350,000	Jul-03	14-Jul-04	Capacity building assistance to develop or update gender strategies in 4 CAR countries that would influence or be part of the respective NPRSs and relevant policies/strategies/plans, based on detailed country-level gender and poverty analysis and stakeholder discussions.	TA implemented on schedule. Activities and milestones have been achieved within schedule for the four countries covered under the RETA, namely: Azerbaijan, Kazakhstan, Kyrgyz Republic, and Tajikistan. Four country gender assessments (CGA) have been prepared.	The focal point from four countries study has appreciated ADB's efforts to promote gender equality and mainstreaming gender into national poverty reduction strategies and ensure that ADB interventions are responsive to country gender conditions and commitments to MDG. The CGA prepare for four countries propose some general entry points and mechanisms for mainstreaming gender in the country portfolio, before identifying recommendations applicable to the specific projects in the pipeline. A country gender strategy (CGS) will be prepared for Azerbaijan, Kyrgyz Republic, and Tajikistan to serve as an input to the preparation of the next country strategy and programming (CSP) for these countries.
MKRD	CAM	3955	Support to Poverty Reduction Activities in Cambodia (Poverty Expert extension)	CARM	31,500	Jul-03	15-Dec-03	Capacity building support to the country through a RM poverty consultant. The assistance will cover policy, sector, and project levels as well as policy dialogue with the government, civil society, private sector, and development partners.	The extension of services of the Poverty Specialist consultant is currently being prepared.	Documents related to poverty reduction were collected and kept for use by CARM and ADB missions. In additions, the consultatn helped in the preparation of a short article on "Infrastructure and Poverty Reduction" and another paper on "Targeting the Poor and Vulnerable," which was presented at a National Workshop on "Implementation of National Poverty Reduction Strategy at Local Level."

DETAILED STATUS OF NPRS-ENDORSED PROJECTS UNDER IMPLEMENTATION (As of 31 December 2005)

Reg	Ctry	TA No.	Name of Project	Division	Amount	Donor Endorsement	ADB Approval	Project Description	Project Status as of 31 December 2005	Preliminary Outcomes and Issues as of 31 December 2005
MKRD	LAO	4627	Public Expenditure Planning for National Growth and Poverty Eradication Strategy (NGPES)	MKGF	700,000	Dec-04	02-Aug-05	TA will contribute to improved allocation efficiency of public resources according to the Government's development and poverty reduction policy objectives, approaching international good practices in public financial management.	Consultant recruitment ongoing. Deadline for submission of proposals was last 5 December 2005. Contract negotiations scheduled to start on 28 January 2006 and consultants services expected to commence by 14 February 2006.	
MKRD	VIE	4252	Support to Poverty Reduction Activities in Vietnam	VRM	37,000	Aug-03	12-Dec-03	Capacity building support to the country through a RM poverty consultant. The TA will especially focus on monitoring the implementation of the Poverty Partnership Agreement, and accelerate various sector/thematic work to identify future poverty projects, as well as to strengthen coordination and consultation with key stakeholders.	<p>The poverty specialists recruited under the TA has continuously undertaking the work specified in the TOR. Specifically, the consultant has provided assistance to VRM on the following activities:</p> <p><u>SEDP 2006-2010</u>: Continuous work on the SEDP, which is an ongoing process, including providing support in organizing seminars and workshops like the regional consultation workshop held in July 2005 involving 110 leaders from 25 provinces. In coordination with the WB counterpart, continued to work with MPI for the incorporation of good comments to the SEDP draft, the revised version of which was submitted to the National Assembly members for comments in October 2005. A results-monitoring training for SEDP was organized and delivered with WB to MPI in December 2005.</p> <p><u>CSP</u>: In line with the preparation of the Country Strategy Paper (CSP) for 2007-2010 which would be aligned with the Government's 2006-2010 SEDP, continuous support was provided. Specifically on developing the TOR for the Country Poverty Assessment (CPA), support to ADB mission in organizing consultation with CSO to gather inputs for the CSP, provided support in the conduct of needs assessments on RBM, among others.</p> <p><u>MPI Planning Handbook</u>: Contributed to editing and revising the handbook and in organizing the consultation seminar held in November 2005.</p> <p><u>Support to other TAs</u>: Provided assistance in the design and preparation of 3 TAs- 1 on RBM, 1 NPRS TA4644 and 1 PRF TA4679 in Dak Nong Province.</p>	

DETAILED STATUS OF NPRS-ENDORSED PROJECTS UNDER IMPLEMENTATION (As of 31 December 2005)

Reg	Ctry	TA No.	Name of Project	Division	Amount	Donor Endorsement	ADB Approval	Project Description	Project Status as of 31 December 2005	Preliminary Outcomes and Issues as of 31 December 2005
MKRD	VIE	4644	Support to Hue and Quang Tri Provinces for Formulating Sustainable Poverty Reduction and Growth Programs	VRM	900,000	Mar-05	07-Sep-05	This TA aims to help the 2 provinces' provincial people's committees (PPCs) and the provincial departments of planning and investment to strengthen their capacity to formulate and implement provincial poverty reduction and growth programs in relation to the Comprehensive Poverty Reduction and Growth Strategy and the government's Socioeconomic Development Plan (SEDP).	Newly approved TA. Awaiting TA Letter signing prior to commencement of activities.	
MKRD	VIE	4679	Capacity Building Support to Dak Nong Province for Improving Poverty Reduction and Growth Performance	VRM	325,000	Mar-05	31-Oct-05	Capacity building TA for the training of key officials in Provincial People's Committee and Department of Planning and Investment in socio-economic development planning, results-based management, public investment planning, service delivery and other related areas.	No TA activities yet.	
MKRD	SUB-REG	6171	Reviewing Poverty Impact of Regional Economic Integration in the GMS	MKAE	850,000	Jul-03	28-Feb-04	This TA shall strengthen the poverty monitoring and evaluation system in GMS by (i) enhancing the Government's capacity to develop effectively targeted poverty reduction program and (ii) strengthening institutional capacity in the area of qualitative analysis.	Key individual consultants and the National Research Institute have been hired. A Regional Technical Workshop for all four project teams was held in Bangkok, August 2005. Several workshops were conducted. The TA amount was increased from \$750,000 to \$850,000. Additional budget of \$100,000 was approved on 9 June 2005.	The methodological design and preparation for both the household survey and the participatory assessment took a long time but end product are of high quality. Thus, fieldwork in all the countries commenced only in November 2005 but progress of fieldwork have been going well since then. Delays were encountered in Viet Nam with the implementation of the household survey on account of a coordination problem between the national research agency CIEM and the General Statistics Office (GSO). Fieldwork implementation and progress has reinforced points previously reported, especially regarding the need and importance of the participatory assessment.
MKRD	LAO/VIE	6242	Developing New Policy Paradigms for Sustainable Livelihood Protection and Natural Resource Management among Ethnic Minorities of GMS: A Study of Policies and their Impacts, Strategies for Change	MKAE	150,000	Nov-04	12-May-05	The TA will develop a subregional natural resource management strategy for the upland areas of the GMS.	Consultant has been recruited and fielded. Paper on "Ethnic Minorities in Central Highlands of Viet Nam and Northern Laos: Poverty Alleviation through Natural Resource Management" has been submitted. The paper examines the official policies and approaches to natural resources management and their effects on ethnic minority communities in Central Highlands of Viet Nam and uplands of Northern Laos.	

DETAILED STATUS OF NPRS-ENDORSED PROJECTS UNDER IMPLEMENTATION (As of 31 December 2005)

Reg	Ctry	TA No.	Name of Project	Division	Amount	Donor Endorsement	ADB Approval	Project Description	Project Status as of 31 December 2005	Preliminary Outcomes and Issues as of 31 December 2005
PARD	SUB-REG	6157	Strengthening Poverty Analysis and Strategies in the Pacific	PAHQ	400,000	Dec-02	18-Dec-03	A range of capacity building initiatives in selected Pacific DMCs, including (a) data collection, analysis, and dissemination (b) participatory policy development, and (c) monitoring of poverty impacts of policies and programs.	The participatory hardship analysis in Kiribati was completed. The findings were presented in Tarawa, Kiribati, for the Government at Secretariat of the Pacific Community (EA) and Manila, for ADB staff. The TA Implementation is proceeding according to schedule.	TA implementation on schedule, however, team leader would resign from the project due to personal reasons (sick family member).
SARD	MLD	4591	Development of a Results-oriented 7th National Development Plan	SAOC	377,000	Mar-05	25-May-05	This TA will assist the Government of Maldives to adopt and successfully implement a results-oriented national development strategy aimed at economic growth and poverty reduction.	Consulting services commenced and completed in December 2005. TA implementation is on schedule. Draft of the 7th NDP and the summary report and the consultants' final report have been submitted. Draft 7th NDP has been submitted to the Ministry of Planning and National Development (MPND). The consultants' final report is being reviewed by the project officer. The Government found the report to be fully satisfactory.	Original TOR of consultants and as agreed with the Government during the inception indicated that their output would be a final report which provide background information to the Government who would be primarily responsible to draft its 7th NDP. However, in October 2005 the Government requested that the TAs consultants provide the first draft of the 7th NDP as the Government do not have the expertise and manpower to draft it. For this purpose, consulting services was extended using SARD's staff consultant's budget as the TA consultant's budget can no longer accommodate cost of the additional work.
SARD	PAK	4277	Support of Poverty Reduction Initiatives in Pakistan	PRM	31,500	Sep-03	18-Dec-03	Capacity building support to the country through a RM poverty consultant. The TA will especially focus on monitoring the implementation of PRSP and provincial-level plans as well as reviewing and helping develop new programs on poverty reduction. This would help PRM serve as a knowledge node on poverty in the country.	Recently, the government of Pakistan has requested ADB its assistance through this TA in finalization/ compilation of the PRSP II. A change of scope under the TA has been proposed to assist the Government with the PRSP II work, and supplementary financing of \$100,000 sourced from the TASF for this purpose. A review of poverty literature has been completed by the consultant. The two papers completed by the consultant are also in the process of publication. Under the TA, a new report entitled 'Demographic Transition, Education and Youth Unemployment in Pakistan' is in the process of preparation. The consultant had also prepared a special section on Poverty Analysis in the Economic Updates on Pakistan Economy, a regular publication of the PRM.	

DETAILED STATUS OF NPRS-ENDORSED PROJECTS UNDER IMPLEMENTATION (As of 31 December 2005)

Reg	Ctry	TA No.	Name of Project	Division	Amount	Donor Endorsement	ADB Approval	Project Description	Project Status as of 31 December 2005	Preliminary Outcomes and Issues as of 31 December 2005
SARD	SRI	4278	Poverty Assessment and Information Management	SLRM/SAOC	350,000	Jul-03	31-Jan-04	Help improve poverty data collection methodologies and analysis to make them consistent across the country.	After the delay in the implementation due to the tsunami-related activities of SLRM staff, TA activities have commenced.	
REG	INTER-REG	6176	Building Capacity for Participatory Development Activities to Promote Poverty Reduction	RSGS	300,000	Jul-03	14-Jul-04	Capacity building on participatory pro-poor policy/strategy development and project planning and M&E. Teams comprising ADB-Consultant-Government-NGOs will be assisted.	After the delay in recruiting the consultant for the TA, a consulting firm has been recruited and fielded in December 2005. Inception mission to Kyrgyz and Pakistan conducted from 5-23 December 2005.	
REG	INTER-REG	6120	Developing a Social Protection Index for Committed Poverty Reduction	SASS	300,000	Dec-02	27-Aug-03	Develop social protection index to enable monitoring of policies and programs implementation related to the sector.	The project was completed successfully. All TOR elements were delivered in time and in good quality. Awaiting financial closing.	The project had a major impact on social protection discussions in the participating countries, among international MFIs and ADB. An SPI handbook is one of the major outputs of the TA. Given the success of this TA, a second phase TA was proposed and endorsed for PRF funding in a peer review held in October 2005.
			Sub total		6,622,000					

ASIAN DEVELOPMENT BANK
ADMINISTRATOR FOR
TECHNICAL ASSISTANCE GRANT FUND
COOPERATION FUND FOR NATIONAL POVERTY REDUCTION STRATEGIES
(GOVERNMENT OF NETHERLANDS)

STATUS OF GRANT (CONTRIBUTION)
as of 31 December 2005
(Amounts in US dollar)

TOTAL CONTRIBUTION COMMITTED (Euro 6,806,703.24)		7,019,998.11 ^{a/}
Gain (Loss) arising from change in value of currency		<u>325,807.23</u>
Amount received	3,345,050.00	
Receivable from Government of Netherlands	<u>4,000,755.34</u> ^{d/}	7,345,805.34
Add: Income from investment	70,816.70	
Interest income	19,348.10	
Gain (loss) on foreign exchange transactions	<u>(1,808.50)</u>	<u>88,356.30</u>
TOTAL AMOUNT AVAILABLE		7,434,161.64
Amounts utilized for:		
Project expenditures (Statement 2)	(2,722,343.04)	
ADB administration cost	(136,117.15)	
Bank charges	<u>(1,146.50)</u>	<u>(2,859,606.69)</u>
UNUTILIZED BALANCE		4,574,554.95 ^{c/}
Less: Outstanding commitments	(3,239,799.90)	
Reserve for ADB administration cost	<u>(161,990.00)</u> ^{d/}	<u>(3,401,789.90)</u>
UNCOMMITTED BALANCE		1,172,765.05
Less: TAs Approved But Not Yet Effective		
VIE/4644: Support to Thua Thien Hue & Quang Tri Provinces for Sustainable Poverty Reduction and Growth Programs	(900,000.00)	
VIE/4679: Capacity Building Support to Dak Nong Province for Improving Poverty Reduction & Growth Performance	(325,000.00)	
Reserve for ADB administration cost	<u>(61,250.00)</u> ^{d/}	<u>(1,286,250.00)</u>
UNCOMMITTED BALANCE LESS THAN TAs APPROVED BUT NOT YET EFFECTIVE		<u>(113,484.95)</u>

^{a/} Represents the sum of utilized and unutilized contributions expressed in US\$ equivalents.

^{d/} Undrawn contributions in local currency are translated at the applicable exchange rate as of 31 December 2005.

^{c/} Represented by:

Cash		124,189.02
Investments		400,000.00
Accrued interest		432.00
Undrawn contribution - Receivable from the Government of Netherlands (Contribution of Euro 6,806,703.24 less Euro 3,427,257.20)		4,000,755.34
Advances		64,481.00
Less: Interfund payable	(644.48)	
Accrued expenses	<u>(14,657.93)</u>	<u>(15,302.41)</u>
		<u>4,574,554.95</u>

^{d/} Represents five percent (5%) of outstanding commitments/TAs approved but not yet effective.

ASIAN DEVELOPMENT BANK
Statement of TA Expenditures - Cooperation Fund for the National Poverty Reduction Strategies
(Government of Netherlands)
As of 31 December 2005
(Expressed in US dollars)

TA Title	TA No./Type	Date of Approval	TA Amount ^{1/}	Amount Received	Project Expenditures ^{2/}			Outstanding Commitments	Expected TA Completion Date	Completed TAs	
					Cumulative up to 31/12/04	Transactions 01/05-31/12/05	Cumulative up to 31/12/05			Unutilized Commitment (Savings)	Financial Completion Date
			(A)	(B)	(C)	(D)	(E) = (C) + (D)	(F) = (A) - (E)	(G)	(H) = (A) - (E)	(I)
<u>Azerbaijan</u>											
Participatory Strategy Development & Implementation for Achieving the MDG	4621/AO	21Jul05	650,000.00		-	24,588.00	24,588.00	625,412.00	30-Sep-07		
<u>Cambodia</u>											
Dissemination of the National Poverty Reduction Strategy	4037/AO	16Dec02	33,190.74		33,190.74	-	33,190.74	-			May-05
Engagement of a Poverty Consultant at the Cambodia Resident Mission	3955/AO	30Oct02	31,500.00		-	9,229.90	9,229.90	22,270.10	30-Oct-06		
Total Cambodia			64,690.74		33,190.74	9,229.90	42,420.64	22,270.10			
<u>Lao's People Democratic Republic</u>											
Public Expenditure Planning for National Growth & Poverty Eradication Strategy	4627/AO	02Aug05	700,000.00		-	-	-	700,000.00	30-Sep-07		
<u>Maldives</u>											
Developing a Results-Oriented 7th National Development Plan	4591/AO	25May05	377,000.00		-	298,440.00	298,440.00	78,560.00	31-Dec-05		
<u>Mongolia</u>											
Participatory Poverty Assessment and Monitoring	4383/AO	31Aug04	300,000.00		58,000.39	105,079.53	163,079.92	136,920.08	31-Mar-06		
<u>Pakistan</u>											
Support for Poverty Reduction Initiatives in Pakistan	4277AO	18Dec03	31,500.00		-	26,571.32	26,571.32	4,928.68	15-Jun-06		
<u>Sri Lanka</u>											
Poverty Assessment and Information Management	4278/AO	18Dec03	350,000.00		-	78,188.00	78,188.00	271,812.00	31-Dec-07		
<u>Uzbekistan</u>											
Comprehensive Medterm Strategy for Improving the Living Standard of UZB	3781/AO	28Nov01	570,000.00		447,251.12	119,126.10	566,377.22	3,622.78	30-Jun-06		
<u>Vietnam</u>											
Support to Poverty Reduction Activities in Vietnam	4252/AO	12Dec03	37,000.00		144.78	12,466.29	12,611.07	24,388.93	04-Feb-06		

ASIAN DEVELOPMENT BANK
Statement of TA Expenditures - Cooperation Fund for the National Poverty Reduction Strategies
(Government of Netherlands)
As of 31 December 2005
(Expressed in US dollars)

TA Title	TA No./Type	Date of Approval	TA Amount ^{1/}	Amount Received	Project Expenditures ^{2/}			Outstanding Commitments	Expected TA Completion Date	Completed TAs	
					Cumulative up to 31/12/04	Transactions 01/05-31/12/05	Cumulative up to 31/12/05			Unutilized Commitment (Savings)	Financial Completion Date
			(A)	(B)	(C)	(D)	(E) = (C) + (D)	(F) = (A) - (E)	(G)	(H) = (A) - (E)	(I)
Regional											
Regional Conference on National Poverty Reduction Strategies	6006/RG	21Nov01	31,952.20		31,952.20	0.00	31,952.20	-		-	Jul-02
National Poverty Reduction Strategies in Pacific DMCs	6047/RG	06Sep02	500,000.00		412,794.00	24,342.93	437,136.93	62,863.07	15-May-05		
Strengthening Poverty Analysis and Strategies in the Pacific	6157/RG	18Dec03	400,000.00		18,839.40	38,849.51	57,688.91	342,311.09	31-Mar-06		
Social Protection Index for Committed Poverty Reduction	6120/RG	27Aug03	300,000.00		248,654.98	22,110.70	270,765.68	29,234.32	31-Dec-05		
Reviewing the Poverty Impact of Regional Economic Integration in the GMS	6171/RG	06May04	850,000.00		31,152.85	388,021.27	419,174.12	430,825.88	30-Apr-06		
Building Capacity for Participatory Approached to Poverty Reduction	6176/RG	14Jul04	300,000.00		-	-	-	300,000.00	21-Jul-06		
Mainstreaming Gender into Poverty Reduction Strategies in Four Cars	6177/RG	14Jul04	350,000.00		30,923.36	235,757.37	266,680.73	83,319.27	30-Mar-06		
Developing New Policy Paradigms for Sustainable Livelihoods Protection and Natural Resources Management	6242/RG	17May05	150,000.00		-	26,668.30	26,668.30	123,331.70	30-Apr-06		
Total Regional			2,881,952.20		774,316.79	735,750.08	1,510,066.87	1,371,885.33			
				Euro 3,427,257.20							
Total Approved and Effective TA			<u>5,962,142.94</u>	US\$	<u>3,345,050.00</u> ^{3/}	<u>1,312,903.82</u>	<u>1,409,439.22</u>	<u>2,722,343.04</u>	<u>3,239,799.90</u>		
Add: TA project/program approved but not yet effective											
VIE/4644: Support to Thua Thien Hue & Quang Tri Provinces for Sustainable Reduction and Growth Programs	4644/AO	07Sep05	900,000.00								
VIE/4679: Capacity Building Support to Dak Nong Province for Improving Poverty Reduction and Growth Performance	4679/AO	31Oct05	325,000.00								
			<u>1,225,000.00</u>								
Total			<u>7,187,142.94</u>								

^{1/} US\$ equivalent of TA Grant at time of TA approval.

^{2/} Actual disbursements.

^{3/} Represents the actual US\$ equivalent of contributions received