

**NOTE ON THE SIXTH STRATEGY MEETING ON
THE COOPERATION FUND IN SUPPORT OF THE FORMULATION AND IMPLEMENTATION
OF NATIONAL POVERTY REDUCTION STRATEGIES (NPRS) AND
THE POVERTY REDUCTION COOPERATION FUND (PRF)¹
(Draft)**

**Department for International Development (DFID), London
23 June 2005**

I. INTRODUCTION

1. The Sixth NPRS/PRF Strategy Meeting (the Meeting) on the Cooperation Fund in Support of the Formulation and Implementation of National Poverty Reduction Strategies (NPRS) and Poverty Reduction Cooperation Fund (PRF) was held in London on 23 June 2005. It was attended by representatives from the Ministry of Foreign Affairs of the Government of the Netherlands (the Netherlands), Department for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland (DFID), and the Asian Development Bank (ADB). Respective representatives from the Board of Directors (BOD) also partially attended through a video conference². The Meeting also invited the consultant who carried out the PRF Mid-Term Review. The Meeting program is in Appendix 1. The list of attendees is in Appendix 2.

2. The Meeting (i) reviewed the changing corporate environment of ADB and discussed potential implications for ADB's poverty reduction operations; (ii) reviewed the overall progress and issues in pipeline, portfolio and fund management since the last strategy meeting (13-14 October 2004); (iii) discussed the findings and recommendations of the PRF mid-term review carried out in January-March 2005; (iv) discussed the approach to the planned NPRS review; and (v) discussed and agreed on next steps and any other administrative matters.

3. In accordance with the 'lighter-touch' approach adopted at the Fourth Strategy Meeting on 27-29 January 2004, ADB, through peer review panels, endorsed 24 projects (6 for NPRS and 18 for PRF) totaling \$10.14 million during the period between the Fifth and Sixth Strategy Meetings. This includes the complementary support to 4 PPTAs (totaling \$0.90 million) from the PRF, which was provided for the first time on a pilot basis in accordance with the revised PRF guidelines for 2005. For reference, the list of new projects endorsed in this period (October 2004 – May 2005) is attached in Appendix 3. List of peer reviewers is attached in Appendix 4 to acknowledge their contribution.

4. This note summarizes the key discussions and agreement during the Meeting.³ The next meeting is scheduled in January 2006.

¹ The Meeting only discussed issues with regard to the regional window of the PRF (PRF-HQ). A parallel discussion on the People's Republic of China (PRC) window (PRF-PRC) has been ongoing between ADB's PRC Resident Mission and DFID-China.

² The Government of the Netherlands was represented by Nathalie Kroner (ADB Desk Officer, International Financial Institutions Division, The Ministry of Foreign Affairs, The Hague) and BOD counterpart Geert Jan Engelsman (Alternate Executive Director). DFID was represented by Rick Taylor (Asia Directorate, DFID-London), BOD counterpart David Taylor (Alternate Executive Director), and other staff (see Appendix 2). ADB was represented by Sonomi Tanaka (Senior Social Development Specialist, RSGS, NPRS/PRF Coordinator), who prepared this Note.

³ The writer appreciates the hospitality and logistical support provided by DFID, as well as the kind cooperation extended from the Netherlands to meet in London.

II. KEY ISSUES DISCUSSED

A. NPRS/PRF in the Context of ADB's Changing Corporate Environment

5. **Changing Corporate Environment in ADB.** In the opening session, the NPRS/PRF Coordinator reported that the implementation of the ADB's various reform agenda discussed in the last Strategy Meeting has been accelerated, while there have been other ongoing initiatives to respond to the new President's commitment to 'relevance, responsiveness, and results', e.g., innovation and efficiency initiatives (IEI), TA reform, OCR/MIC partnership framework. The Coordinator also reported that since February 2005 Vice Presidents have initiated closer monitoring the number of TAs and **greater scrutiny and selectivity in TA** concept notes. This was in response to the increasing criticisms of deteriorating TA quality and the competing demand for staff time in both ADB and developing member countries (DMCs). While the 'selectivity' has led to the slowing demand for NPRS/PRF in 2005 (especially in the East and Central Asia Regional Department), donors welcomed this move. Donors also emphasized the importance of the alignment of the criteria used for the prioritization process with the priorities of the countries set by national poverty reduction strategy priorities and the Millennium Development Goals (MDGs).

6. **Factors Affecting Demand for NPRS/PRF.** The Coordinator further reported that the key messages of the **Enhanced Poverty Reduction Strategy** of ADB (EPRS, 2004) were now better understood by staff compared to the time of the last Strategy Meeting, and that country teams have been placing far more emphasis on the poverty focus in country strategy and programs (CSPs), including the consultative process, results framework and the quality upstream work (including country poverty analysis). At the same time, in a number of DMCs, renewed interest in NPRS-related work has been observed due to the need for the formulation of the 'second generation' of national poverty reduction strategies (or equivalent national development plans) starting in 2006. This, together with the emphasis on CSPs and upstream work within the ADB, has **boosted the demand for the NPRS Fund** in late 2004-early 2005, resulting in the full commitment of the NPRS Fund in March 2005⁴. On the other hand, demand for micro-level project-related **PRF proposals** (e.g., pilot attached to ongoing/upcoming loan projects) has slowed down, partially due to the EPRS that places less emphasis on project-level poverty reduction and partially to the new time limit set for the PRF implementation (para 10).

7. **Poverty Reduction 'Mainstreamed' or 'Forgotten'?** While donors appreciated the strengthened country focus through quality CSPs which are characterized by strong results orientation and strengthened prioritization, they expressed a concern over the possibility of **diluted attention to poverty reduction** as an overarching goal and the risk of an automatic assumption that anything ADB supports would result in poverty reduction. The role of the NPRS/PRF and other poverty reduction trust funds was considered significant in maintaining the momentum and providing opportunities for hands-on experience and evidence on specific types of projects and policies that have stronger poverty reducing impacts.

B. NPRS/PRF Portfolio Management

8. **NPRS.** The Coordinator reported on the major improvement in the overall portfolio performance during the last 8 months. As of 31 May 2005, the NPRS supports 20 TAs (\$7 million, out of about \$7.7 million committed from the Netherlands), comprising 1 completed TA (\$50,000), 15 TAs under implementation (\$4,550,000), and 4 TAs under preparation (\$2,400,000). During the last 8 months, the 'second generation' of demand from DMCs (para 6)

⁴ Some \$700,000 is left uncommitted to allow future currency fluctuation and other contingencies.

has resulted in the endorsement of 6 new TAs, while 3 TAs (2 under preparation and 1 under implementation) have been dropped. The remaining TAs under implementation is generally on track except for two. No new completion of TAs was observed during this period.

9. For the first time, the original remittance of \$2.32 million from the Netherlands was about to be nearly utilized. As of 30 April 2005, the cumulative disbursement was \$1.8 million. Now that the full commitment has been made, disbursement under the NPRS has become predictable, and the Meeting confirmed that the projection earlier made by the Coordinator team was accurate. Prior to the Meeting, ADB and the Netherlands had agreed to the new payment schedules from the Netherlands as follows:

- 2005 (as soon as possible) \$1.0 million
- 2006 (January) \$3.4 million
- 2007 (January) \$0.8 million (approx. depending on exchange rate)

10. **PRF.** The Coordinator summarized the following trend with the PRF over the last 8 months:

- Slowing demand has been observed due to the temporary 'freeze' in the late 2004, the selectivity with TAs introduced, and the limited human resources within ADB.
- Supplementary support to ADTAs was welcomed, but its influence on loan designs remains to be seen. Timing of intake is crucial for the topping-up, as core TA resources need to be secured first.
- Progress of TAs under implementation has been generally on track (albeit slower than originally expected, especially during the setup period).
- Processing of endorsed TAs has significantly slowed down, especially among the inter-regional TAs which now requires additional steps. The implementation of '9-months' (2004) and '6-months' cut-off is becoming difficult.
- Disbursement is finally picking up.
- Despite the Bankwide decision on the TA selectivity in February 2005, Operations Group 1 (South Asia and Mekong) has more flexible approach compared to Group 2 and Knowledge Management departments. This may lead to regional disparity in the 2005 pipeline.

11. As of 31 May 2005, the PRF (i.e., PRF-HQ) supports 85 TAs totaling \$42.1 million, which is 77% of the contribution from DFID. Of this, 1 TA (\$50,000) has been completed, 54 TAs (\$26.4 million) are under implementation, and 30 TAs (\$14.8 million) are under preparation. During the last 8 months, 11 TAs (including complementary support to 4 PPTAs) totaling \$5.8 million were additionally endorsed. Considering that about \$20 million had been set as a commitment target for 2005 to achieve the March 2008 disbursement cut-off, the pace was rather slow. However, the Coordinator confirmed that the demand, while slowing down, is still firm and that the likeliness of full commitment is possible by end 2005 or Q1-2006 is high. The Meeting emphasized that the quality of proposals should not be compromised by the commitment pressure. In addition, a concern was raised about one case among the 4 endorsed PPTA 'top-ups' under which after the endorsement of additional support by the PPTA, the TASF amount was reduced. DFID requested ADB to make sure that the 'additionality' rule is maintained.

12. The Coordinator reported that disbursement was finally picking up, which was welcomed by DFID. In March 2005, ADB for the first time after the first remittance at the time of the establishment of the PRF requested DFID for a remittance of \$4 million. As of 30 April 2005, the cumulative disbursement was \$4.1 million, as opposed to \$8.3 million cumulative remittance.

The trend in the past 8 months has shown that the revised disbursement projection provided to DFID in March 2005 is reliable. Based on the projection, the following payment schedules were suggested at the meeting (in accordance with the UK fiscal year):

- April-September 2005 \$ 4 million (remitted in Mar05)
- October 2005 - March 2006 \$10 million (Sep/Oct05)
- April – September 2006 \$15 million (Mar/Apr06)
- October 2006 – March 2007 \$14 million (Sep/Oct06)
- April – September 2007 \$ 8 million (Mar/Apr07)
- October 2007 – March 2008 \$ 2 million (Sep/Oct07)

C. PRF Mid-Term Review (January-March 2005)

13. The Review Consultant (Social Development Direct) Team Leader Sue Phillips presented the key findings and recommendations of the recently completed PRF Mid-Term Review. As most projects have not reached the mature stage of implementation, a 'light-touch' approach involving an overall portfolio review with some case studies in Cambodia and Pakistan was adopted. ADB senior staff and PRF project officers and peer reviewers were also interviewed in January-February 2005. The Consultant's powerpoint presentation is in Appendix 5.

14. Overall, the Review has concluded that the PRF is a **well regarded trust fund** in ADB that supports potentially valuable poverty reduction projects and **well managed by RSDD** under the initiative of the Coordinator. With the caveat of the limited project samples covered by the Review, the following strengths and weaknesses were identified:

Strengths

- Exceptionally well managed. Demand-driven approach is working well.
- Providing rare professional and intellectual opportunities for committed individual staff.
- Providing resident missions opportunities to build capacity.
- Promoting partnerships with other development partners (e.g., donors, NGOs)

Weaknesses

- Weak links between the PRF-funded projects and the overall PRF objectives. There is a need to have clearer focus for individual TAs on what to influence and how. Some of the case studies in Pakistan and Cambodia present difficulties in following through the intended influence.
- Limited use of the PRF on monitoring and evaluation of poverty reduction impacts and upstream policy work (although it was recognized that the latter was mostly due to the availability of the NPRS Fund).
- Risk of the PRF-financed activities being marginalized due to the lack of incentives provided by the institutions. Evidence shows often strong disincentives for the staff (e.g., additional time requirements, little institutional recognition compared to loan processing).
- Lack of systematic knowledge collection, synthesis, and dissemination.
- Absorptive capacity of ADB and DMCs for commitment targets.

15. The following recommendations were made:

- No further significant changes to fund management is needed.
- The planned RETA (Facilitating Knowledge Management of Pro-Poor Policy and Projects by the RSDD Coordinator) to draw together lessons, experiences, and knowledge should be fully supported.
- Divisions and departments should be made more aware of the opportunities of influencing DMC policies and loan designs through the PRF-financed TAs.
- The PRF framework (attached to the Board Paper) should be revisited to either narrow or strengthen objectives.
- Greater PRF emphasis is needed on strengthening Resident Missions, e.g., more high calibre Poverty Reduction Specialists (100% funded and sometimes international); a local flexible fund; greater involvement of RM staff in development of PRF proposals, training of existing RM-based National Poverty Reduction Specialists.
- More collaboration should be promoted between ADB and DFID at country level to support other country level partnerships.
- Capacity of the PRF Coordinator's office should be strengthened with additional resources and institutional support to avoid marginalization.

16. The recommendations were generally supported by the participants. Further discussions took place as follows:

- **Influencing policies and loan designs.** Participants agreed that we should have a realistic view and expectation of to what extent individual TAs can have influence on the DMCs' and ADB's institutional and capacity development. This cannot be done in a short timeframe. However, they also agreed that the strategic objective of strengthening the path towards influencing policies and projects should be weaved into the upcoming **knowledge management RETA**.
- **Selling the PRF to ADB Managers.** Considerable time was spent to discuss how to sell the PRF and its role at a higher level. One participant suggested that the message to be delivered should be that the PRF greatly facilitates ADB's core operations such as pro-poor infrastructure and results orientation. Once again, the strategic importance of collecting evidence through the planned RETA was pointed out.
- **RM Poverty Reduction Consultants.** The ADB Coordinator pointed out the current overall shift away from poverty reduction specialists in ADB, which makes part of the recommendations difficult to follow through. In light of this, strengthening existing RM-based poverty specialists (national consultants) by encouraging closer involvement with DFID country offices and their social development advisors was suggested. In a similar manner, to strengthen the HQ Coordinator's Office, **secondment of a senior level social development advisor** from DFID was suggested.
- **Wider dissemination of the Mid-Term Review Report** to DFID country offices/social development advisors and ADB's relevant departments and individuals was supported.

D. NPRS Review (Scheduled in Q4-2005)

17. The NPRS Review was originally planned as a joint exercise with the PRF Mid-Term Review. Due to the difficulty in adjusting schedules, it was postponed to late 2005. At the Meeting, the Netherlands explained that they were now considering **further deferring the review** until closer to its completion (i.e., latter half of 2007), so that the lessons learned, outcomes, and impacts of all the TAs under the NPRS can be integrated. This should be an independent and more comprehensive review, by closely involving ADB's Operations Evaluation Department and looking at other trust funds such as Japan Fund for Poverty Reduction. The Coordinator reported that, incidentally, a large-scale RETA has been included in the three-year knowledge products and services program (for 2007) which could be utilized.

18. More specifically, the Netherlands is planning to look at the two sets of questions, possibly to be carried out under two separate reviews: (i) How has the broader development context around the NPRS evolved since the establishment of the fund? How has it influenced the role of the NPRS? (ii) How has the NPRS changed the mindset and approach of ADB?

E. Other Fund Management Issues

19. **MOU Amendments – NPRS.** ADB and the Netherlands agreed to extend the closing of the fund in January 2008. As the current closing date is December 2005, it was agreed that the MOU should be amended accordingly.

20. **MOU Amendments – PRF.** ADB reported that the overall changes in the fund duration (March 2008) and payment schedules need to be recorded in the MOU but this would still require discussion with the PRC part of the PRF. As ADB cannot have a separate MOU for the PRF-PRC and PRF-HQ, it was decided that instead of including the rigid payment schedules which may constantly change a generic form of words would be included. It was agreed that the overall amendments would wait until the finalization of the PRF-PRC Review currently underway.

III. CONCLUSION AND NEXT STEPS

21. The participants congratulated on the productive discussions at the Meeting although the Meeting was unable to directly involve ADB senior staff such as Director Generals and Directors.

22. It was decided that the next strategy meeting will take place in **January 2006** in Manila.

23. As follow-up actions, donors will do the following:

- DFID will
 - follow up with DFID China on the MOU amendments;
 - distribute the PRF Mid-Term Review Report to relevant country offices and their social development advisors and promote country-level collaboration;
 - review the draft knowledge management RETA paper;
 - work with ADB on the revision of the PRF Framework; and
 - further consider ways to follow up Review recommendations (including possible secondment of a social development advisor in RSGS to improve ADB's capacity in poverty and social analysis and strengthen the Coordinators' Office).
- The Netherlands will
 - work with ADB on MOU amendment (closing date of 31 January 2008), and

- start discussing with ADB's Operations Evaluation Department on the future review.

24. ADB will:

- continue close monitoring of new commitment in view of targeted end 2005/early 2006 deadline;
- work with DFID to revise the PRF Framework;
- carry out training/exchange for RM-based poverty reduction consultants;
- disseminate the PRF Mid-Term Review Report to relevant VPs, DGs, Sector and Country Directors, and project officers;
- Contact Operations Evaluation Department to plan 2007 evaluation/review
- Convey an alert to the department that reduced the TASF allocation after obtaining PRF support for a PPTA.

**6th NPRS/PRF STRATEGY MEETING
PROGRAM
23 June 2004, DFID HQ, London**

1. Overview (9:00 – 10:30) – this session only possibly videoconference
 - ADB to present progress updates since 5th Meeting (Oct 04) – 30 min
 - NPRS (portfolio management, disbursement, qualitative analysis of project progress, emerging lessons learned, etc.)
 - PRF
 - Strategic issues for discussion
 - Discussion – 60 min.

2. PRF Mid-Term Review (10:45 – 12:15)
 - Consultant to present key findings and recommendations – 30 min
 - Discussion and agreement on follow-up actions – 60 min

3. Upcoming NPRS Review (2:00 – 3:30)
 - ADB to present TORs and lessons learned from PRF mid-term review – 20 min
 - Discussion and agreement (timing, TOR, logistics, etc.)

4. Next Steps (3:45 – 5:00)
 - Agreement on MOU amendment (both for NPRS and PRF)
 - Writing bullet points on agreed actions and work program for Q3/4 2005.

LIST OF PARTICIPANTS

SIXTH NPRS/PRF STRATEGY MEETING GOVERNMENT OF THE NETHERLANDS, DFID, and ADB 23 June 2005, London

Government of Netherlands

- Nathalie Kroner, Policy Advisor, United Nations and International Financial Institutions Department, Ministry of Foreign Affairs, The Hague
- Geert Jan Engelsman, Alternate Executive Director (participation in Session 1 via video conference)

Department for International Development (DFID), United Kingdom of Great Britain and Northern Ireland

- Rick Taylor, Deputy Head, Regional Policy and Strategy, Asia Directorate, DFID-London
- Annie Feltham, Senior Social Development Advisor (Consultant), Asia Directorate
- Jamil Zuberi, International Financial Institutions Division (IFID), DFID-London
- Elizabeth Gruber (observer), IFID, DFID-London (seconded from the Government of Austria)
- David Taylor, Alternate Executive Director (participation in Session 1 via video conference)

PRF Mid-Term Review Consultant

- Sue Phillips, Social Development Direct, London

Administrative/Logistical Support

- Moses Adhola, Asia Directorate, DFID-London
- Cecilia Rosmelli Santiago, Consultant Analyst, RSGS, ADB

In addition to the Strategy Meeting, separate meetings were held with the following individuals in DFID-London (23 June 2005):

- Jeremy Clarke, Chief, Asia Directorate
- Andrea Cook, Senior Social Development Advisor (Gender and Rights), Exclusion, Rights and Justice Team, Governance and Social Development, Policy Division
- Melissa Harrold, Social Development Advisor (Consultant), Exclusion, Rights and Justice Team, Governance and Social Development, Policy Division
- Annie Feltham, Senior Social Development Advisor (Consultant), Asia Directorate
- Dave Smith, IFID
- Gerry Duffy, IFID
- Elizabeth Gruber, IFID
- Nicola Jenns, IFID

LIST OF PROPOSALS RECEIVED FOR NPRS/PRF FUNDING (Oct 2004 - May 2005)

Region	Country	Project Title	Project Amount		Project Officer	Division	Peer Review Meeting	Remarks	
			NPRS	PRF					
ADTA									
1	ECRD	AZE	Participatory Strategy Development and Implementation for Achieving the MDGs	650,000		J. Zveglic	ECOD	Nov-04	endorsed
2	ECRD	KAZ	Replicating, Monitoring and Evaluation System for Poverty Reduction Program	150,000		L. Adriano	ECAE	Dec-04	endorsed
3	MKRD	CAM	Developing Cambodia Buisness Initiative in Rural Development (C-BIRD)		150,000	M. de Alwis/S. Mar	MKAE/CARM	Nov-04	endorsed
4	MKRD	LAO	Revitalizing Community Demand for Immunization		140,000	L. Studdert/ V. de Wit	MKSS	Mar-05	endorsed. Original proposal was \$120,000
5	MKRD	LAO	Public Expenditure Managemetn of NGPES	700,000		S. Hattori/ V. Tan	MKGF	Dec-04	endorsed
6	MKRD	VIE	Support to Hue and Quang Tri Provinces for Formulating Sustainable Poverty Reduction and Growth Programs	900,000		R. Adhikari	VRM	Mar-05	endorsed
7	MKRD	VIE	Capacity Building Support to Dak Nong Province for Improving Poverty Reduction and Growth		650,000	R. Adhikari	VRM	Mar-05	endorsed
8	MKRD	VIE	Implementing the Regulatory and Supervisory Framework for Micro Finance		150,000	B. Coleman	MKGF	May-05	endorsed
9	MKRD	SUB-REG	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	endorsed
10	MKRD	SUB-REG	Strengthening Malaria Control for Ethnic Minorities in the GMS		750,000	V. de Wit	MKSS	Jan-05	endorsed
11	PARD	REG	Strengthening Pro-Poor Policy in the Pacific		925,000	S. Pollard	PAHQ	Mar-05	endorsed. Original proposal is for \$900,000
12	PARD	RMI	Increasing Ownership and Effective Demand for Improved Urban Waste Management and Disposal		234,000	E. Brotoisworo	PAHQ	Apr-05	endorsed
13	SARD	SRI	Sri Lanka Post Tsunami needs Assessment and Preparation for Emergency Assistance Implementation Strategies		500,000	J. Boestel	SLRM	Jan-05	endorsed
14	SARD	BAN	Participation of Urban Poor in Municipal Governance		500,000	M. Sultana	SASS	Mar-05	endorsed
15	SARD	NEP	Economic and Social Inclusions of the Disadvantaged Poor through Micro-irrigation and Other Livelihood Enhancement Initiatives		600,000	K. Yokoyama	SAAE	Nov-04	endorsed
16	SARD	NEP	Poverty Intervention on Road Project - Savings/Credit, Skills Training and Livelihood Support		500,000	N. Sapkota	NRM	Apr-05	endorsed
17	SARD	MLD	Advisory Assistance for the Development of a Results-Oriented National Development Plan	400,000		Z. Farhadian-Lorie	SAOC	Mar-05	endorsed. Original proposal is for \$250,000. This is now an approved TA (4591) and renamed as <i>Development of a Results-Oriented 7th National Development Plan</i>
18	SARD	PAK	Sustainable Urban Livelihood for Sindh		645,000	T. Gallego-Lizon	SASS	Nov-04	endorsed
19	RSDD	REG	Implementing Innovative e-Learning Technologies among the Poor in Asia		400,000	W. Loxley	RSAN	Jan-05	endorsed

LIST OF PROPOSALS RECEIVED FOR NPRS/PRF FUNDING (Oct 2004 - May 2005)

Region	Country	Project Title	Project Amount		Project Officer	Division	Peer Review Meeting	Remarks	
			NPRS	PRF					
20	RSDD	REG	Development of Catastrophe Risk Insurance Mechanisms		150,000	H. Feig	RSFI	Mar-05	endorsed
			total endorsed	2,950,000	6,294,000				
PPTA									
21	ECRD	MON	Urban Development III		250,000	E. Honda	ECSS	Feb-05	endorsed
22	ECRD	TAJ	Rural Development		150,000	J. Whittle	ECAE	Feb-05	endorsed
23	MKRD	VIE	Support to the Implementation of Public Administration Reform Master Program (Subprogram II and III)		250,000	R. Adhikari	VRM	Feb-05	not endorsed. further clarity was considered necessary on what opportunities this type of public administration reform (PAR) program loan could offer to targeted poverty reduction interventions.
24	SARD	BAN	Second Command Area Development		350,000	K.H. Ryu	SAAE	Feb-05	endorsed
25	SARD	NEP	Education Sector Development I		150,000	A. Inagaki	SASS	Feb-05	endorsed
26	SARD	PAK	Punjab Irrigated Agriculture Development Sector Project		325,000	T. Panella	SAAE	Feb-05	not endorsed. The proposal does not indicate TI classification. Even if TI is indicated, the ensuing loan components as the way they are written give the impression of a large-scale water engineering loan with limited social interventions.
			total endorsed		900,000				

LIST OF PEER REVIEWERS

For the Proposals Received from Oct 2004 to May 2005

Proponents:

ECRD	1. J. Whittle	ECAE
	2. L. Adriano	ECAE
	3. J. Zveglich	ECOD
	4. E. Honda	ECSS
MKRD	5. S. Mar	CARM
	6. R. Adhikari	VRM
	7. M. de Alwis	MKAE
	8. M. Mitra	MKAE
	9. B. Coleman	MKGF
	10. S. Hattori	MKGF
	11. V. Tan	MKGF
	12. M. Sultana	MKID
	13. L. Studdert	MKSS
	14. V. de Wit	MKSS
PARD	15. E. Brotoisworo	PAHQ
	16. S. Pollard	PAHQ
RSDD	17. W. Loxley	RSCG
	18. H. Feig	RSOD
SARD	19. N. Sapkota	NRM
	20. K. Yokoyama	SAAE
	21. K.H. Ryu	SAAE
	22. T. Panella	SAAE
	23. Z. Farhadian-Lorie	SAOC
	24. A. Inagaki	SASS
	25. T. Lizon	SASS
	26. J. Boestel	SLRM

Peer Reviewers:

ADBI	1. J. K. Lee	ADBI
ECRD	2. L. Adriano	ECAE
	3. G. Wignaraja	ECOC
	4. M. Gatti	ECOC
	5. S. W. Handayani	ECSS
	6. E. Kwon	ECTC
ERD	7. A. Asra	ERDI
	8. G. Sugiyarto	ERDI
	9. E. Bloom	EREA
MKRD	10. K. Takamiya	LRM
	11. Kanokpan Lao-Araya	VRM
	12. R. Adhikari	VRM
	13. M. Mitra	MKAE
	14. J. H. Mir	MKAE
	15. J.W. Cyhn	MKGF

	16. M. Varkay	MKGF
	17. S. Hattori	MKGF
	18. S. Lewis	MKGF
	19. S. Tukuafu	MKGF
	20. A. Jude	MKID
	21. M. Sultana	MKID
	22. J.M. Ferreira	MKOC
	23. Y. Uehara	MKOC
	24. J. Menon	MKOC
	25. Y. Uehara	MKOC
	26. A. Jain	MKSS
	27. A. Perdiguero	MKSS
	28. J. Hakim	MKSS
OED	29. K. Hardjandi	OED1
OPR	30. J. Zveglic Jr.	OPR
PARD	31. C. Litwin	PAHQ
	32. S. Pollard	PAOD
	33. I. Bhushan	PARD
	34. J. Izard	PARD
	35. N. Convard	PLCO
RSDD	36. J. Yee	RSDD
	37. D. Ponzi	RSES
	38. A. Panggabean	RSGS
	39. A. Sweetser	RSGS
	40. J. Francis	RSGS
	41. J. Jeugmanns	RSGS
	42. M. Van der Auwera	RSGS
	43. S. Lateef	RSGS
	44. S. Tanaka	RSGS
	45. D. Boom	RSOD-KM
	46. S. Chatterjee	RSOD-PU
	47. Y. Elhan-Kayalar	RSOD-PU
SARD	48. M. Mongiorgi	SAAE
	49. S. Nebel	SAAE
	50. N. Fernando	SAGF
	51. R. Limjoco	SAGF
	52. Vo Van Cuong	SAGF
	53. Z. Farhardian-Lorie	SAOC
	54. A. Inagaki	SASS
	55. H. Kim	SASS
	56. S. Bonu	SASS
	57. F. Ahmed	BRM
	58. F. S. Begum	BRM
	59. P. Kamayana	BRM
	60. B. Pant	NRM
	61. G. Gewali	NRM
	62. K.R. Panday	NRM
	63. L. Chazee	NRM
	64. L. Sharma	NRM

	65. S. Ra	NRM
	66. E. Hooper, Consultant	PRM
	67. S. Parvez	PRM
SERD	68. J. Rogers	SEGF
	69. R. Moyes	SEGF
	70. K. Saleh	SESS
SPD	71. V. Reppelin-Hill	SPMS
	72. Gil-Hong Kim	SPRU
	73. M. Cohen	SPRU

Review of the ADB Poverty Reduction Co-operation Fund (PRF)

Presentation to 6th NPRS/PRF Strategy Meeting
June 23rd 2005



Overall achievements.....

- ❑ PRF well regarded in ADB
- ❑ Undoubtedly being used across the organisation to fund a wide range of potentially valuable poverty reduction projects
- ❑ Increasing geographical coverage
- ❑ Most TAs would not have been funded otherwise
- ❑ Total 70 TAs funded and over 50 under implementation
- ❑ \$36.4 million committed

Review of the ADB Poverty Reduction Cooperation Fund (PRF)



What does PRF aim to achieve?

- ❑ To assist the ADB in reducing poverty in DMCs by augmenting its portfolio and policy work to contribute more effectively to the reduction of poverty in ADB eligible countries in Asia.
- ❑ With success measured by the following OVIs:
 - ❑ PRF influences content of CSPs
 - ❑ Asian countries reform their policies and strategies with ADB help to be more poverty focused

Review of the ADB Poverty Reduction Cooperation Fund (PRF)



This aim will be met through achievement of the following outputs.....

- ❑ ADB makes a more effective contribution to policy dialogue on strategy formulation with relevant governments, in partnership with other donors and civil society stakeholders
- ❑ New ADB loans have an increased focus on poverty reduction
- ❑ ADB monitors and assesses the impact on poverty reduction of its ongoing loans more effectively
- ❑ ADB explores new loan design and programming through pilot poverty reduction investments
- ❑ ADB's activities involve broader and more detailed consultation with stakeholders...
- ❑ ADB strengthens its comparative advantage as a regional development bank with poverty reduction impacts in Asia
- ❑ ADB strengthens implementation of new reforms for knowledge management learning and country focus to achieve better poverty reduction

Review of the ADB Poverty Reduction Cooperation Fund (PRF)



In which areas does PRF seem to be progressing well?

- ❑ Significant proportion of PRF projects (43%) aim to influence policy dialogue and strategy formulation, particularly sector policy.
- ❑ No less than 40% are designed to influence existing or planned loans. Extension of eligibility to PPTAs will help
- ❑ Around 40% involve piloting innovative approaches in traditional and non traditional areas of ADB operations
- ❑ Around 40% of projects are categorised as addressing stakeholder participation (but may be higher)
- ❑ Very high percentage of projects (over 80%) have capacity building objectives

Review of the ADB Poverty Reduction Cooperation Fund (PRF)



And not so well.....

- ❑ Supporting ADB to monitor and evaluate the impact of its operations on poverty reduction more effectively.
- ❑ Strengthening ADB's comparative advantage as a regional development bank.
- ❑ Strengthening new reforms for knowledge management

Review of the ADB Poverty Reduction Cooperation Fund (PRF)



And other notable achievements....

- ❑ Strengthening resident missions
- ❑ Partnerships with other development partners
- ❑ Exceptionally well managed
- ❑ Rare professional development opportunities for individuals

Review of the ADB Poverty Reduction Cooperation Fund (PRF)



But what do achievements add up to?

- ❑ Really difficult to tell with few projects completed
- ❑ Demand and merit driven and no 'targets' so unpredictable
- ❑ No systematic capturing and dissemination of knowledge emerging from PRF to date
- ❑ But some lessons about bottlenecks emerging from the review which will limit overall achievements

Review of the ADB Poverty Reduction Cooperation Fund (PRF)



What are the key challenges for the PRF

- ❑ Sharpening the links between projects funded and PRF purpose and objectives and achievement of greater strategic selectivity
- ❑ Greater mainstreaming of the fund and stronger links with core business and the ADB's resource envelope
- ❑ Increased utilisation for 'upstream' CSP work and support to government
- ❑ Making stronger connections with the ADB reform agenda
- ❑ Institutional learning and influence.... moving beyond individuals and individual TAs
- ❑ Dealing with the lack of incentives, in fact strong disincentives for ADB staff
- ❑ Improving data for impact assessment
- ❑ Absorptive capacity of ADB and DMCs for commitment targets (funds to be fully committed by end 2005)

Review of the ADB Poverty Reduction Cooperation Fund (PRF)



And recommendations

- ❑ No further significant changes to fund management
- ❑ Full support for planned RETA to draw together lessons and experiences
- ❑ High level promotion of PRF for 'upstream' work and loan enhancement
- ❑ Revisit the PRF framework and either narrowing objectives or strengthening objectives
- ❑ Greater PRF emphasis on strengthening Resident Missions: more high calibre PR specialists (100% funded and sometimes international); a local flexible fund; greater involvement of RM staff in development of PRF proposals
- ❑ More collaboration between ADB and DFID at country level to support other country level collaboration.
- ❑ Strengthen capacity of Co-Ordinator's office
- ❑ Some minor recommendations on fund management (eg relaxation of geographical criteria, opening up to non TI categories)

Review of the ADB Poverty Reduction Cooperation Fund (PRF)

