I. INTRODUCTION

1. This Semi-Annual Progress update (the Update) summarizes the activities and progress made under the Poverty Reduction Cooperation Fund (PRF) covering the period January – June 2006. This Update includes the summary of portfolio as of 30 June 2006 (Appendix 1) and disbursement progress in the reporting period (Appendix 2). These will be followed by analysis of key achievements in fund management and the work program for the following six months.

2. The Update has been prepared by the Regional and Sustainable Development Department (RSDD) of the Asian Development Bank (ADB). The next Update (July – December 2006) will be submitted in February 2007.

II. OVERVIEW OF PRF PORTFOLIO AND PIPELINE

3. Portfolio Information. The overall portfolio as of 30 June 2006 is summarized as follows:

- **Overall commitment:** A total of 106 TAs in the PRF portfolio amounting to $55.58 million or 90% of the initial contribution of $61.95 million (equivalent to £36 million as of 30 June 2006) have been endorsed by DFID, see attached Appendix 1 for the list of endorsed TAs.

<table>
<thead>
<tr>
<th></th>
<th>Total Number of TAs</th>
<th>Total Amount of TAs (in US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRF – HQ</td>
<td>89</td>
<td>46,383,179</td>
</tr>
<tr>
<td>PRF-PRC</td>
<td>17</td>
<td>9,198,628</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>106</td>
<td>55,581,807</td>
</tr>
</tbody>
</table>

- **Portfolio composition as of 30 June 2006:** The status of these TAs is summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total Number of TAs</th>
<th>Total Amount of TAs (in US$M)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>completed</td>
<td>under implement</td>
</tr>
<tr>
<td>PRF-HQ</td>
<td>5</td>
<td>83</td>
</tr>
<tr>
<td>ADTA</td>
<td>5</td>
<td>79</td>
</tr>
<tr>
<td>PPTA</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>PRF-PRC</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>7</td>
<td>98</td>
</tr>
</tbody>
</table>

1 In this report, “$” refers to US dollars
• **Portfolio Development.** Of the 89 TAs ($46.38 million) being funded by the PRF-HQ window, 5 ($1.03 million) have been completed, 83 ($44.75 million) are under implementation and 1 TA ($0.60 million) is under preparation.

Since the PRF fund is ending in March 2008 all PRF-funded TAs should have been ADB-approved by March 2006 as agreed. However, the noted TA still under preparation is piggybacked to a loan, of which processing has been delayed. DFID was accordingly informed and agreed to relax the March 2006 approval cut-off for this TA as an exceptional case.

Although it was earlier agreed that no more peer reviews should take place after 31 December 2005, the Asian Development Community Broadcasting Initiative was peer reviewed in February 2006. The proposal’s peer review was originally scheduled before end 2005, but the partner organization could not manage to firm up the proposal before end 2005, creating this minor delay.

For the PRF-PRC window, A total of $9.21 million have been committed for 17 TAs and there were no changes in the portfolio composition for the period under review, considering the freeze in the PRF-PRC pipeline (enacted in November 2004). The Memorandum of Understanding (MOU) for the PRF Grant was amended in April 2006, formalizing the freeze by reducing the total contribution for the PRC window from £9 million to £6 million, (equivalent to $10.01 million as of 30 June 2006), enough to fund the 17 TAs plus 5% administration cost and some buffer for fluctuation in the foreign exchange.

• **ADB Approval.** Since there was only one new intake for the period under review, closer attention was given to the processing of proposed TAs. As such, by the end of June 2006, a total of 10 project proposals (9 were proposed in 2005 and 1 in 2006) were approved by ADB. However, one proposal that was already peer reviewed in 2005, (UZB Implementation and Monitoring of Policy Reform in Agriculture Sector), is still pending approval as this is the piggy backed TA to a loan, that was circulated in June to the ADB Board. The expected date of approval for the loan and this TA is July 2006².

For the period in review, 5 project proposals and 1 TA that were dropped from the list: i.e. LAO 4481: *Integrating the Poor in Regional Trade through Standard-Setting for Private Sector Development (Phase 2)*, in view of ADB’s rule that if the government or executing agency (EA) does not sign the relevant TA letter or agreement within 12 months from the date ADB approves the TA, ADB’s approval lapses.

Within the purview of ADB’s strategic reform agenda and in light of declining TA resources, an effort is ongoing to improve the quality and reduce the quantity of TAs, emphasizing on quality monitoring during implementation and at exit. Hence, ADB management enforced a ceiling for the total number of TAs in each department. Small-scale TAs (SSTAs) became the first target of reduction and some TAs were merged to save on the total number of TAs. As a result, the following proposals for PRF funding were cancelled as they were not included in their respective department’s pipeline: *Financial and Operational Review of Bangladesh Krishi Bank (BAN)*; *Contracting Health Services (CAM)*; *Safety Nets for Garment Workers in Cambodia (CAM)*; and *Supporting Civil Society Initiatives for Good Governance (RETA)*. Also dropped from the list is the proposal for LAO:

² N.B. This TA for Uzbekistan was approved on 24 July 2006 by BOD for the amount of $600,000.
Promoting LAO Women Union’s Capacity to Organize Poor Rural Women for Viable Micro Finance Services for the Poor, as the counterpart loan of this proposed TA has experienced further delays which make it unlikely for the proposed TA to be completed by the PRF cut-off.

4. **Fund Disbursement.** The total fund committed by the donors to the PRF amounts close to US$61.95 million, which is equivalent to £36 million as of 30 June 2006. From this amount, US$51.94 million is for the regional window (PRF-HQ), and the remaining $10.01 million is for the PRC window (PRF-PRC). In terms of remittance from DFID to PRF account, the total amount received by ADB from donors as of 30 June 2006, is US$17.94 million for the PRF-HQ, and US$5.71 million for the PRF-PRC. The details on disbursement in PRF supported projects are summarized in the table below. The status of grant and statement of TA expenditures is attached as Appendix 2.

<table>
<thead>
<tr>
<th></th>
<th>PRF – HQ</th>
<th>PRF - PRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative Remittance to ADB as of 30 June 06</td>
<td>$17,935,250</td>
<td>$5,706,900</td>
</tr>
<tr>
<td>Cumulative Disbursement as of 31 Dec 05</td>
<td>$8,805,839</td>
<td>$2,544,474</td>
</tr>
<tr>
<td>Disbursements, Jan – Jun 06</td>
<td>$3,896,025</td>
<td>$1,428,720</td>
</tr>
<tr>
<td>Cumulative Disbursement as of 30 Jun 06</td>
<td>$12,701,864</td>
<td>$3,973,194</td>
</tr>
<tr>
<td>Unutilized Cash as of 30 June 2006</td>
<td>$4,869,427</td>
<td>$1,623,126</td>
</tr>
</tbody>
</table>

5. The total cumulative disbursement as of 30 June 2006 was $12.70 million for the PRF-HQ and $3.97 million for the PRF-PRC. For January – June 2006 period, PRF-HQ disbursed $3.9 million, a 64% increase from the total disbursement for the same period last year ($2.38 million).

<table>
<thead>
<tr>
<th>Total Disbursements (in US$)</th>
<th>PRF-HQ</th>
<th>PRF-PRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Jan – Jun</td>
<td>2,379,758</td>
<td>923,763</td>
</tr>
<tr>
<td>2005 Jul – Dec</td>
<td>3,506,474</td>
<td>1,050,026</td>
</tr>
<tr>
<td><strong>Total 2005</strong></td>
<td><strong>5,886,232</strong></td>
<td><strong>1,973,789</strong></td>
</tr>
<tr>
<td>2006 Jan - Jun</td>
<td>3,896,025</td>
<td>1,428,720</td>
</tr>
</tbody>
</table>

6. For PRF-PRC window, the total disbursement is also picking up. For the period January to June 2006, total disbursements amount to $1.43 million, or a 55% increase from the $0.92 million total disbursement for the same period last year.

7. **Content Analysis.** A total of 106 TAs are being funded by the PRF. Of these 106, 4 TAs are project preparatory, and the rest are advisory.

By Region\(^3\). When ADB undertook realignment of its developing member countries (DMCs) in its regional departments in May 2006, all countries of the Mekong Region were merged with the Southeast Asia region, and now called the Southeast Asia Department (SERD). The East and Central Asia Region was divided into East Asia Region (EARD) which include Mongolia and PRC; and Central and West Asia Region (CWRD), which include, among others, Kyrgyz Republic, Tajikistan, Azerbaijan, and Uzbekistan, together with Afghanistan, Pakistan who came from the South Asia Region. Bangladesh, Maldives, Nepal and Sri Lanka remain in the South Asia Region, together

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\(^3\) The list of developing member countries (DMCs) in the recently reorganized Regional Departments are not complete. Only countries with PRF financed TAs are mentioned.
with India and Bhutan, managed by the South Asia Department (SARD). Countries under the Pacific Region (PARD) remain the same. Given this, the regional distribution of PRF-funded projects is now as follows:

<table>
<thead>
<tr>
<th>Region</th>
<th>TA Number</th>
<th>TA Amount (US$ mil)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and West Asia</td>
<td>15</td>
<td>14% 8.76</td>
</tr>
<tr>
<td>East Asia</td>
<td>18</td>
<td>17% 9.46</td>
</tr>
<tr>
<td>Pacific</td>
<td>5</td>
<td>5% 2.18</td>
</tr>
<tr>
<td>South Asia</td>
<td>15</td>
<td>14% 8.11</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>35</td>
<td>33% 16.70</td>
</tr>
<tr>
<td>Regional</td>
<td>18</td>
<td>17% 10.91</td>
</tr>
<tr>
<td>TOTAL</td>
<td>106</td>
<td>100% 56.11</td>
</tr>
</tbody>
</table>

In terms of number and amount, most of the projects are in Southeast Asia with 35 ($16.70 million), followed by East Asia with 18 ($9.46 million), all of which except one is in the PRC. There are 15 projects each in both in Central and West Asia ($8.76 million) and South Asia (8.11 million), 18 projects ($10.91 million) with a regional coverage, and only 5 projects ($2.18 million) in the Pacific.

By Sector. The 106 TAs in the PRF portfolio (both HQ and PRC windows) are distributed across the different sectors, of which most of the TAs (23%) are classified as multisector. The next 22% are classified under the Law, Economic Management and Public Policy sector, 18% in the sector of Agriculture and Natural Resources, and 17% in the Health, Nutrition and Social Protection sector.

By Type (each TA can have more than one type of activities, depending on the concept, scope and objectives of each TA). From the 106 PRF financed TAs, 82 TAs have the specific objective to provide capacity development for poverty reduction; 48 TAs shall provide support to poverty strategy formulation and policy dialogue; 39 TAs are aimed at
developing stakeholder consultations and participation skills; 37 are aimed to contribute to developing new programs and projects; and 37 included pilot activities to influence design. The other types include strengthening ADB’s role in regional poverty issues (8 TAs); support Resident Missions in strengthening country wide poverty reduction (5 TAs) and support for outreach and communication (16 TAs).

By Thematic Area (each TA can have more than one theme). The distribution of the 106 TAs per thematic area is as follows: Capacity Development, 75 TAs (71%); Inclusive Social Development, 69 TAs (65%); Governance, 44 TAs (42%); Sustainable Economic Growth, 42 TAs (40%); Gender and Development, 32 TAs (30%); Environmental Sustainability, 20 TAs (19%); Private Sector Development, 15 TAs (14%); and Regional Cooperation, 12 TAs (11%).
III. KEY ACHIEVEMENTS IN FUND MANAGEMENT: JANUARY – JUNE 2006

8. The following summarizes the key activities carried out by the ADB for PRF fund management during the period in review:

- **Improved TA Processing and Implementation.** As the fund is fully committed, monitoring of individual TA processing and implementation are now given full-time attention. This is also in keeping with the agreement during the 7th NPRS-PRF strategy meeting to closely monitor the implementation and disbursement of PRF-funded TAs to ensure the timely closure of the PRF fund in March 2008. Of the 105 ADB-approved TAs (for both HQ and PRC windows), 7 have been completed, of which two were completed during the review period. In addition to these, 10 other TAs that have completed their activities are awaiting their financial closing. Another 8 TAs are in their final phase of implementation and are nearing completion. Their final reports are currently being prepared.

A total of 10 TAs were approved during the period of review (January to June 2006). These 10 TAs were approved within the 6-months cut-off scheme, and are now in their inception phase. Progress for the remaining TAs (67 TAs) are generally on track, except for 3 TAs, approved in Oct and Dec 2005, which are not yet effective pending the signing of the TA letters by their respective governments. These are: VIE 4679: *Capacity Building Support to Dak Nong Province for Improving Poverty Reduction and Growth Performance*; VIE 4714: *Air Pollution, Poverty and Health Effects in Ho Chi Minh City*; and BAN 4740 (PPTA): *Second Command Area Development Project*.

The 2 regional TAs (RETA 6176: *Building Capacity for Participatory Approaches to Poverty Reduction in ADB Operation*; and RETA 6260: *Socio-economic Impact of Road Crashes on the Poor*) that were delayed due to problems in recruitment of consultants, have now finally started implementation.

- **Completion.** As of end 2005, 5 TAs have been completed: RETA 6061: *Pacific Fund for Strategic Poverty Analysis*; LAO 4009: *Social Protection in the LAO PDR – Issues and Options*; LAO 4108: *Integrating the Poor in Regional Trade*; PRC 4222: *Policy Study on Poverty Reduction Strategy – Trends, Challenges and Future Direction*; and PRC 4298: *Capacity Strengthening of PRC’s National Development Planning Process*.

In addition, another 2 TAs were completed and financially closed during the review period – CAM 4131: *Preventing Poverty and Empowering Female Garment Workers affected by the Changing International Trade Environment* and RETA 6073: *Developing Tools for Assessing the effectiveness of ADB Operations in Reducing Poverty*.

ADB’s work under CAM 4131 is well recognized by various stakeholders and much appreciated by Cambodia’s Ministry of Commerce. This TA resulted to two pilot projects that are now currently being implemented – garment employees development and labor law analysis.

As to RETA 6073, four analytical tools representative to selected countries that can be replicated to other DMCs were developed: (i) Computable General Equilibrium (CGE) Models; (ii) Poverty Predictor Models (PPM); (iii) Poverty Predictor Pilot Surveys (PS); and (iv) Poverty Reduction Integrated Simulation.
Model (PRISM). In addition, the TA also established a comprehensive depository of data sets and models in ADB as well as a network of modelers. The overall impact of these models as tools is very encouraging, with regard to its effects to DMCs, ADB and the general public. The tools have made policy dialogue, poverty analysis and impact assessment more meaningful by providing better information on how policy changes affect the entire economy and the poor, making these tools very useful for ADB and DMCs.

The other 10 TAs that have completed their TA activities, but are awaiting financial closing, are:

♦ PRC 4215: Safe Drinking Water and Sanitation for the Rural Poor. Six case studies were produced, which focused on remote, poor and minority areas, including those with high fluoride/arsenic level. The TA findings fed into the recommendations for viable models for financing sustainable, pro-poor rural WSS systems and institutional reforms.

♦ PAK 4015: Enhancing Capacity for Resource Management and Poverty Reduction in Punjab. This TA produced a Poverty Focused Investment Strategy, district poverty assessment reports and reports on monitoring and evaluation systems and training needs assessments, all of which laid a very good basis for implementing resource management and development planning strategies in Punjab.

♦ CAM 3947: Sustainable Employment Promotion for Poor Women. This TA assisted in providing inputs to the formulation of the National Strategic Development Plan 2006 – 2010 of Cambodia.

♦ VIE 4205: Early Childhood Development for the Poor. The TA led to the development of the government’s Early Childhood Development Strategy. The three component reports, (on health and nutrition, education and economic/investment), produced from this TA were used by related departments (Ministry of Health, Ministry of Education and Training, etc) to advocate and promote early childhood development in the country.

♦ RETA 6109: NGO Partnership for Poverty Reduction. The TA had a direct and positive impact on the generation of the first ADB RCSP for the GMS and its subsequent updating. This TA also promoted the participation of Civil Society Organizations in the process of RCSP and CSP preparation and updating.

♦ RETA 6120: Developing a Social Protection Index for Committed Poverty Reduction. The project had a major impact on social protection discussions in the participating countries, among international MFI and inside ADB.

The other completed but yet to be financially closed TAs are: RETA 6118: Promoting NGO Support for Poverty Alleviation in the GMS Subregion; VIE 4028: Transport Service Networks for the Poor; RETA 6130: Study of Urban Violence in Public Realm Toward Safer Cities; and SRI 4110: Community Information Services for the Poor.

A total of 8 TAs are nearing completion. These are: PAK 4319: Determinants and Drivers of Poverty Reduction and ADB’s Contribution in Rural Pakistan; RETA 6224: Pilot Testing Participatory Assessment Methodologies for Sustainable and Equitable Water Supply and Sanitation Services; CAM 4575: Developing...
Cambodia Business Initiatives (C-BIRD); RETA 6115: Poverty Reduction in Upland Communities in the Mekong Region through Improved community and Industrial Forestry; PRC 4200: Fund for Strategic Policy Conferences and Studies for Poverty Reduction; PRC 4566: Poverty Reduction in Coal Mine Areas in Shaanxi Province; PRC 4307: Poverty Reduction in Key Forestry Conservation; and PRC 4308: Poverty Reduction in Grassland Improvement Program. These TAs’ principal activities are already completed and final reports are currently being prepared.

- **Disbursements.** For the period January to June 2006, total disbursements for the HQ window amount to $3.90 million, a 64% increase from disbursements for the same period last year. Likewise with the PRC window, the total disbursements during the review period amount to $1.43 million or 55% higher than disbursements during the same period last year.

- **Regional TA on Knowledge Management.** In November 2005, a regional technical assistance (RETA 6270) on *Facilitating Knowledge Management for Pro-Poor Policies and Projects* was approved to strengthen knowledge generation, collation, and dissemination related to NPRS and PRF projects. All key consultants under the RETA have been recruited and mobilized during the review period. The consulting services are packaged in two parts—Part A shall tackle knowledge product development and Part B is knowledge management program coordination. Social Development Direct (SDDirect)—a firm recruited to implement Part A of the RETA—fielded an inception mission end May 2006 in ADB Headquarters. The inception mission members met with the NPRS-PRF Secretariat and other ADB staff to discuss issues related to the development of NPRS-PRF knowledge products and to collect data from concerned ADB staff.

  Outputs expected under Part A include short case studies, in-depth case studies, and thematic synthesis studies of selected NPRS-PRF TAs. Preparation of the short and in-depth case studies is ongoing in consultation with concerned project officers and consultants. A draft Knowledge Management Framework (attached as Appendix 4) and a Knowledge Dissemination and Communication Plan have been drafted. Consultation with the Poverty Unit also commenced to harmonize the outlook and visual presentation of the NPRS and PRF websites with the ADB content-based website on poverty reduction, while consultations with Knowledge Management Center explored the integration of PRF knowledge products in ADB’s KM.

- **Seventh NPRS-PRF Strategy Meeting.** The Seventh NPRS-PRF strategy meeting was held on 20-21 March 2006, in ADB headquarters in Manila. The meeting reviewed the status of funds utilization, exchanged ‘outcome stories’ of more than 15 technical assistance projects, reviewed key achievements of the three RM-based poverty reduction specialists/national consultants financed by the two funds, and discussed the scope of the NPRS-PRF knowledge management support through RETA 6270, among others. The meeting was attended by representatives from the Netherlands and DFID, their respective representatives from the Board of Directors and participants from ADB. ADB’s China Resident Mission (PRCM), DFID China; and the poverty reduction specialists from the Cambodia, Viet Nam and Pakistan Resident Missions also joined part of the meeting through videoconferencing. In this meeting, the continuous monitoring of implementation progress and disbursement of all PRF-funded TAs to ensure the
timely closing of the PRF on 31 March 2008, was reiterated. It was also agreed to hold the next strategy meeting in Manila in 2007.

• **Other accomplishments in PRF fund management include:**
  i. Submitted the January to December 2005 PRF Annual Report of accomplishment to the donors, as well as the January – March 2006 PRF Status of Funds
  ii. Provided funding assistance for fact-finding missions and staff consultancy to PRF-funded TAs
  iii. Continuous updating of the PRF database, in line with the realignment of ADB’s regional departments.
  iv. Continuous provision of key support functions to project officers, especially for follow-up on TAs that are behind schedule. The Secretariat has also more rigorously reached out to project officers and offered support in promoting/advertising activities of NPRS-PRF Projects. During the period in review, a number of news and events were spotlighted in the electronic publications of the ADB, as well as on the PRF website.

The events featured are the presentation of the draft law on Gender Equality in Viet Nam (TA 4453) by Women’s Union President Ha Thi Khiet at the National Assembly on 31 May 2006; the launch of NGO-government partnerships in poverty reduction in the PRC (TA 4580), which was attended by ADB PRC resident mission Country Director Toru Shibuchi and an ADB delegation, along with national and local officials; and the workshop (9-10 March 2006) to discuss optimizing Poverty Reduction and Integrated Area Wide Road Networks in the PRC (TA 4322).

The news releases that feature PRF-funded projects are:

- Bringing micro insurance to poor households in Sri Lanka, TA 4761;
- ADB supports first selection of NGOs for PRC Poverty Reduction Programs, TA 4580; and
- Fostering results-oriented approach to Poverty Reduction in South Asian Countries, RETA 6306.

v. Regular update of the PRF website (http://adb.org/prf/) and Trust Funds intranet website. This involved the preparation of web contents for the PRF website, including summary of individual TAs, consolidation of press releases and articles, and reformatting of available reports

vi. Close liaison with NPRS and other poverty and thematic trust funds;

vii. Designed and introduced a NPRS – PRF logo/brand, which has been approved by the Department for External Relations, for promotions and increased visibility;

viii. Regular coordination with the DFID and the Board of Director office, as necessary;

ix. Maintained and/or improved dialogue with DFID at the country level. For example, DFID China has expressed strong satisfaction at improved implementation progress as well as communication of key accomplishments

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under PRF-PRC-funded TAs (see also para. 13). Beyond periodic updates, PRCM is working together with DFID China to facilitate expanded dialogue and lessons sharing across both organizations’ programs, to elevate “partnerships” above funding alone. A calendar of NPRS-PRF activities is attached as Appendix 5.

IV. OVERALL ASSESSMENT AND KEY IMPLEMENTATION ISSUES

9. **Increasing Pace of Disbursement.** As all TAs (except one) funded by the PRF are now being implemented, disbursements for the period January to June 2006 continued to increase in terms of amount and pace. For the HQ window, total disbursement is up by 64% compared to last year. The same is true for the PRC window, which is up by 55% from last year’s disbursements.

10. The regional balance of PRF projects remains distributed across all regions, which now include Southeast Asia, after the realignment of ADB’s regional departments. Most of the TAs supported focuses on upstream work (e.g. policy study and strategy development) and their major thrust is capacity building for poverty reduction and inclusive social development.

11. **Progress in TA Implementation.** Now that TA implementation is in full swing, progress of the 105 TAs under implementation has been generally on track. A total of 7 TAs have been completed, 2 of which were completed during the period under review, i.e. CAM 4131: Preventing Poverty and Empowering Female Garment Workers affected by the Changing International Trade Environment and RETA 6073: Developing Tools for Assessing the effectiveness of ADB Operations in Reducing Poverty. In addition, 10 TAs that completed their TA activities are awaiting financial closing, while eight are nearing completion of its activities.

12. Two previously delayed regional TAs (RETA 6176: Building Capacity for Participatory Approaches to Poverty Reduction in ADB Operation; and RETA 6260: Socio-economic Impact of Road Crashes on the Poor) have started and are generally on track.

13. The PRC component of the Poverty Reduction Cooperation Fund continues to play a key role in enhancing the poverty impact of ADB operations in the PRC. For example, public announcement of the competitive selection of six consortia of NGOs for Phase 1 of the Jiangxi Province pilot test under TA 4580-PRC: NGO-Government Partnerships in Village Legal Poverty Alleviation attracted particular public attention. The TA represents the first time that state funds for government programs in the PRC have been channeled through NGOs on a significant scale, and has the potential to fundamentally transform PRC’s poverty reduction efforts and state-funded programs more broadly. Similarly, by end June 2006, TA 4430-PRC: Rural Finance Reforms and Development of Microfinance Institutions had reached late stages of competitive selection as part of the first-ever licensing of firms/NGOs to implement microfinance in the PRC. DFID China was also particularly pleased to learn that approaches pilot tested under TA 4142-PRC: Fighting Poverty through HIV/AIDS on Road Projects in Yunnan Province (linked to ADB Loan 2014-PRC: Western Yunnan Roads Development) would be replicated alongside an ADB roads project in Guangxi Autonomous Region. In addition to such pilot tests, the PRF-PRC is influencing PRC Government policy and programs through the following:
• Poverty reduction strategy and policy (e.g., through small-scale TA 4222-PRC: Policy Study on Poverty Reduction Strategy, Challenges and Future Directions, key recommendations of which were sent directly to the Premier),

• Formulation and content of the Eleventh Five-year Plan for Economic and Social Development (in particular via TA 4298-PRC: Capacity Strengthening of PRC’s National Development Planning Process and TA 4215-PRC: Safe Drinking Water and Sanitation for the Rural Poor); and

• The first-ever systematic external review of massive government forestry and grasslands programs, including identification of key issues and recommendations, under TA 4307-PRC: Poverty Reduction in Key Forestry Conservation Programs and TA 4308-PRC: Poverty Reduction in Grassland Improvement Program.

14. **Assessment of KM work by the Secretariat.** The NPRS-PRF Secretariat is responsible for the supervision of the knowledge management RETA 6270 – Facilitating Knowledge Management for Pro-Poor Policies and Projects, and for the implementation of Part B of this TA. The first (extended) quarterly TA progress report for this RETA covering the period from end February, the start of the TA-coordinator/consultant, to 30 June 2006 has been prepared.

**Inception phase**

- For the implementation of Part A of the RETA, a firm, SDDirect, was contracted to develop knowledge products taken from NPRS and PRF TAs. Due to a substantial delay in administrative processing of their contract, SDDirect submitted their initial inception report by early May 2006. An inception mission to Manila followed by the end of May 2006, after which SDDirect submitted the Expanded Inception Report, which was accepted by ADB on 8 June. The Expanded Inception Report includes a detailed plan of action and timetable for the delivery of about 80 short and 15 indepth case studies, a number of thematic synthesis papers, and planned missions for field studies, among others. After a delayed start, the development of case studies is catching up and progressing well. However, the developed case studies are not yet ready for publication;

- As part of the inception phase, SDDirect developed and delivered five draft pilot short case studies. Selection was done in close collaboration with the NPRS-PRF Secretariat and respective TA project officers. One of the draft pilot case studies, TA 4131 CAM: Preventing Poverty and Empowering Female Garment Workers Affected by the Changing International Trade Environment, was expanded also as a draft indepth case study. The five pilot short and one indepth case studies are now being finalized and processed for testing the publication and dissemination methods that was prepared by the Secretariat;

- Discussions were held with a number of TA project officers and other divisions to tap their insights and determine their support in capturing the TA results, good practices and lessons learned for dissemination and communication to the DMC counterparts, within ADB and for a broader community of practice, to substantiate the draft NPRS-PRF KM Framework (appendix 4), knowledge products development framework, and knowledge dissemination and communications plan and as a start to implement these plans.
Start of implementation

- Guidelines were drafted on (i) TA Completion Procedures and Management of Knowledge Products and (ii) Post-TA Support, (such as, among others, translation to local languages of relevant reports and results, post-TA seminars and workshops to disseminate the TA results to a broader community of practice).

- RSDD’s Poverty Unit (PU) started developing a content-based website on Poverty Reduction to which the Secretariat contributes with NPRS and PRF supported material. Harmonization of the outlook and presentation of the websites is still ongoing;

- The Secretariat provided pro-active support in developing dissemination and communication activities for two RETAs, i.e TA 6224 and TA 6188. It further provided mission support to a representative of the executing agency in Nepal and the project officer of TA 4759 to attend the third international conference on Conditional Cast Transfers (CCT), which is most relevant to the success of the TA. Both delegates gave also a seminar for ADB staff on CCT, through videoconferencing from Nepal;

WORK PROGRAM FOR JANUARY – JUNE 2006

14. In July - December 2006, the following activities will comprise the key work program:

- Continue implementing activities under the regional TA on Facilitating Knowledge Management for Pro-Poor Policies and Projects being handled by the NPRS-PRF Coordinator, to strengthen knowledge management for both NPRS and PRF;

- Provide support to completed TAs in the dissemination of TA outputs and results to immediate stakeholders, as part of strengthening knowledge management;

- Continue close monitoring of TA implementation as well as disbursement targets;

- Carry out special review missions of NPRS-PRF projects on a selected basis:

- Provide DFID with a quarterly financial/disbursement reports (for as of 30 September 2006 and 31 December 2006) and start collecting data for the 8th Semi-Annual Progress Update and 4th (January – December 2006) Annual Accomplishment Report;

- Launching of the content-based website on poverty reduction in close collaboration with the RSSD-Poverty Unit, and regularly update the revamped website;

- In close consultation with the RSDD-Knowledge Management Center integrate PRF knowledge products in ADB’s KM and other relevant intranet websites, and for further strengthening outreach;

- Improve on / Revamp the current database system using a different software; and;
• Continue dialogues and liaison with the Netherlands and other routine fund management tasks.

List of Appendixes

Appendix 1: List of PRF Projects Endorsed for Funding
Appendix 2: PRF – Status of Grant and Statement of Expenditures (As of 31 June 2006)
Appendix 3: Detailed Status of PRF Endorsed Projects Under Implementation (January to June 2006)
Appendix 4: Knowledge Management Framework (draft)
Appendix 5: Calendar of Activities