



# JAPAN POLICY AND HUMAN RESOURCES DEVELOPMENT FUND

Annual Report 2008



THE WORLD BANK  
Concessional Finance and Global  
Partnerships Vice Presidency



THE GOVERNMENT OF JAPAN

# THE FACES OF THE PHRD

*Partners in Development*



*JJ/WBGSP African Regional Conference, Yaounde, Cameroon, May 2008*

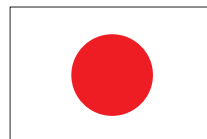


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## MESSAGE FROM ARIF ZULFIQAR, DIRECTOR, GLOBAL PARTNERSHIP AND TRUST FUND OPERATIONS

Since 1989, the Government of Japan has assisted the World Bank's borrowing countries as well as the Bank through the Japan PHRD Fund. This support has been highly relevant and effective in pursuit of the Bank's poverty reduction mission. PHRD's value is amply demonstrated by the continued demand for its resources in the areas of technical assistance, human resources development, and capacity building. This has been confirmed by the 2007 evaluation of the largest core segment of the Fund—the PHRD Technical Assistance Program—and the seventh tracer study of the Joint Japan/World Bank Graduate Scholarship Program.

Throughout fiscal year 2008, the PHRD Technical Assistance (TA) Program maintained its principal role among the Fund's six components. This program accounted for about three-fourths of the total disbursement of US\$83.7 million from the PHRD Fund in fiscal year 2008. During the same year, twenty-seven new TA grants were approved with a combined value of US\$22.0 million. About eighty percent of the approved grant amount was provided for project preparation and implementation activities. A number of climate change initiatives grants were also approved. Taken together, these grants benefited 21 recipient governments. More than four-fifths of the total grant amount was provided to IDA eligible countries. Asian countries received about 45 percent (US\$9.9 million) of the total amount of approved grants in fiscal year 2008.

The Joint Japan/World Bank Graduate Scholarship Program continues to provide a unique opportunity for mid-career professionals from World Bank borrowing countries to pursue graduate studies in development-related fields. In fiscal year 2008, besides the 261 scholarships awarded to applicants from 81 developing countries to pursue graduate-level studies, 56 additional scholarships allowed individual scholars to receive specialized training in fields such as economic policy management and infrastructure management, through partnership arrangements with eleven universities around the world. Japan's contribution to this program in fiscal year 2008 was US\$13.1 million.

The capacity building focus of the PHRD program also includes activities carried out in partnership with the World Bank Institute. The allocation for fiscal year 2008 funded capacity development at the individual, organizational, and institutional levels in Afghanistan, India, Indonesia, the Kyrgyz Republic, Lao PDR, the Philippines, Thailand, Uzbekistan, and Vietnam through skill-building and knowledge-sharing events.

The Japan Indonesia Presidential Scholarship Program was launched in fiscal year 2008. The program, funded from the PHRD Fund, aims to strengthen the qualifications and experience of university staff, attract new talent to careers in higher education, foster foreign and domestic academic partnerships, and support studies related to development in any

World Bank member country (except Indonesia). The Government of Japan contributed US\$2.0 million in fiscal year 2008 for this program.

In fiscal year 2008, the Government of Japan contributed US\$2.9 million to the Japan PHRD Staff and Extended-Term Consultant Program to augment the participation of Japanese nationals in the Bank. During this fiscal year seventeen appointments were made under this program.

The Japan-World Bank Partnership Program, an umbrella arrangement including the work of the Tokyo Development Learning Center, the Policy Dialogue Enhancement Support Fund III and the Public Outreach Support Fund, supports the ever-deepening relationship which the PHRD Fund has helped to foster between the Government of Japan and the Bank.

The PHRD Technical Assistance Program has reached a watershed in fiscal year 2008. This Program is being restructured to align it with evolving development challenges, such as food security in Africa, climate change, disaster prevention and human capital development. The new PHRD Technical Assistance Program is expected to be launched in January 2009.

The Global Partnership and Trust Fund Operations Department remains committed to maximizing the effective and efficient use of the PHRD Fund for development purposes, as agreed between the Government of Japan and the Bank. We are sincerely grateful to the Government of Japan for the support provided through the Fund to development activities.



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## ACRONYMS AND ABBREVIATIONS

<b>AFR</b>	Africa Region
<b>AP</b>	Asia Pacific
<b>APD</b>	Annual Policy Document
<b>APO</b>	Asia Productivity Organization
<b>ASEAN</b>	Association of South East Asian Nations
<b>CAS</b>	Country Assistance Strategy
<b>CCIG</b>	Climate Change Initiatives Grants
<b>CEPF</b>	Critical Ecosystem Partnership Fund
<b>CFP</b>	Concessional Finance and Global Partnerships
<b>CGAP</b>	Consultative Group to Assist the Poorest
<b>CoF</b>	Project Cofinancing
<b>CTF</b>	Consultant Trust Fund
<b>DPD</b>	Dewan Perwakilan Daerah
<b>EAP</b>	East Asia and the Pacific Region
<b>ECA</b>	Europe and Central Asia Region
<b>EPDF</b>	Education for All Fast Track Initiative Education Program Development Fund
<b>ETC</b>	Extended Term Consultant
<b>FY</b>	Fiscal Year
<b>GDLN</b>	Global Development Learning Network
<b>GDLN AP</b>	Global Development Learning Network Asia Pacific
<b>GFDRR</b>	Global Facility for Disaster Reduction and Recovery
<b>GHG</b>	Greenhouse Gases
<b>GoJ</b>	Government of Japan
<b>GRM</b>	Grant Reporting and Monitoring
<b>IBRD</b>	International Bank for Reconstruction and Development

<b>ICM</b>	Implementation Completion Memorandum
<b>ICR</b>	Implementation Completion Report
<b>IDA</b>	International Development Association
<b>ISR</b>	Implementation Status Report
<b>JIPS</b>	Japan Indonesia Presidential Scholarship Program
<b>JJ/WBGSP</b>	Joint Japan/World Bank Graduate Scholarship Program
<b>KPI</b>	King Prajadhipok's Institute
<b>LCR</b>	Latin America and the Caribbean Region
<b>LIC</b>	Low-Income Countries
<b>LMC</b>	Lower Middle-Income Countries
<b>MDGs</b>	Millennium Development Goals
<b>MNA</b>	Middle East and North Africa Region
<b>NGO</b>	Non-Governmental Organization
<b>PHRD</b>	Japan Policy and Human Resources Development
<b>PI</b>	Project Implementation
<b>PIC</b>	Public Information Center
<b>PP</b>	Project Preparation
<b>SAR</b>	South Asia Region
<b>SINET</b>	Science and Information Network in Japan
<b>TA</b>	Technical Assistance
<b>TDLC</b>	Tokyo Development Learning Center
<b>TF</b>	Trust Fund
<b>TICAD</b>	Tokyo International Conference on Africa Development
<b>TTL</b>	Task Team Leader
<b>UMC</b>	Upper Middle-Income Countries
<b>WBI</b>	World Bank Institute
<b>WDR</b>	World Development Report

## INTRODUCTION AND OVERVIEW

## 1.1 PHRD Origins and Objectives

The Japan Policy and Human Resources Development (PHRD) Fund was established in 1990 as a partnership between the Government of Japan (GoJ) and the World Bank. Over the past 18 years the Fund has supported a wide range of poverty alleviation and capacity building activities.

The scope of the Fund is described in the Arrangement for the Administration of the Fund (as revised in March 1999) as follows:

The Fund may be used for the purposes of financing technical assistance and other grant activities in respect of the formulation and implementation of Bank-supported projects and programs and activities to help develop human resources in developing member countries of the Bank, to assist developing member countries of the Bank to formulate and implement development policy and to strengthen the partnership between Japan and the Bank.

In the current decade, since fiscal year 2000 (FY00), GoJ has contributed US\$670 million to the PHRD Fund (see Figure 1). It is one of the largest trust funds managed by the World Bank and is recognized as

Figure 1 Annual Contributions to the PHRD Fund (US\$ million)



making a unique contribution to the Bank's development role in many areas, ranging from preparation by governments of Bank-financed operations in recipient countries to the provision of graduate scholarships to citizens of Bank member countries.

## 1.2 Program Overview

In FY08, the PHRD Fund supported technical assistance, human resources development and capacity building, Japanese staff and consultants, and Japan-World Bank partnership initiatives through the following programs:

### *Technical Assistance:*

- The **PHRD Technical Assistance (TA) Program** provided grants primarily to assist the World Bank's borrowing countries with the preparation and implementation of operations to be financed through International Bank for Reconstruction and Development (IBRD) loans and International Development Association (IDA) credits and grants. In addition, the PHRD TA Program supported a range of climate change-related activities.

### *Human Resources Development and Capacity Building:*

- The **Joint Japan/World Bank Graduate Scholarship Program (JJ/WBGSP)** provided scholarships to support post-graduate training at Master's

degree level for member country nationals. Similar scholarship programs supported by Japan are managed by other Multilateral Development Banks, but the JJ/WBGSP is both the longest-established and by far the largest of these programs.

- The **PHRD-World Bank Institute (WBI) Capacity Development Grants Program** supported WBI's capacity development activities, with a particular focus on activities in East, South and Central Asia.
- The **Japan Indonesia Presidential Scholarship Program (JIPS)** was established in 2008 to support studies in fields related to development such as economics, management, education, health, agriculture, infrastructure and environment.

### *Japanese Staff and Consultants:*

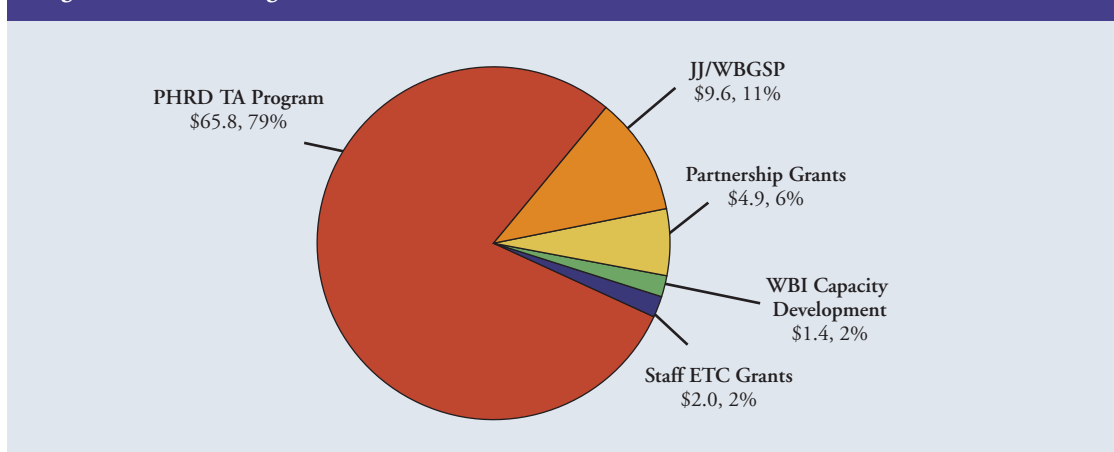
- The **Japan PHRD Staff and Extended-Term Consultant (ETC) Program** supported part of the costs of Japanese nationals recruited to work within the World Bank.

### *Partnership Initiative:*

- The **Japan-World Bank Partnership Program** supported activities, such as research programs, workshops, and seminars that promote partnership between Japan and the World Bank.

Figure 2 shows the relative share of disbursements from each of these programs. In FY08, more than

Figure 2 PHRD Program Disbursements in FY08 (US\$ million)



three-fourths of the total disbursements of US\$83.7 million from the PHRD Fund were from the PHRD TA program. This disbursement share is slightly higher than the previous year. The next largest share of disbursement was from the JJ/WBGSP which accounted for 11 percent (US\$9.6 million) of total FY08 disbursements, and represents the same share as in FY07. The Japan-World Bank Partnership Program was the third largest component, with six percent of FY08 disbursements which is a decrease of three percentage points from FY07.

In addition to these core programs (discussed further in Chapters 2, 3 and 4), the PHRD Fund also supports other activities where the World Bank plays an important role in the international community. This often involves transferring resources from the PHRD Fund to other programs administered by the Bank Group, such as the Critical Ecosystem Partnership Fund (CEPF), the Global Facility for Disaster Reduction and Recovery (GFDRR), the Consultative Group to Assist the Poorest (CGAP), the Education for All Fast Track Initiative Education Program Development Fund (EPDF), and the Red Sea-Dead Sea Water Conveyance Feasibility Study Trust Fund.

### 1.3 FY08 Program Highlights

#### *PHRD TA Program:*

- Fifty-one PHRD TA grant proposals valued at US\$39.54 million were submitted to GoJ for approval in FY08.
- Twenty-seven grants valued at US\$22.0 million were approved in FY08. These approvals included some proposals submitted in FY08 and previous years.
- In value terms, the regions with the largest share of the approved grants were: East Asia and the Pacific (EAP) Region, Latin America and the Caribbean (LCR) Region, and Africa Region (AFR). About one-third of the approved grants were for the EAP region, while the LCR and AFR regions each received about one-fifth of the total approved grant amount. Mongolia, Nigeria, and Mexico were among the top three recipients of PHRD TA grants.

- About half of the value of the approved grants was for two sectors: Agriculture, Fishing, and Forestry and Health and Other Social Services.
- Project Preparation (PP) grants maintained their dominant position. About half of the total value of the approved grants in FY08 was for PP grants. Project Cofinancing (CoF) grants for institutional capacity building comprised 30 percent of the total approved amount and 15 percent was for Climate Change Initiatives Grants (CCIG). The climate change grants are expected to benefit operations that deal with adaptation to climate change, carbon finance development, and strengthening of carbon market institutions.
- Twenty-one percent of the operations approved by the World Bank for financing in FY08 were prepared with PHRD TA PP grants.
- Overall demand for all PHRD TA grant types was lower compared to previous years. Grant proposals submitted by the Regions accounted for only 60 percent of the total FY08 allocation (US\$65.0 million).
- The 18-year old PHRD TA Program is being restructured in FY09 to align with evolving development challenges and the existing grant types have been discontinued effective FY09.

#### *Other PHRD Fund Programs:*

- Under the JJ/WBGSP, 261 scholars were sponsored. Of these scholarships, 205 were provided to scholars from 81 countries under the Regular Program, and 56 were awarded under the Partnership Program.
- A wide range of activities in seventeen focus countries were financed under the WBI Capacity Development Grants Program. These WBI programs were aligned with country assistance strategies, recipient countries' poverty reduction strategies and countries' internationally agreed development goals.
- Seventeen appointments were made under the Japan PHRD Staff and ETC Program.



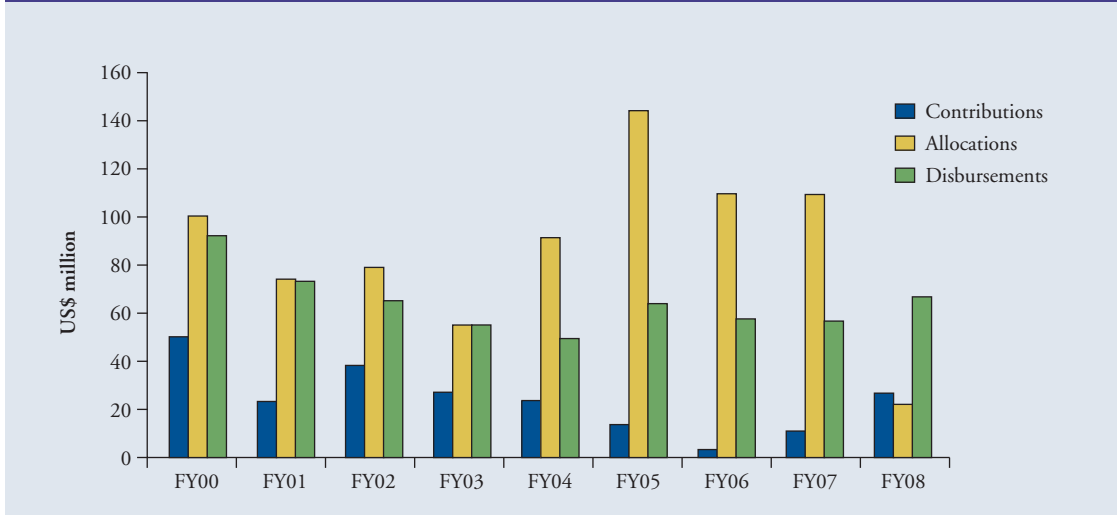
## PHRD TECHNICAL ASSISTANCE PROGRAM

### 2.1 Program Trends

Figure 3 shows the trends in the PHRD TA contributions,<sup>1</sup> allocations and disbursements during FY00-08. The annual contribution has been declining since FY02. After hitting a low of US\$2.9 million in FY06, it rebounded to US\$11.1 million in FY07 and more

than doubled to \$24.7 million in FY08. In contrast, TA allocations<sup>2</sup> were at their lowest level since FY00, dropping from US\$108.9 million in FY07 to only US\$22.2 million in FY08. Grant disbursements<sup>3</sup> (US\$65.79 million) in FY08 were slightly higher than in previous fiscal years.

Figure 3 PHRD TA Contributions, Allocations, and Disbursements (US\$ million)



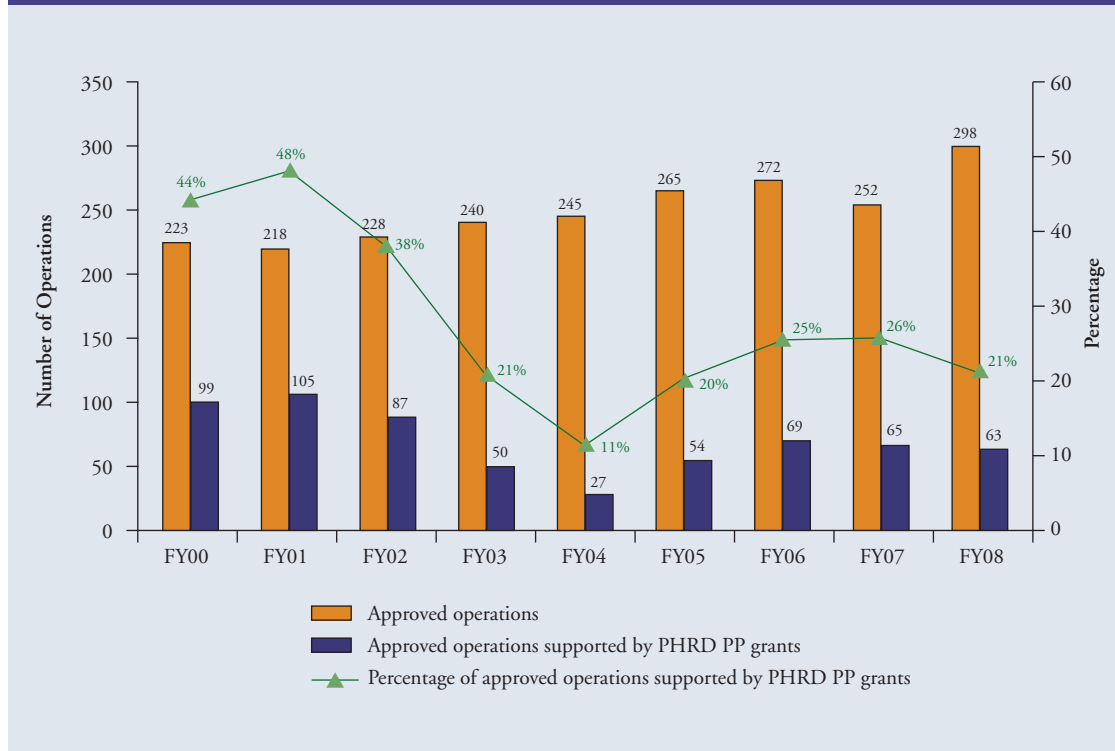
<sup>1</sup> Contribution = amount received from GoJ, in US dollar equivalent.

<sup>2</sup> Allocation = grant amount, as approved by GoJ, recorded when the specific grant account is established. When grants are approved late in the fiscal year (FY), the allocation may

not be recorded until the following fiscal year. As a result, annual data on “allocations” and “approvals” are not always identical.

<sup>3</sup> Disbursement = amount withdrawn from the grant account to finance expenses incurred by the grant recipients.

**Figure 4 Total World Bank Approved Operations and Those Supported by PHRD PP Grants**



PHRD TA grants have been an important source of financing available to low-income and lower middle-income countries<sup>4</sup> for the preparation of IBRD loans and IDA credits. Figure 4 shows that preparation of nearly half of the total number of loans and credits approved for Bank financing during FY00-02 were supported by PHRD PP grants. This ratio declined sharply to 11 percent in FY04. It rose to 26 percent in FY07, but fell to 21 percent in FY08.

Figure 5 shows that the total value of PHRD TA grants approved by GoJ was between US\$96 and US\$99 million annually in the three years from FY05

to FY07. In FY08, the total value of approved grants was only US\$22 million. In early FY09, the GoJ approved an additional 33 PHRD TA grants with a total value of US\$25.0 million.

In response to emerging development challenges, the PHRD TA Program had supported several innovative approaches. The scope of the Program was expanded in FY00 to address implementation capacity issues in ongoing projects (*Project Implementation grants*), and in FY02 the *Climate Change Initiatives Grants* program (CCIG) was introduced. In FY04 the *Project Co-financing Grants* program (CoF) was introduced to supplement IDA operations. After a period of low demand, the *Project Implementation* (PI) grant window was closed in FY08 and no new grant proposals were submitted in FY08. Two grants amounting to US\$1.3 million which were submitted for approval in FY07 were approved in FY08.

<sup>4</sup>According to 2006 GNI per capita, countries' income groups are: low-income (LIC), US\$905 or less; lower middle-income (LMC), US\$906-US\$3,595; upper middle-income (UMC), US\$3,596-US\$11,115; and high-income, US\$11,116 or more. Source: World Development Report (WDR), 2008.

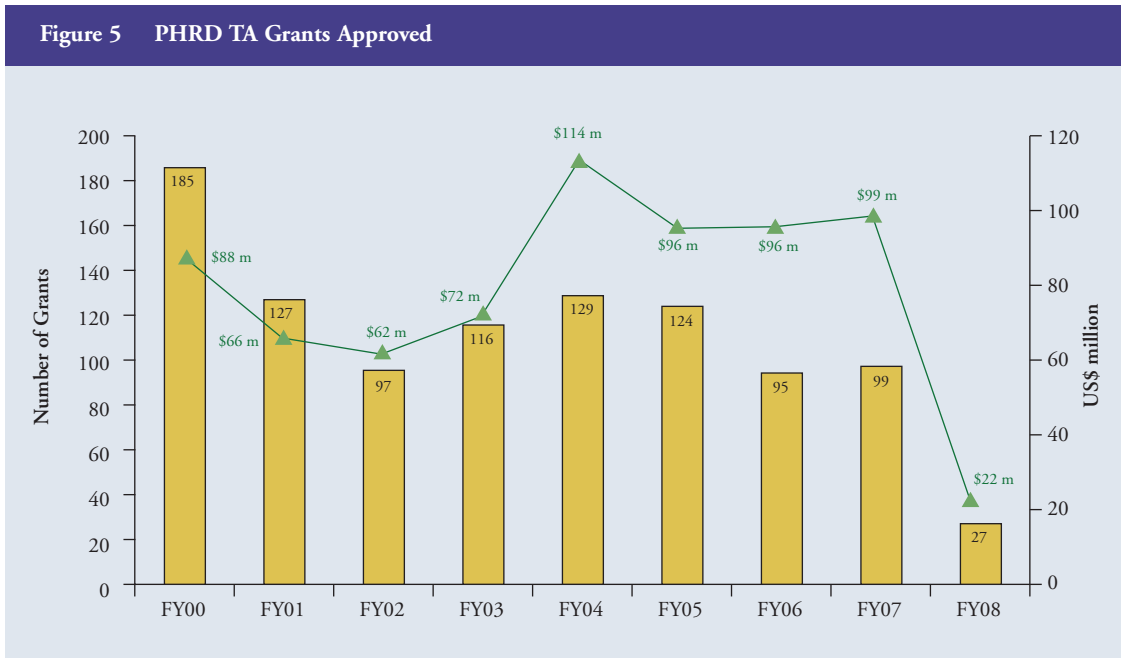
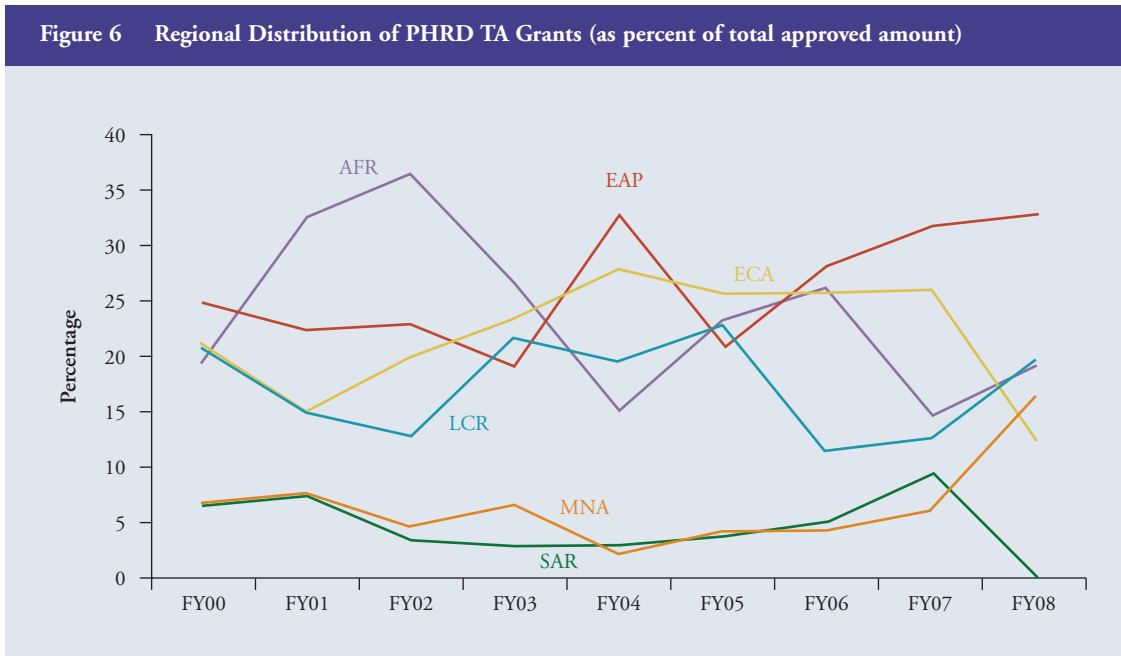


Figure 6 shows that, as in the previous fiscal year, EAP region maintained its dominant position in FY08. In both years, the region received about one-third of the total amount of approved grants. ECA region's share of approved grants stabilized at around 26 percent in

the past three years, but in FY08 this collapsed to only 12 percent. LCR's share increased in FY08 compared to the previous two years. AFR and MNA regions' share of the approved grant amount also increased.





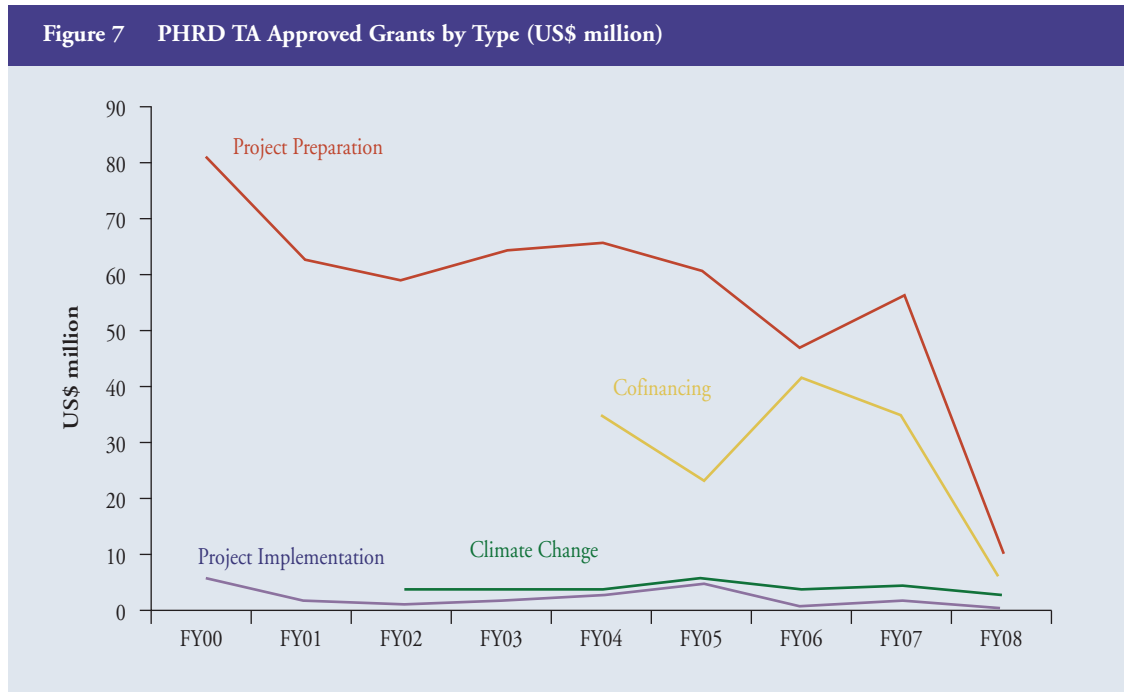
*Twenty-five percent of the PHRD TA grants approved in FY08 support operations in the Health and Other Social Services sector.*

## 2.2 PHRD TA Grants in FY08

The regional submission of grant proposals is guided by the allocation in the Annual Policy Document (APD) which is agreed between GoJ and the World Bank. The FY08 APD provided US\$65.0 million (Annex 1), which is much lower than the APD allocations of US\$120.0 million in FY07 and US\$100.0 million in FY06. The FY08 APD allocation was distributed as follows: US\$30.0 million was for PP; US\$25.0 million for CoF; and US\$10.0 million for CCIG. In response to this provision, 51 new grant proposals (amounting to US\$39.54 million) were submitted by the Regions for approval.

The PHRD TA Program is committed to supporting poverty reduction efforts, with a continuing focus on the poorest countries. In FY08, about 87 percent of the total grants submitted, by value, were for IDA-eligible countries. Also in the same year, the value of grant submissions for Asia (including countries in East, South and Central Asia) was 46 percent of the total.

The overall demand for the various grant types was lower in FY08 compared to previous years. In FY08, the demand for the various grant types was only 34 percent of the total allocation compared to 82 percent in FY07. By grant type, the demand for PP grants was 36 percent of the total FY08 allocation compared to 81 percent of the total FY07 allocation; for CoF grants, the FY08 demand was 27 percent in FY08 compared to over 100 percent in FY07; and for CCIG grants, the demand in FY08 was 33 percent compared to 52 percent in FY07. The following factors may have contributed to the lower demand. Uncertainty regarding the future of PHRD TA program and delays in grant approval may have discouraged Task Teams from submitting new proposals. Reduction in the ceiling of the Cofinancing grants from US\$5.0 million to US\$1.0 million in FY08 may also have discouraged teams from submitting CoF proposals as well as reducing the size of grants requested. In previous years, the average size of approved CoF grants was about US\$ 3.0 million. The reduced grant ceiling may have been considered inadequate by the Regional staff to justify submission of grant requests.

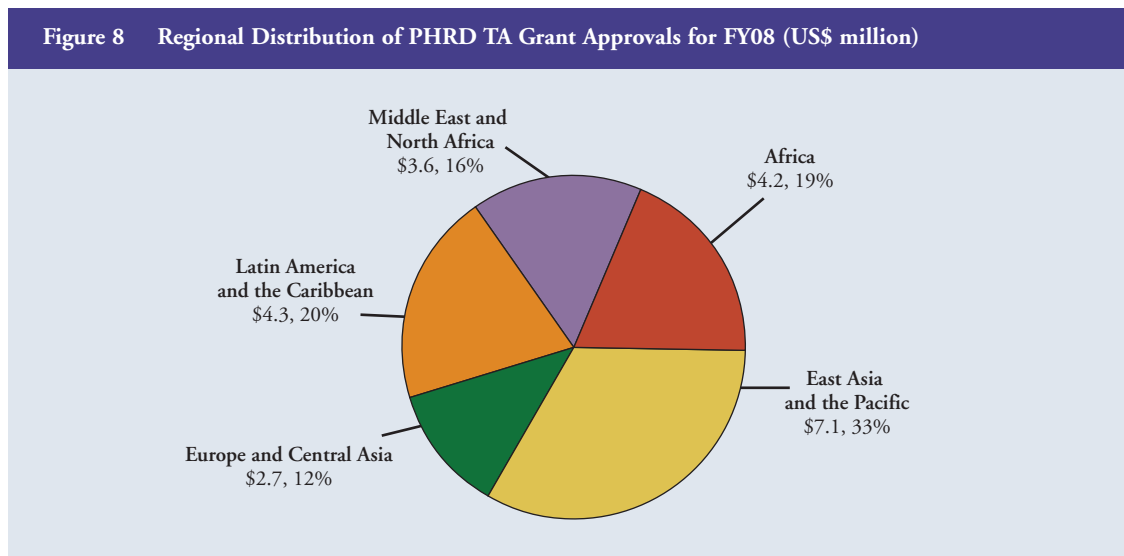


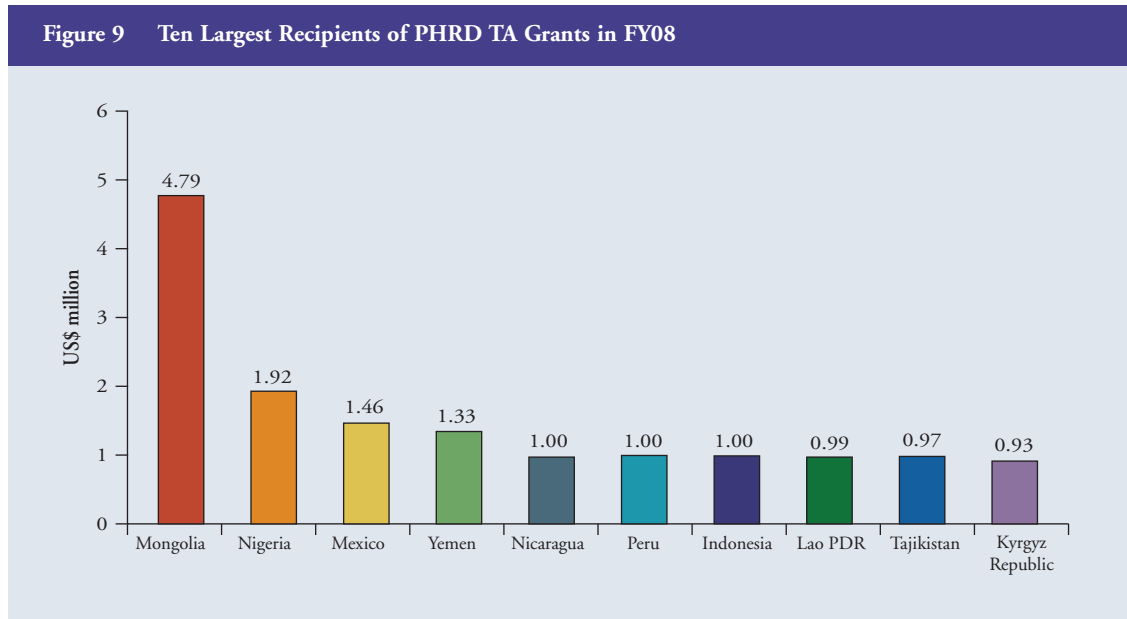
A detailed list of grants approved in FY08 is provided in Annex 2. The Annex includes submissions in FY08 and from previous years.

Figure 7 shows approval of various types of grants by fiscal year. Figure 8 shows the regional distribution of all approved PHRD TA grants in FY08. SAR did not receive any approvals in FY08.

PHRD TA grants approved in FY08 were for 21 recipient countries, compared to 53 in FY07. The top ten grant recipient countries in FY08 are shown in Figure 9 below. Mongolia received 22 percent of the total grant amount approved in FY08 for three types of grants (PP, CoF and Climate Change).

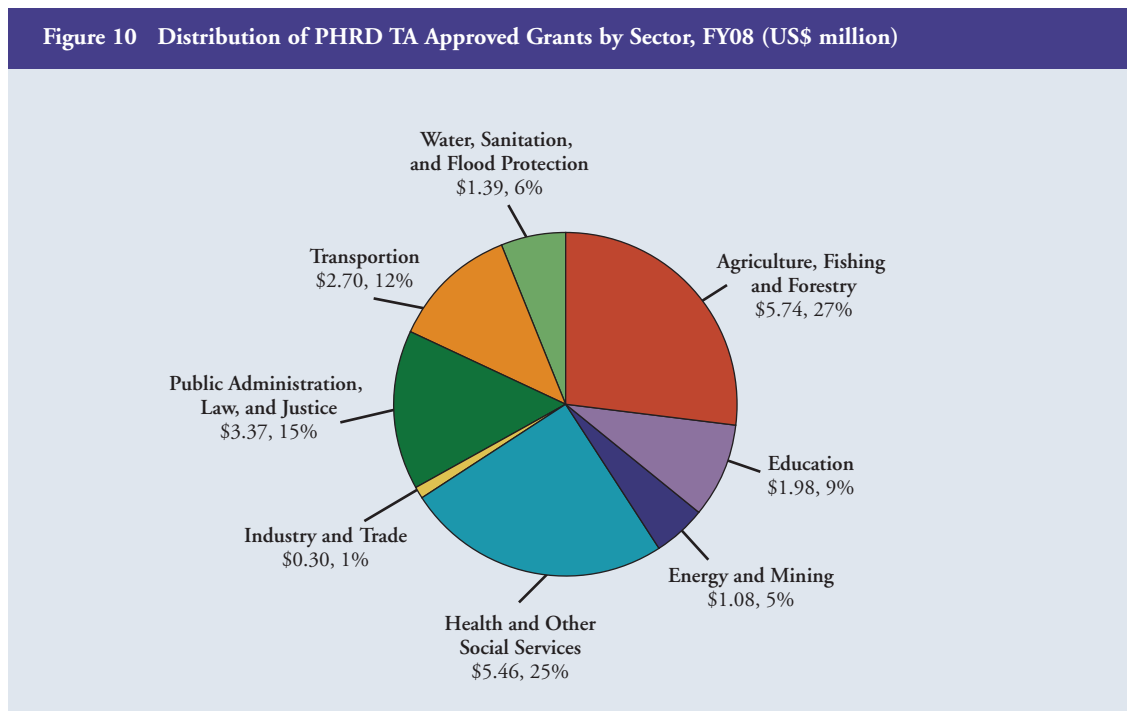
The distribution of approved PHRD TA grants by sector in FY08 is shown in Figure 10. In FY08, the





largest share (27 percent) of the grants was for operations in the Agriculture, Fishing, and Forestry sector, followed closely by 25 percent of grants for operations in the Health and Other Social Services sector. In

FY08, the share of grants for the Public Administration, Law, and Justice sector (15 percent) remained about the same as in FY07 (17 percent), but the sector went from first to third place.





*Twenty-seven percent of the PHRD TA grants approved in FY08 support operations in the Agriculture, Fishing, and Forestry Sector.*

#### *(a) Project Preparation Grants*

Project Preparation grants were aimed to strengthen the quality and recipient ownership of operations financed by the World Bank through the provision of funds directly to potential borrowers to obtain technical expertise that would assist in preparing Bank loans and credits. In FY08, GoJ approved 16 new grants amounting to US\$10.7 million. All these grants are expected to be implemented by grant recipient countries.

As in previous years, about half of the total approved TA grant amount was for project preparation in FY08. Five grants, representing about one-fourth of the value of the PP grants, were approved for operations in the Agriculture, Fishing, and Forestry sector. About one-fifth of the total value of the PP grants was approved for operations in the Education sector. Approximately 13 percent of the total value of the PP grants was approved for operations in each of the following three sectors: Health and Other Social Services, Public Administration, Law, and Justice sector, and Water,

Sanitation and Flood Protection. The remaining share supported preparation of operations in the Energy and Mining, and the Transportation sectors.

#### *(b) Project Implementation Grants*

The purpose of this category of PHRD TA grants was to address specific weaknesses in the capacity of implementing agencies that have hampered the implementation of World Bank-financed project activities, and where the shortcomings were not identified during project preparation. The grants were available for IDA/IDA-blend and lower middle-income countries to support World Bank-financed operations that have been under implementation for at least 12 months and are facing capacity constraints. Grant activities included technical assistance to build institutional capacity and local training.

As stated earlier, the PI grant type was discontinued in FY08, but two grants totaling US\$1.3 million which were submitted for approval in FY07 were approved in FY08. These grants were for capacity building activ-



*The Yemen Port Cities Development Program II is expected to transform some of Yemen's strategic port cities into regional centers of economic growth.*

ities in the areas of industry and trade facilitation, and improving local governance.

#### *(c) Project Cofinancing Grants*

This grant category aimed to support technical assistance that would strengthen institutional capacity for operations financed by the Bank in IDA/IDA-blend countries.

In FY08, GoJ approved four Cofinancing grants with a total amount of US\$6.7 million. These grants are expected to support: Health and Other Social Services (58 percent), Agriculture, Fishing and Forestry (15 percent), Public Administration, Law and Justice (15 percent), and Transportation (12 percent). The EAP and ECA regions were the only recipients of Cofinancing grants in FY08.

#### *(d) Climate Change Initiatives Grants*

Climate Change Initiatives grants aimed to support the inclusion of climate change concerns in the development planning process of recipient countries. They also supported the preparation and implementation of World Bank-financed projects that are aimed at reduction in emissions of greenhouse gases, and the promotion of energy efficiency or adaptation to the adverse impacts of climate change.

In FY08, five grants valued at US\$3.3 million were approved for Climate Change Initiatives that benefited all Bank regions, except SAR. These grants are expected to support activities related to projects dealing with adaptation to climate change, biodiversity, and carbon finance development.

## HUMAN RESOURCES DEVELOPMENT AND CAPACITY BUILDING PROGRAMS

### 3.1 Introduction

GoJ supports the following three human resources development and capacity building programs through the PHRD Fund: (a) the Joint Japan/World Bank Graduate Scholarship Program; (b) the WBI Capacity Development Program; and (c) the Japan Indonesia Presidential Scholarship Program.

### 3.2 Joint Japan/World Bank Graduate Scholarship Program

The main objective of the Joint Japan/World Bank Graduate Scholarship Program (JJ/WBGSP) is to help build a community of highly qualified professionals in the field of economic and social development in developing countries through providing graduate study opportunities to mid-career professionals from World Bank borrowing countries. The Program has two parts - the Regular Program and the Partnership Program - both of which lead to a Master's degree. Since its establishment in 1987, the JJ/WBGSP has awarded 4,001 scholarships from a pool of 56,406 applicants for studies in development-related fields at renowned universities in Bank member countries. Among them, 1,024 scholarships were awarded for studies at the various partner institutions under the Partnership Program. The Program's performance is evaluated through periodic tracer studies. The latest (2007) study showed, as did the previous studies, that about 85 percent of the scholars who completed the program during 1987-2006 returned to their home countries or to another

developing country. Moreover, over one quarter of respondents to the tracer survey were working at managerial and executive positions where they can influence public policy decisions.

The JJ/WBGSP supports 11 Partnership Programs at universities around the world. These programs enable scholars to receive specialized training in key areas of development, such as economic policy management and infrastructure management. Through its partnership scheme, the JJ/WBGSP contributes to building the institutional capacity of four African universities by supporting Master's degree programs in Economic Policy Management.

In FY08, GoJ contributed US\$13.1 million to the JJ/WBGSP, which allowed the Program to sponsor a total of 261 scholars. In FY08, the Program awarded 205 new scholarships under the Regular Program to scholars from 81 countries, and 56 scholarships to Partnership Program scholars. For the Regular Program, 45.3 percent of the awardees were from Africa region, 15.3 percent from South Asia region and 14.7 percent from East Asia and Pacific region. About three-fourths of awardees served in the public sector in their countries, 10.5 percent worked for Non-Governmental Organizations (NGOs), and 3.7 percent were employed by regional or international organizations.

The Scaling-Up Program, which was launched in 2005, aims to promote knowledge sharing and information exchange among JJ/WBGSP alumni by supporting networking opportunities and knowledge



*JJ/WBGSP Scaling-up Program Conference, Washington, DC, November 2007*

exchange. In FY08, a day-long conference in Washington, D.C., provided JJ/WBGSP scholars studying in the eastern United States an opportunity to learn from development practitioners at the World Bank. Two regional conferences were held in Yaoundé (May 2008) and in Jakarta (June 2008), with prominent professionals from GoJ, the World Bank, academic institutions, and outstanding recent alumni. In FY08, four alumni associations were established in Cameroon, Chad, West Africa, and Indonesia.

### 3.3 WBI: Supporting Capacity Development through Knowledge and Innovation

The World Bank Institute (WBI) supports the knowledge and learning agenda of the six strategic directions of the Bank through knowledge exchange and dissemination. To this end, the Institute helps countries acquire, share, and apply global and local knowledge to meet their development challenges. As one of the Bank's main instruments of capacity building, WBI helps develop country capacity in close collaboration

with the Bank's regional operations and its partners, by designing and delivering customized programs for countries; by delivering global and regional activities to address issues that go beyond country boundaries; and by developing diagnostic tools to assess country capacity needs.

Japan continued to be one of the largest donors to WBI, providing nearly 19 percent of all donor contributions for WBI during FY08. The PHRD WBI Capacity Development Grants Program was critical in supporting WBI's multiyear, country-specific programs, particularly in Asia, that were aligned with Japan's priority areas and consistent with the Bank's country assistance strategies or regional and sector strategies.

In FY08, GoJ approved an allocation of \$1.88 million to fund programs in WBI's 11 focus countries<sup>5</sup> in Asia (See Box 1).

<sup>5</sup> WBI focus countries which received support from Japan's FY08 new allocation were: Afghanistan, India, Indonesia, the Kyrgyz Republic, Lao PDR, the Philippines, Sri Lanka, Tajikistan, Thailand, Uzbekistan, and Vietnam.

<b>Box 1 PHRD WBI Capacity Development Grants Program (FY08)</b>			
<b>WBI Program Title</b>	<b>Amount (in US\$000)</b>	<b>WBI Program Title</b>	<b>Amount (in US\$000)</b>
<b>East Asia</b>	<b>1,170</b>	(b) Short Policy Note on Long-Term Capacity Strengthening at Ministry of Construction	
<i>Indonesia Country Program:</i>	<i>325</i>	■ Strategic Environmental Assessment and Enforcement Training Workshops	
■ Local Government: Building Local Government Capacity for Service Delivery and Efficient Public Resource Management through Performance-oriented Budgeting at Local Levels		<b>South Asia</b>	<b>500</b>
■ Health Sector Flagship Program		<i>Afghanistan Country Program:</i>	<i>80</i>
■ Parliament, Media and Good Governance		■ Public Finance Management	
■ Investment Climate:		■ Urban Planning and Management	
(a) Building Capacity for Regulatory Reform		■ Private Sector Development	
(b) PPP Project Design, Implementation and Evaluation		<i>India Country Program:</i>	<i>350</i>
<i>Lao PDR Country Program:</i>	<i>50</i>	■ Urban Management	
■ Monitoring and Evaluation Client Capacity Building		■ Capacity Development for Local Government through Social Accountability	
<i>Philippines Country Program:</i>	<i>295</i>	■ Investment Climate	
■ Urban and Local Government: Strengthening of Local Government Units in the Delivery of Basic Services		■ Health and AIDS	
■ Disaster Risk Management		<i>Sri Lanka Country Program:</i>	<i>70</i>
■ Water Resource Management: Farmer Participation in Irrigation Management and Transfer		■ Poverty and Growth Program	
■ Health Sector Flagship		■ Media Program	
<i>Thailand Country Program:</i>	<i>250</i>	■ Strengthening Parliament	
■ Fiscal Decentralization and Local Governance: Responsive and Accountable Local Governance		<b>Central Asia</b>	<b>210</b>
■ Improving Parliamentary Oversight in Thailand		<i>Kyrgyz Republic Country Program:</i>	<i>60</i>
■ Public-Private Partnerships Institutional and Regulatory Issues		■ Capacity Support to Health Care Reforms	
<i>Vietnam Country Program:</i>	<i>250</i>	<i>Tajikistan Country Program:</i>	<i>90</i>
■ Parliamentary Oversight		■ Building Capacity to Implement a Medium-Term Expenditure Framework	
■ Urban Environment		■ Building Capacity of the State Committee for Investment and State Property Management (SCIPM) to Improve the Investment Climate	
(a) Overview Integrated Training Courses in Environmental Management and Urban Development		<i>Uzbekistan Country Program:</i>	<i>60</i>
		■ Health and Education Monitoring and Evaluation (M&E)	
		<b>Total Funding approved in FY08</b>	<b>1,880</b>

The total PHRD funds that were available to WBI, including both the new allocation and the carry-over funds from previous fiscal years, amounted to \$4.16 million. This enabled WBI to deliver a wide range of activities in 17 focus countries, mainly in Asia, and some regional activities. The largest PHRD-financed

programs were in Indonesia, India and Vietnam, and the focus areas were Public Sector Governance, Urban and Local Government and Health and AIDS. Box 2 highlights specific activities and achievements of the three country-level programs.

## Box 2 PHRD WBI Capacity Development Grants Program: FY08 Achievements of Selected Programs

### Supporting Investment Climate Reforms in Poor States in India

Since 2005, WBI has been helping to improve the investment climate in one of the poorest states in India, Orissa, and from 2007 in the state of Bihar. The program in Orissa provided support to streamline investment processes under the Government of Orissa's Industrial Policy Resolution 2001, which is aimed at increasing investment in the state. WBI designed a series of targeted interventions that combined training and technical assistance to help build the capacity of the government's implementing agencies, namely the Industrial Promotion and Investment Corporation of Orissa Limited, which deals with large investments, and the Department of Industries and its District Industries Centers, which covers small and medium investments that are crucial for broad-based growth and poverty reduction. The program has helped raise awareness and build knowledge and skills among agency staff.

### Strengthening Local Governance in India and Thailand

WBI helped organize a global conference on federalism for some 1,500 Indian and overseas participants, including India's president, prime minister, state governors, most members of federal and state cabinets, judges, lawyers, scholars, and civil society representatives. The conference facilitated knowledge sharing about federalism reform, especially fiscal federalism. The book *The Practice of Fiscal Federalism* was launched at the conference. A year earlier, another WBI publication, *Local Governance in Developing Countries*, had been used to build consensus for strengthening local government. WBI also worked with the King Prajadhipok's Institute (KPI) in Bangkok to facilitate a discussion on strengthening the role of local government in Thailand's economic development. KPI, the Prime Minister's Office, central ministries, local government, and selected local government representatives and scholars came together to exchange views on the new laws for local government administration and local government finance.

### Parliamentary Strengthening in Indonesia

WBI's Parliamentary Strengthening Program helped raise parliamentarians' awareness on ways of overseeing the executive branch of government. The program worked with the Dewan Perwakilan Daerah (DPD) (the Indonesian Senate) on how best to engage in the budget process and enhanced the upper chamber's capacity to monitor the government's financial operations. Case studies of parliamentary reform in Indonesia illustrated the benefits of the right combination of knowledge, skills, opportunity, and motivation. The program led to an agreement among parliamentarians on the DPD's strategic priorities, a plan and vision for the coming year, and the development of an action plan to raise public awareness of the DPD's work. With WBI's support, Indonesia is establishing a public accounts committee and a parliamentary budget office.

### 3.4 Japan Indonesia Presidential Scholarship Program (JIPS)

The Japan Indonesia Presidential Scholarship Program (JIPS) was introduced in fiscal year 2008 to support the Indonesia Ministry of National Education's Presidential Scholars Program to strengthen the qual-

ifications and experience of university staff, attract new talent to careers in higher education, and foster foreign and domestic academic partnerships. JIPS is funded by a US\$10.0 million grant from GoJ. A contribution of US\$2 million was received for JIPS in FY08, and eleven scholarships were awarded for the 2008/9 academic year.



## OTHER PHRD-SUPPORTED PROGRAMS

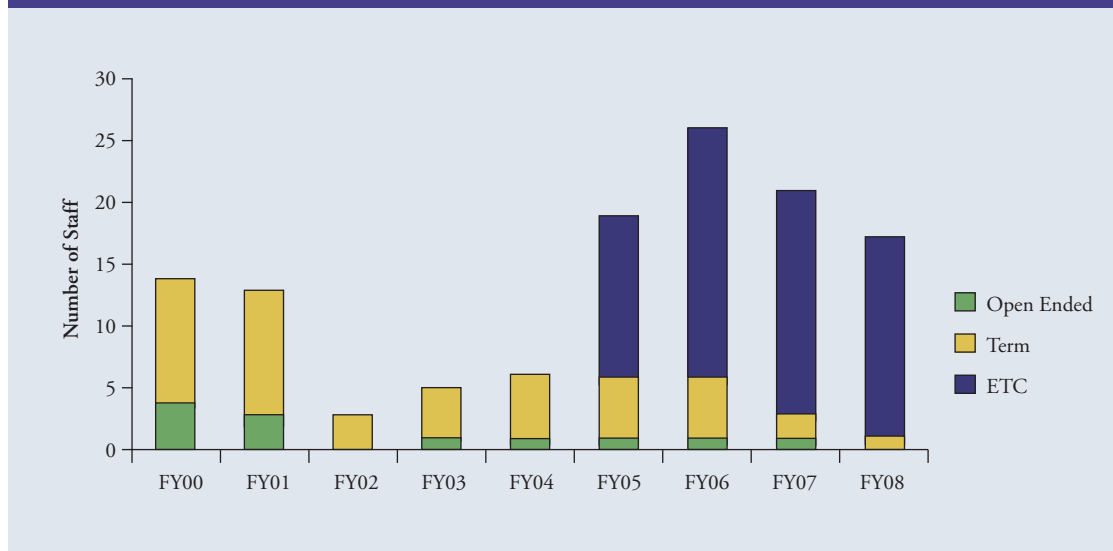
### 4.1 Introduction

The PHRD Fund also supports a number of other World Bank-administered programs, including the Japan PHRD Staff and Extended Term Consultant (ETC) Program, the Japan-World Bank Partnership Program, the Japan Consultant Trust Fund Program, and other Trust Funds which receive contributions from Japan via the PHRD Fund.

### 4.2 Japan PHRD Staff and ETC Program

The objective of the Japan PHRD Staff and ETC Program is to facilitate the appointment of Japanese nationals as staff members or extended-term consultants at the World Bank, at grade levels of GF and above. The Program finances three categories of appointment: (a) ETC for a maximum of two years; (b) term appointments for a maximum of four years;

Figure 11 Number of Staff Approved under Japan PHRD Staff and ETC Program in FY00–08



and (c) open-ended appointments for two years or until completion of the probationary period, whichever comes first.

In FY08, GoJ contributed US\$2.9 million to this Program. In FY08, seventeen appointments were made with a financial commitment of about US\$1.7 million. Of these appointments, 16 were ETCs, and one was a term appointment.

Over the period FY00-08, 124 appointments were financed under this program, of which 54 percent were ETC, 36 percent term, and 10 percent open-ended appointments. The ETC program was introduced in FY05 and now accounts for over half of the total appointments under this Program. This program is attractive because it finances the full cost of salary and benefits for the consultants for up to two years. Subsequently they may be hired as term or open-ended staff and financed by the World Bank.

### 4.3 Japan-World Bank Partnership Program

The objective of this program is to support activities that strengthen collaboration between Japan and the World Bank. Progress under some of the Program grants is described here.

#### *Tokyo Development Learning Center*

The grant supporting the Tokyo Development Learning Center (TDLC) is the largest under the Japan-World Bank Partnership Program.

The TDLC successfully scaled up its partnerships and programs in FY08. The Center has achieved distinction as a convener of knowledge sharing activities for the development community in Japan and the broader East Asia and the Pacific region. The TDLC delivered elaborate programs that successfully leveraged the reach of the Global Development Learning Network (GDLN). The TDLC continues to draw on Japanese expertise and experience for delivery of programs in subject areas, such as disaster risk management, new initiatives on health, youth, Africa, and other current economic issues. Recognized as a regional hub, the TDLC has assumed a leading role in contributing to the sustainability and development impact of the GDLN.

With a culmination of the TDLC's efforts since 2004 to build up regional capacity, GDLN Asia Pacific (GDLN AP) became active in FY08 as association which provides a unified approach to better coordinate programs and services, following its official launch at the end of FY07. Working in collaboration with the World Bank EAP Vice Presidency, GDLN AP, and Association of South East Nations (ASEAN), TDLC led the implementation of a unique regional program, *"Catalysts of Change: An Open Dialogue with the Legendary Leaders of Asia,"* which offered emerging young leaders in 19 different Asian countries an opportunity to learn from senior leaders who laid the foundation for the region's well renowned economic success.

The TDLC continued to play a lead role in mainstreaming the GDLN in the World Bank agenda in the EAP region and even beyond. Through the 'one-stop shopping' services of TDLC, various sector programs in the Bank's EAP region utilized GDLN services to share research outcomes, disseminate publications, and form communities of practice. A series of inter-regional knowledge and learning seminars on *Avian and Human Influenza (AHI)* and *International Financial Reporting Standards (IFRS)* were delivered.

In FY08, the TDLC initiated programs which explicitly targeted the private sector as users or content partners, for the engagement and inclusion of the private sector in development in areas ranging from infrastructure to corporate social responsibilities. This is a global agenda to which Japan can substantially contribute. In collaboration with WBI, the TDLC launched some initiatives addressing the learning demand in the private sector, such as a delivery of an *"Oil Price Volatility"* seminar and a development of *"Sustainable Development and Corporate Social Responsibility"* course. These programs combine in-house content from the World Bank and knowledge and experiences of private firms which are combined through active partnerships.

"Blended learning" methodologies developed by the TDLC have been positioned at the core to expand outreach while maintaining quality. Mature programs, such as, the *Microfinance Training of Trainers Course*, the fourth round of which was successfully delivered in FY08 in collaboration with the Asian Development Bank Institute, incorporated a web

streaming and internet-based Learning Management System (Moodle), which enabled over 1,100 estimated regular participants from 30 countries in the world to register and complete the course, and TDLC to administer the whole course on an on-line basis. Under TDLC's leadership, localized versions of the course were developed for China, Vietnam, and Lao PDR. The Asia Productivity Organization (APO), a long-term TDLC partner, also embraced "blended learning" programs as a cost-effective, environmentally friendly alternative to traditional training methods. The APO trained over 1,000 participants in their member countries in collaboration with the TDLC in FY08.

The TDLC enhanced technical and human resource capacities in FY08 to act as technical hub in the EAP Region by adding content management functions to their Multipoint Control Unit (to provide videoconference bridging functions) and a SINET (Science and Information Network in Japan) connection to reach more than 700 universities, thereby enabling a more comprehensive package of knowledge service to be ready to be offered from FY09.

#### *The Policy Dialogue Enhancement Support Fund IV*

This fund was fully utilized to support further enhancement of policy-level interactions between the World Bank and Japanese stakeholders. The activities supported by the grant increased the visibility of the Bank Group's presence in Japan, particularly during the critical period leading to the International Development Association (IDA)'s 15th Replenishment, the Tokyo International Conference on Africa Development (TICAD) IV and the Hokkaido G8 Summit. The grant also helped organization of outreach activities through the Public Information Center in Tokyo (PIC Tokyo) and the World Bank Tokyo Office website. PIC Tokyo mobilized an audience of more than 1,000 participants in total to various events over the year, and traffic to the Tokyo Office website has steadily increased, making it one of the most visited sites among the Bank's country office websites in the East Asia region. This came about as a result of an enhanced more user-friendly layout and also expanded content relevant to current development issues.

#### *The Public Outreach Support Fund II*

This fund continued to support translation and production of the World Bank's flagship publications, which promote interactions and partnerships on development issues between the World Bank and Japan. These include translation of the World Bank Annual Report, web stories, brochures, press releases and speeches into the Japanese language, a crucial element necessary to increase awareness of development issues among key stakeholders in Japan. As a result, the grant contributed to communication of the World Bank's key messages on topics, such as, the food and fuel crises, climate change and African development, to the Japanese public and key constituencies.

#### *Strengthening the Partnership between the World Bank and the Private Sector in Japan IV*

This fund has continued to allow the Bank to provide advisory services about opportunities for Japanese contractors and consultants to assist in increased access to business opportunities on Bank-funded projects. The Business Information Advisor at the World Bank Tokyo Office has helped increase awareness among Japanese business consultants about Bank operations by providing updated information on the World Bank's procurement policies and guidelines, operational procedures and process, and business opportunities under Bank-financed projects and programs.

## 4.4 Japan CTF Program

At the end of FY08, the Japan CTF Program had a balance of just over US\$4.56 million, excluding commitments. GoJ and the World Bank mutually agreed to extend the use of these unutilized funds into FY09, but with the added feature that their allocation within the Bank's eligible units would be based primarily upon demand, without predetermined regional, sectoral or thematic restrictions.

Disbursements amounted to US\$7.8 million in FY08, exceeding annual disbursements in four of the previous five years (Table 1).

**Table 1 Disbursements under the Japan CTF Program, by Region (US\$000)**

Regions	FY03	FY04	FY05	FY06	FY07	FY08	Cumulative
<b>AFR</b>	19	918	525	833	740	557	3,592
<b>EAP</b>	412	1,625	2,519	2,201	3,105	2,642	12,504
<b>ECA</b>	37	263	387	175	320	108	1,290
<b>LCR</b>	137	471	543	562	2,013	559	4,285
<b>MNA</b>	87	361	483	392	455	568	2,346
<b>SAR</b>	0.00	103	110	124	326	132	794
<b>Global</b>	676	2,164	3,176	2,589	3,685	3,275	15,565
<b>Total</b>	<b>1,368</b>	<b>5,905</b>	<b>7,743</b>	<b>6,876</b>	<b>10,644</b>	<b>7,841</b>	<b>40,376</b>

#### 4.5 Other Ongoing Programs

During FY08, transfers were made from the PHRD Fund to several other programs managed by the World Bank. The largest transfer, in the amount of US\$6.0 million, was made to the Global Facility for Disaster Reduction and Recovery (GFDRR). In addition, US\$5.0 million was transferred to the

Critical Ecosystem Partnership Fund (CEPF), US\$2 million was transferred to the Red Sea-Dead Sea Water Conveyance Feasibility Study Trust Fund, US\$1.2 million was transferred to the Education for All Fast Track Initiative Education Program Development Fund (EPDF), and US\$0.3 million was transferred to the Consultative Group to Assist the Poorest (CGAP).

## MONITORING AND EVALUATION OF PHRD ACTIVITIES

### 5.1 Monitoring the Progress and Impact of PHRD Activities

The Concessional Finance and Global Partnerships (CFP) Vice Presidency emphasizes results-focused reporting on trust fund-financed activities. Reporting on PHRD grants covers financial aspects, implementation status, and completion. The impact of the PHRD Program is assessed through overall Program-level evaluations. Impact not only takes time to measure but can also potentially raise methodological issues in attributing changes to specific earlier activities.

The Annual Reports of the overall PHRD Program and the JJ/WBGSP cover both financial aspects and progress in carrying out grant activities and achieving objectives. The Annual Reports are public documents, and are made available in both English and Japanese.

Audited financial statements (produced six months after the end of the FY) are prepared by external auditors and shared with GoJ. The Trust Fund Accounting Department prepares a detailed quarterly financial report for the PHRD program, which covers unaudited statements of the current year and cumulative transactions under all main PHRD Fund categories. These quarterly reports are also shared with GoJ.

In addition to the JJ/WBGSP Annual Report, WBI carries out tracer studies every two years to analyze the

impact of the program on alumni who completed studies five to six years before. These studies are public documents. The latest tracer study was done in May 2007, and it was the seventh in this series, addressing the performance of 3,554 scholars who received scholarships between 1987 and 2006 by investigating specific achievements in terms of degree completion, return to home country, employment, professional progression and each alumnus' perception of the benefits gained through the program. The findings and recommendations of the seventh JJ/WBGSP Tracer Study were reported in the FY07 Annual Report.

Occasional reports on the Japan PHRD Staff and ETC Program are prepared by Global Partnership and Trust Fund Operations (PTO) and provided to GoJ. Semi-annual updates are produced for the Japan CTF Program. All of these reports are available to GoJ through the Donor Center, an on-line reporting system which gives all donors access to information about their Trust Fund (TF) participation.

The main instrument for periodic internal reporting on the implementation status of the PHRD grants is the Grant Reporting and Monitoring (GRM) system. The PHRD Program Manager issues a requirement for the GRM reports on an annual basis. A comprehensive final report is prepared by each Task Team Leader (TTL) in the GRM system after completion of grant implementation. For each grant exceeding

US\$1 million an Implementation Completion Memorandum (ICM) report is prepared. GRM and ICM reports are internal to the World Bank, but are used as a basis for reporting to donors. In addition, major programs and larger grants prepare Completion Reports, outlining the major achievements and lessons learned during implementation.

The Completion Report of the Brain Trust Program which came to a close in December 2007 after nine years of activity is available at the PHRD website, and an extract from the report is presented in Box 3 below.

Evaluations of the overall PHRD Program are carried out periodically, and the evaluation reports become public documents. An independent evaluation was

commissioned in October 2006 to review the impact of the PHRD TA programs from FY00 to FY06. The scope included PP, PI, and CCIG grants and focused on the following areas: (a) effectiveness and results; (b) relevance; (c) program management; and (d) recommendations for further improvement. The methodology of this evaluation included desk reviews of key documents, interviews with a broad range of stakeholders,<sup>6</sup> field visits to six countries representing five of the six regions, and quantitative analysis. The evaluation report was finalized at the end of calendar year 2007. The findings and recommendations of the PHRD TA Evaluation Study were reported in the FY07 Annual Report, and the complete study is available on the PHRD website.

### Box 3 Brain Trust Program: Outcomes Achieved and Lessons Learned

The Brain Trust Program played a remarkable role in generating studies that meet global standards. In recent years, an increasing number of young Japanese scholars have been actively conducting their research in English. Japan has been one of the world's biggest providers of development assistance, and Japan can contribute even more to development by sharing ideas and knowledge with the rest of the world. The Brain Trust Program has undoubtedly been one of the pioneers in such efforts.

In the 1990s, the structural adjustment program led by some international institutions was at its peak. It drove the global mainstream of development strategy toward market liberalization and market orientation. In contrast, Japan's rapid growth during its postwar era, along with other East Asian economies' rapid growth in the 1990s, owed much to their strong public sector leadership and guidance. As a result, dissemination of Japan's and other East Asian countries' experiences presented a new dimension to the main-

stream development strategy at the time. The program's studies elicited extensive discussion on such issues, particularly *The Japanese Civil Service and Economic Development: Catalysts of Change (1995)*; *The Role of Government in East Asian Economic Development: Comparative Institutional Analysis (1997)*; and *Communities and Markets in Economic Development (2001)*. The roles of government and the market in economic development continue to be an ongoing subject for development debate today.

Although the Brain Trust Program has been recognized as a success overall, some room for improvement remained. Most of the activities under the program were delivered solely by the World Bank Institute; more active collaboration with other departments within the Bank, such as the East Asia and the Pacific Vice Presidency, would have amplified the outcomes. The project, *Rethink the East Asia Miracle*, however, was a successful example of collaboration between WBI and the Development Economics Vice Presidency (DEC).

<sup>6</sup>The stakeholders included task teams, staff associated with the management of the program, Sector Managers and Country Directors of the World Bank, officials in the grant recipient countries, officials of the Japan Executive Director's office in Washington, Ministries of Finance and Foreign Affairs of the Government of Japan and Japanese Embassy officials.

In addition, starting with FY07, PHRD began conducting annual reviews of the PHRD TA grants closed in the previous fiscal year. The first such review of the PHRD TA grants which closed in FY06 was completed in April 2007, and the second review of the grants closed in FY07 was completed in April 2008. The review of the grants closed in FY08 is expected to

be completed in April 2009. The purpose of such reviews is to provide feedback from grant implementation that can lead to program improvements and to allow for extended reporting on the results of the completed grants. The Reports on PHRD TA closed grants are available on the PHRD website.



# ADDITIONAL SOURCES OF INFORMATION ON PHRD AND PROGRAMS SUPPORTED BY THE PHRD FUND

## 6.1 Information on PHRD

The major reference sources for more information on PHRD and the programs it supports are websites publicly available in English, and often also in Japanese and other languages.

The main PHRD website is <http://www.worldbank.org/phrd>.

This website includes details of the PHRD Technical Assistance program, the Japan-World Bank Partnership Program, and the Japan PHRD Staff and ETC Program. The website also provides access to PHRD Annual Reports in both English and Japanese, and to the Evaluations of the PHRD TA Program.

The website of the Tokyo office of the World Bank also includes information on PHRD, in English at: [www.worldbank.org/japan/about](http://www.worldbank.org/japan/about), and in Japanese at: [www.worldbank.org/japan/about-j](http://www.worldbank.org/japan/about-j).

The World Bank Institute website is [www.worldbank.org/wbi](http://www.worldbank.org/wbi). The JJ/WBGSP website is at [www.worldbank.org/wbi/scholarships](http://www.worldbank.org/wbi/scholarships). This website also provides access to the JJ/WBGSP Annual Reports and to their Tracer Studies.

The TDLC supported by the PHRD Partnership Program has its own website: [www.jointokyo.org](http://www.jointokyo.org). This website is maintained in both Japanese and English languages.

## 6.2 Programs Supported through PHRD

Other programs supported through the PHRD Fund in FY08 are:

- Global Facility for Disaster Reduction and Recovery (GFDRR): <http://gfdr.org>
- Critical Ecosystem Partnership Fund (CEPF): <http://www.cepf.net>
- Education for All Fast Track Initiative Education Program Development Fund: <http://www.education-fast-track.org/>
- Consultative Group to Assist the Poorest (CGAP): <http://www.cgap.org>



# JAPAN PHRD TECHNICAL ASSISTANCE GRANTS PROGRAM FY08: ANNUAL POLICY GUIDELINES AND PROGRAM ALLOCATION

1. **Objective.** To provide technical assistance grants to recipient countries, or their agencies, to help prepare or implement Bank-financed operations (hereinafter referred to as “Operations”).<sup>1</sup> Grants approved under the program are subject to the criteria set forth in these Guidelines.
2. **Priority Areas and Activities.** Technical Assistance grants would maintain a *poverty focus*. The following should be aimed at: at least 35% are for East, South and Central Asia. Grant funding proposals should be submitted under the following programs:
  - (i) **Project Preparation:** Only IDA and IDA/IBRD blend countries<sup>1</sup> are eligible.

In the case of all project preparation proposals, the follow-on Operations must be listed in the *IBRD/IDA Lending Program Summary in the CAS, or the CAS Update, or equivalent document*, which is endorsed by the Bank’s Board of Directors.<sup>3</sup>

(ii) **Climate Change Initiatives:** To: (a) support the inclusion of climate-change concerns in the country’s development planning process and the acquisition of knowledge in the assessment of the

impact of local greenhouse gases (GHG) emissions in the recipient country; and (b) support initiatives—including pilot activities—for the reduction of GHG emissions as developing countries increase energy production to improve standards of living and promote industrial growth as they move towards eradication of poverty. Proposals must be linked to Bank-financed operations or activities supported by the Prototype Carbon Fund, the BioCarbon Fund, and the Global Environment Facility, or other environmental funds managed by the World Bank. (Separate operating guidelines have been agreed for this program).

(iii) **Project Cofinancing:** To co-finance institutional capacity building components of operations supported by the World Bank. The technical assistance should strengthen institutional capacity to facilitate the implementation of the project’s key policy reforms and good gover-

<sup>1</sup> Bank financed operations are those funded by IBRD loans, IDA credits, and IDA grants.

<sup>2</sup> As defined in the Bank’s FY08 IDA List of Borrowing Countries.

<sup>3</sup> Conditional approval may be granted if the following requirements are satisfied: (i) the follow-on Operation, which will be prepared with the PHRD Project Preparation Grant, will be listed in the next CAS or CAS update (or equivalent document); and (ii) the next CAS or CAS update (or equivalent document) discussion date at the Board can be found in the Board meeting schedule available with the World Bank Executive Directors. Final approval will be granted by CFP at the time the CAS or CAS update (or equivalent document), in which the said project is listed, is discussed by the Board of Directors of the World Bank.

nance initiatives. The grants would meet the funding needs of **IDA and IDA/IBRD blend countries** where borrowing for such assistance may be unaffordable given budgetary and borrowing limitations. (Separate operating guidelines have been agreed for this program.)

3. **Funding Proposal and Amount.** Grants are approved by GoJ on the basis of a one-page Funding Proposal. The Proposal will include the Project Development Objectives, the Grant Objectives, and Expenditure Categories. In addition to the one-page Funding Proposal, supplementary background information is also required. This will include any risks (for example political, environmental, problems with the implementing agency, civil war or post-conflict situation) that may affect implementation of the grant. The amount of the grant may normally not exceed US\$1 million. Only a single grant per operation may be requested. Supplemental requests are not eligible under PHRD.
4. **Call for Proposals.** CFP will invite proposals twice in FY08 from the Bank's Regional Vice Presidential Units informing them of the total amount available and notional allocations for each grant type.
5. **Eligible Expenditures.** In the cases of **Project Preparation** grant proposals, eligible expenditures include: (i) **consultant services** and; (ii) **non-consultant costs**, up to 10% of the total grant amount, for local training, and minimal equipment and operating costs essential to carry out the technical assistance. Workshops, local consultations, and training may be included if the requests clearly demonstrate these activities will enhance the quality of the technical assistance. Civil works are not eligible. All expenditures would be eligible for 100% financing under PHRD. See separate operating guidelines for Project Cofinancing and Climate Change Initiatives grants.
6. **Ineligible Expenditures.** Expenditures on the following activities are ineligible: study tours, foreign training, implementation of pilot programs,<sup>4</sup> purchase of vehicles, salaries for civil servants in recipient countries, Extended Term Consultants,

and Bank staff (open-ended, term, and seconded staff) salaries or travel expenses. See separate operating guidelines for Project Cofinancing and Climate Change Initiatives grants.

7. **Schedule.** PHRD grant proposals would be submitted to GoJ twice in FY08. GoJ would confirm its decisions on proposals within four weeks from submission where GoJ is satisfied with the contents of the application. In case GoJ seeks clarifications, the final decision on the funding proposal may take longer.
8. **Grant Execution Arrangements.** Climate Change Initiatives and Cofinancing grants must be recipient-executed. Project Preparation Grants would normally be executed by the recipient's project implementing agency. However, the Bank may consider waiving the requirement for recipient execution in accordance with Bank policy (see OP 14.40) in the following cases: emergency operations, and post conflict countries. Grant closing date for Project Preparation grants would normally be the date of approval of the Bank loan or IDA credit for the associated operation by the Bank's Board. Extension beyond the Board date can be provided if justified. Extension of a Project Preparation grant beyond the Board date may be provided up to the expected effectiveness date of the ensuing Bank Loan or IDA Credit, or six months from the Board Approval Date, whichever comes first. In any case, the total term of the Project Preparation and Climate Change Initiative grants should not exceed four years after signature of the grant agreement. Grant closing dates for Cofinancing grants would be the same as the closing date of the associated Bank Loan or IDA Credit. Any exceptions would need to be fully justified and would require CFP's clearance. The Bank, through the designated Task Team Leader of the project, would carry out its fiduciary responsibilities for grant supervision, with due attention to economy and efficiency, and generally in accordance with the standards applicable to Bank Loans or IDA Credits.

<sup>4</sup> Pilots may be funded under Climate Change Initiatives Grants.

9. **Progress Reporting.** For the purposes of monitoring the development outcomes, the grant agreement—based on the one-page Funding Proposal—will be the binding document. The Task Team Leader will be responsible for preparing annual Grant Status Reports, rating the status of grant implementation, and documenting deliverables and outputs. For grants over US\$1 million, an *Implementation Completion Memorandum* (ICM) will be prepared at completion documenting actual cumulative inputs, outputs and outcomes through the grant implementation period, and the results will be shared with the donor. For grants under US\$1 million, the final Grant Status Report will include additional information regarding grant activity outcomes.
10. **Reallocations of Funds and Changes in Scope.** Reallocations of grant expenditure categories and activities, including dropping or adding new eligible categories or activities (see paragraphs 5 and 6 above), may be approved by the Sector or Country Director, as appropriate. Advice may be sought from Legal and CFP. For Project Preparation grants, under no circumstances will the total amount for non-consultant expenditure categories exceed 10 percent of the grant amount. Legal Department should be consulted if any amendments to the Grant Agreement are required. All amendments to the Grant Agreement must be signed by the Country Director. For changes in the Development Objectives of the Bank-funded Operation, a request must be submitted to CFP which will determine if approval is required from GoJ. If the request is submitted to GoJ, it would provide its decision within four weeks from the receipt of the request from CFP.
11. **Grant Cancellation Policy.** The balance of grants is subject to cancellation under the following circumstances: (i) the associated operation has been dropped (signed contracts may be paid with CFP's approval); (ii) the associated operation is approved by the Board; (iii) the grant agreement has not been signed 6 months after approval of the grant; (iv) no implementation progress including zero disbursements for six months after signature of the grant agreement; or
  - (v) there is lack of progress as determined by CFP. CFP may clear exceptions on the basis of a satisfactory explanation.
12. **Consultation with Local Japanese Officials.** In order to ensure harmonization and coordination, Bank task teams are required to consult with the Embassy of Japan accredited to the recipient country about the PHRD grant application before submission of the proposal to Concessional Finance and Global Partnerships (CFP) for review. Such consultation and information sharing by task teams will help expedite the decision-making process. In addition, Bank task teams are encouraged to share the information about progress and outcomes of PHRD projects with the Embassy of Japan and other Japanese aid agencies in the field.
13. **Japanese Visibility.** Bank task teams are asked to help promote the visibility and local awareness of PHRD in recipient countries through the following types of activities:
  - (a) Publications, training programs, seminars and workshops financed by PHRD grants should clearly indicate that the activities in question have received funding from the Government of Japan;
  - (b) The logo (usually the Japanese national flag) should be used in publications financed by the PHRD program, and in banners and any other materials used in seminars and training programs financed by PHRD grants;
  - (c) All press releases issued by the Bank with respect to PHRD grants should refer to the financial contribution from the Government of Japan;
  - (d) Recipients should be encouraged to ensure that PHRD-financed activities are well covered by local print and electronic media, and that all related publicity materials, official notices, reports and publications explicitly acknowledge Japan as the source of funding received;
  - (e) Grant signing ceremonies in the field should be encouraged, with the Recipients being encouraged to include Japanese embassy officials and to invite local and international press to these ceremonies. Task teams should aim to inform the

Embassy of Japan as well as CFP—which will alert the Japanese authorities in Tokyo—at least 10 days in advance of the signing ceremony.

In addition, CFP may promote visibility of PHRD by: (i) informing Country Directors of the importance of signing ceremonies to Japanese officials and the public to ensure recognition and support for PHRD funding; and (ii) continuing widespread distribution of the PHRD Annual Report, inclusion of PHRD information in relevant Bank documents, and occasional information sessions for Japanese organizations. A Guidance Note providing samples of other ways to improve visibility has been prepared and attached to the FY08 Annual Policy Document.

14. **Maintenance of Documentation.** Operational departments will keep copies of key documentation related to PHRD grants, including Terms of Reference and contracts for consultants subject

to the Bank's prior review, reports and other outputs prepared by consultants, in accordance with the Bank's document retention policy. Task teams should also send the original grant agreement to the Legal department.

## FY08 PHRD Technical Assistance Program Allocation

The total FY08 allocation, to be approved through the rounds during the fiscal year, is US\$65 million. The allocations among the three grant types are provided in Table 1 below. The allocation for the first round of Project Preparation grants is US\$20 million, and for the second round is US\$10 million. Depending on the demand for grants, the fund may be reallocated among the grant types in consultation with GoJ. The decision on the reallocation will be taken by CFP at the end of the rounds in consultation with GoJ.

**Table 1**

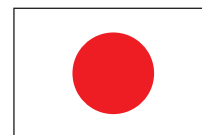
Allocations by Area	Amount (US\$ million)
Project Preparation	30
Climate Change Initiatives	10
Cofinancing	25
<b>Total Amount</b>	<b>65</b>

**Table 2 TENTATIVE SCHEDULE FOR FY08 PHRD TECHNICAL ASSISTANCE PROGRAM**

Round Announcement:	Date of Submission to Japan:
January 2008	February 2008
March 2008	April 2008



## Japan Policy and Human Resources Development (PHRD) Technical Assistance (TA) Program



### Guidance Note on Visibility of Japan

#### *Introduction*

The Government of Japan (GoJ) has contributed to the Policy and Human Resources Development (PHRD) Technical Assistance (TA) Program in support of work by, and on behalf of, World Bank borrowing countries since 1990. The purpose of this note is to provide guidance on measures to ensure that the contribution of Japan in supporting PHRD is widely recognized.

#### *Statement on Visibility*

The Annual Policy Document provides the following clause on Consultation with Local Japanese Officials and Japanese Visibility:

***Consultation with Local Japanese Officials.*** In order to ensure harmonization and coordination, Bank task teams are required to consult with the Embassy of Japan accredited to the recipient country about the PHRD grant application before submission of the proposal to Concessional Finance and Global Partnerships (CFP) for review. Such consultation and information sharing by task teams will help expedite the decision-making process. In addition, Bank task teams are encouraged to share the information about progress and outcomes of PHRD projects with the Embassy of Japan and other Japanese aid agencies in the field.

***Japanese Visibility.*** Bank task teams are asked to help promote the visibility and local awareness of PHRD in recipient countries through the following types of activities:

- Publications, training programs, seminars and workshops financed by PHRD grants should clearly indicate that the activities in question have received funding from the Government of Japan;
- The logo (usually the Japanese national flag) should be used in publications financed by the PHRD program, and in banners and any other materials used in seminars and training programs financed by PHRD grants;
- All press releases issued by the Bank with respect to PHRD grants should refer to the financial contribution from the Government of Japan;
- Recipients should be encouraged to ensure that PHRD-financed activities are well covered by local print and electronic media, and that all related publicity materials, official notices, reports and publications explicitly acknowledge Japan as the source of funding received;
- Grant signing ceremonies in the field should be encouraged, with the Recipients being encouraged to include Japanese embassy officials and to invite local and international press to these ceremonies.

In addition, CFP may promote visibility of PHRD by: (i) informing Country Directors of the importance of signing ceremonies to Japanese officials and the public to ensure recognition and support for PHRD funding; and (ii) continuing widespread distribution of the PHRD Annual Report, inclusion of PHRD information in relevant Bank documents, and occasional information sessions for Japanese organizations. A Guidance Note providing samples of other ways to improve visibility is attached.

### *The PHRD TA Program's Logo*

The logo (usually the Japanese national flag) will be used on the PHRD website. All grant approval notifications to the Regions will include this guidance note and a “Word” and a “PDF” version of the logo for use by the Bank and the grant recipients. The Bank will make every effort to ensure that: (i) publications, training programs, seminars, workshops, financed by the PHRD grants clearly indicate that the activities in question have received funding from the Government of Japan; (ii) all press releases issued by the Bank with respect to the PHRD grants refer to the financial contribution of Government of Japan; and (iii) the logo is used in publications financed by the PHRD program, banners and any other materials used in seminars and training programs financed by the PHRD grants.

### *Local Publicity Opportunities*

In addition to use of the logo, Bank staff are urged to take all appropriate measures to encourage Recipients to ensure that PHRD TA-financed activities are well covered by local print and electronic media, and that all related publicity materials, official notices, reports and publications explicitly acknowledge Japan as the source of funding received. Below is a standard text suggested for use by those who prepare publicity materials: *“The grant which financed this (name of activity) was received under the Policy and Human Resources Development Technical Assistance Program which is financed by the Government of Japan.”*

Many Bank Country Offices periodically publish newsletters. New grant approvals and signing should be publicized in these newsletters.

Most country offices have Communications staff. Task Teams are encouraged to consult with them on ways to increase the visibility of Japan regarding PHRD grants. Opportunities to publish articles on high visibility projects prepared with the PHRD TA grants should be explored and utilized.

Task teams are advised to brief the Country Managers/Country Directors about the implementation status of PHRD grants. Such information will help the Country Offices highlight Japan's contribution, where relevant, in their meetings and presentations in seminars and workshops.

### *Ceremonial Events*

Country Directors will, at the same time as the task teams, receive notification of grant approvals and will be informed of the importance of signing ceremonies to Japanese officials and the public. At grant signing ceremonies and other publicity events, the Bank's country-based staff are expected to foster the attendance and participation of country-based officials of the Embassy of Japan in a manner that provides due recognition of their donor status. Grant recipients should take the lead in organizing such ceremonies, and whenever possible, Recipients should issue the formal invitation to attend. Such ceremonial events should also be alerted to the media and publicity outlets referred to above.

### *Visibility from Headquarters*

Country-based Bank staff are requested to forward copies of all visibility material, such as press releases, newspaper and magazine articles, and photographs (including descriptive captions) to the following address:

PHRD TA Unit  
Mail Stop H 3-305  
Trust Fund Operations  
Concessional Finance and Global Partnerships  
The World Bank  
Washington, DC 20433  
USA

## ANNEX 2

### LIST OF PHRD TA GRANTS APPROVED IN FY08

AFRICA REGION			
Country	Name of Grant	Approved Amount (US\$)	Grant Type
Ghana	Natural Resources & Environment Governance Program	\$600,000	Project Preparation
Ethiopia	Nutrition Project	\$550,000	Project Preparation
Kenya	Coastal Development Project	\$665,000	Project Preparation
Mali	Community Treecrops Plantations	\$474,900	Climate Change
Nigeria	Abidjan-Lagos Transport and Transit Facilitation Project (ALTTFP)—Regional Operation	\$930,000	Project Preparation
Nigeria	Second State Education Sector	\$985,000	Project Preparation
<b>Africa Region Total</b>		<b>\$4,204,900</b>	

EAST ASIA AND THE PACIFIC REGION			
Country	Name of Grant	Approved Amount (US\$)	Grant Type
Cambodia	Environment and Protected Areas Management Project	\$410,000	Project Preparation
Indonesia	Third Kecamatan Development Project, Second Phase	\$998,000	Project Implementation
Lao PDR	Khammouane Rural Livelihood Project	\$985,000	Cofinancing
Mongolia	Forest Landscape and Conservation	\$410,000	Project Preparation
Mongolia	Capacity Building for Development and Implementation of Carbon Finance	\$475,420	Climate Change
Mongolia	Sustainable Livelihoods Project II (SLP II)	\$3,905,000	Cofinancing
<b>East Asia and the Pacific Region Total</b>		<b>\$7,183,420</b>	

<b>EUROPE AND CENTRAL ASIA REGION</b>			
<b>Country</b>	<b>Name of Grant</b>	<b>Approved Amount (US\$)</b>	<b>Grant Type</b>
Armenia	Traffic Management and Safety Project	\$820,000	Cofinancing
Kyrgyz Republic	Reducing Technical Barriers for Entrepreneurship and Trade	\$299,600	Project Implementation
Kyrgyz Republic	Tien Shan Biodiversity Project-Reforestation Component	\$626,120	Climate Change
Tajikistan	Public Financial Management Modernization Project	\$971,821	Cofinancing
<b>Europe and Central Asia Region Total</b>		<b>\$2,717,541</b>	

<b>LATIN AMERICA AND THE CARIBBEAN REGION</b>			
<b>Country</b>	<b>Name of Grant</b>	<b>Approved Amount (US\$)</b>	<b>Grant Type</b>
Brazil	Ceara Regional Economic Development: Cidades	\$850,000	Project Preparation
Mexico	Low Carbon Transport Corridor	\$950,000	Climate Change
Mexico	Sustainable Rural Development	\$505,000	Project Preparation
Nicaragua	Water Supply and Sanitation	\$1,000,000	Project Preparation
Peru	Results and Accountability (REACT) Development Policy Loan II	\$1,000,000	Project Preparation
<b>Latin America and the Caribbean Region Total</b>		<b>\$4,305,000</b>	

<b>MIDDLE EAST AND NORTH AFRICA REGION</b>			
<b>Country</b>	<b>Name of Grant</b>	<b>Approved Amount (US\$)</b>	<b>Grant Type</b>
Iraq	Emergency Irrigation Rehabilitation Project	\$880,000	Project Preparation
Jordan	Education Reform for the Knowledge Economy II	\$650,000	Project Preparation
Tunisia	Tunisia Skills Development	\$340,000	Project Preparation
West Bank and Gaza	Second Solid Waste and Environment Management Project (SWEMP-2)	\$385,000	Project Preparation
Yemen	Adaptation to Climate Change Using Agrobiodiversity Resources in the Rainfed Highlands of Yemen	\$780,000	Climate Change
Yemen	Port Cities Development Program II	\$550,000	Project Preparation
<b>Middle East and North Africa Region Total</b>		<b>\$3,585,000</b>	





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CONCESSIONAL FINANCE AND  
GLOBAL PARTNERSHIPS



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THE GOVERNMENT OF JAPAN