

JAPAN POLICY AND HUMAN RESOURCES DEVELOPMENT FUND

Annual Report 2009



THE WORLD BANK
Concessional Finance and Global
Partnerships Vice Presidency



THE GOVERNMENT OF JAPAN

THE FACES OF PHRD

Partners in Development



Day One of the World Bank Conference in Paris, France.

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World Bank Graduate Scholarship Program recipients at a seminar.

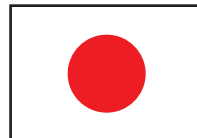


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MESSAGE FROM JUNHUI WU, DIRECTOR GLOBAL PARTNERSHIP AND TRUST FUND OPERATIONS DEPARTMENT

This is the 20th year of the Policy and Human Resources Development (PHRD) Fund, which has been generously supported by the Government of Japan. In the current decade, since fiscal year 2000, the Government of Japan has contributed about US\$738.4 million to the PHRD Fund. Numerous evaluation studies have concluded that this assistance has been highly relevant to the pursuit of poverty reduction goals in the grant recipient countries. The Fund has been supporting preparation and implementation of World Bank–financed operations, climate change initiatives, and provision of graduate scholarships, agriculture research, disaster preparedness, urban development, and programs to enhance Japan–World Bank partnership. Over the past years, the value of PHRD grants has been amply demonstrated by the continued demand for its resources in the areas of technical assistance, human resources development, and institutional capacity development.

In fiscal year 2009, the challenge for both the World Bank and the Government of Japan was to chart new strategic directions and themes that could be supported under the new PHRD Technical Assistance program over the next three to five years. In the interim, in late fiscal year 2009, the Government of Japan approved a limited program of US\$21.3 million, of which US\$20.0 million was for the Consultative Group for International Agriculture Research and US\$1.3 million for the Pacific Catastrophic Risk Initiative in the East Asia and the Pacific region.

The PHRD Technical Assistance Program has been the largest and longest running component of the PHRD Fund. In fiscal year 2009, about three-fourths of the

Fund's disbursement of US\$70.2 million was from the PHRD Technical Assistance program.

The PHRD Technical Assistance Program is committed to supporting poverty reduction efforts, with a continuing focus on the poorest countries. In fiscal year 2009, about 82 percent of the approved grant amounts were for low-income countries.

The human resources development focus of the PHRD program includes provision of scholarships and participation of Japanese nationals in the World Bank. The scholarship program is carried out in partnership with the World Bank Institute. The Joint Japan/World Bank Graduate Scholarship Program provides a unique opportunity for mid-career professionals from World Bank borrowing countries to pursue graduate studies in development-related fields. In fiscal year 2009, scholarships were provided to 400 mid-career professionals from 85 countries. Nearly 40 percent of the recipients were from the Africa region. The Japan Indonesia Presidential Scholarship Program, introduced in fiscal year 2008, supports Indonesia's Ministry of National Education's Presidential Scholars Program to strengthen the qualifications and experience of university staff, attract new talent to careers in higher education, and foster foreign and domestic academic partnerships. Eight scholars began their studies in fiscal year 2009 and 19 scholars have been selected for the 2009/10 academic year.

In fiscal year 2009, Japan joined the World Bank's Junior Professional Officer Program to enable more young Japanese nationals to be recruited in the World Bank from fiscal year 2010 onward. The Government of Japan has contributed US\$5.0 million for this

program through PHRD. Under the PHRD Staff and Extended Term Consultant Program, applications for the appointment of 22 Japanese nationals have been approved, the highest annual number since the initiation of the program in fiscal year 2000.

The Japan–World Bank Partnership Program, an umbrella arrangement including the work of the Tokyo Development Learning Center, Policy Dialogue Enhancement Support Fund (Phase V), Public Outreach Support Fund, and the Global Development Network,

supports the ever-deepening relationship which the PHRD Fund has helped foster between the Government of Japan and the World Bank.

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 World Bank. We are sincerely grateful to the Government of Japan for the continued generous support provided through the Fund.

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ACRONYMS AND ABBREVIATIONS

AFR	Africa Region
ASEAN	Association of South East Asian Nations
CEPF	Critical Ecosystem Partnership Fund
CFP	Concessional Finance and Global Partnerships
CGAP	Consultative Group to Assist the Poorest
CGIAR	Consultative Group on International Agriculture Research
CTF	Consultant Trust Fund
EAP	East Asia and the Pacific Region
ECA	Europe and Central Asia Region
EPDF	Education for All Fast Track Initiative Education Program Development Fund
ETC	Extended Term Consultant
FCPF	Forest Carbon Partnership Facility
FY	Fiscal Year
GDLN	Global Development Learning Network
GoJ	Government of Japan
GRM	Grant Reporting and Monitoring
IBRD	International Bank for Reconstruction and Development
ICM	Implementation Completion Memorandum
ICR	Implementation Completion Report
IDA	International Development Association
ISR	Implementation Status Report
JICA	Japan International Cooperation Agency
JIPS	Japan Indonesia Presidential Scholarship Program
JJ/WBGSP	Joint Japan/World Bank Graduate Scholarship Program
JPO	Junior Professional Officer
LCR	Latin America and the Caribbean Region
MNA	Middle East and North Africa Region
PHRD	Policy and Human Resources Development
PP	Project Preparation
SAR	South Asia Region
TA	Technical Assistance
TDLC	Tokyo Development Learning Center
US	United States
WBI	World Bank Institute

INTRODUCTION AND OVERVIEW

1.1 PHRD Origins and Objectives

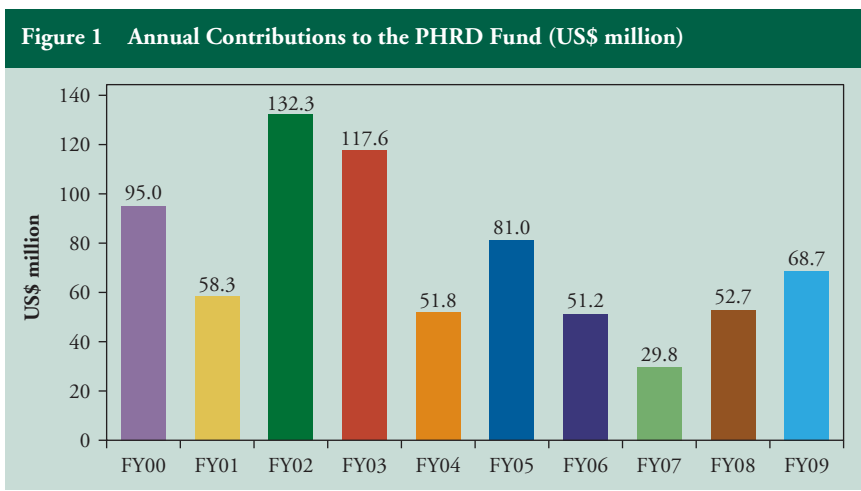
The Japan Policy and Human Resources Development (PHRD) Fund was established in 1990 as a partnership between the Government of Japan (GoJ) and the World Bank. Over the past 19 years the Fund has supported a wide range of poverty alleviation and capacity building activities.

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\$738.4 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 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 FY09, 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. Until 2008, the TA Program included grants for Project Preparation, Project Implementation, Project Cofinancing, and Climate Change. In FY09, these components of the TA Program have been discontinued and there have been no new requests for proposals in the reporting year. However, during FY09, there were at least 300 grants under implementation. The Program is being restructured to focus on agriculture research, disaster preparedness, and disability.

- *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:*

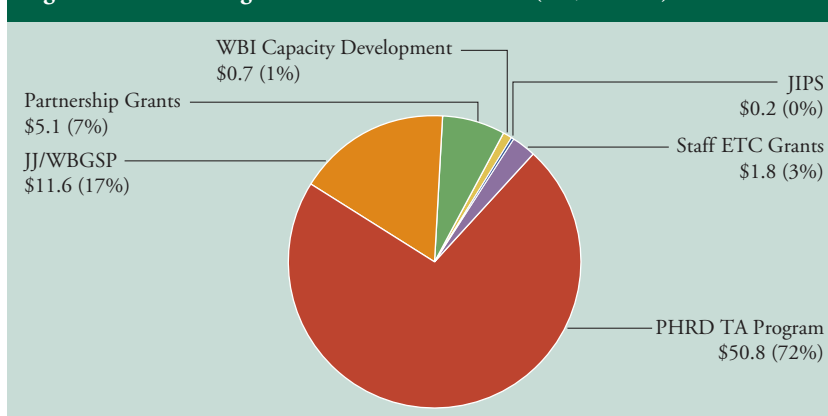
- The **Japan PHRD Staff and Extended Term Consultant (ETC) Program** supported part of the costs of Japanese nationals recruited to work within the World Bank.

- *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 disbursements share from each of these programs. In FY09, 72 percent of the total PHRD Fund disbursements of US\$70.2 million were from the PHRD TA Program. This disbursement share is slightly lower than the FY08 share. As in previous years, the next largest share of disbursement was from the JJ/WBGSP, which accounted for 17 percent of total FY09 disbursements

Figure 2 PHRD Program Disbursements in FY09 (US\$ million)



and represents a higher share compared to FY08. The Japan–World Bank Partnership Program was the third largest component, with seven percent of FY09 disbursements, which is an increase of one percentage point from FY08.

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 Consultative Group to Assist the Poorest (CGAP), Readiness Fund for the Forest Carbon Partnership Facility (FCPF), and the Japan Junior Professional Officer (JPO) Program.

1.3 FY09 Program Highlights

- In FY09, GoJ contributed US\$68.69 million to the PHRD Fund, an increase from the FY08 contribution of US\$52.7 million.
- A new PHRD TA FY09–13 Policy Document was approved in May 2009 with an allocation of US\$20.0 million for agricultural research in Africa through the Consultative Group on International Agricultural Research (CGIAR) and US\$1.3 million for the Pacific Catastrophic Risk Initiative.
- The JJ/WBGSP financed 400 scholars from 85 countries.
- The new JIPS is operational and in FY09 eight scholars started their studies.
- Tokyo Development Learning Center (TDLC) officially launched the Global Development Learning Network (GDLN) Regional Technical Hub Services in the Asia/Pacific region. TDLC also partnered with the Association of South East Asian Nations (ASEAN) on a number of programs, notable of which were: Growth and Integration of East Asia, ASEAN Summit 2009, and ASEAN+3 on A/H1N1 Crisis—an event which connected the Health Ministers to discuss measures to combat the A/H1N1 crisis.
- Under the Japan PHRD Staff and ETC Program, GoJ approved grants for 22 Japanese staff selected for open-ended, term, and ETC appointments.
- GoJ provided US\$5.0 million for the newly established JPO Program.
- Transfers from the PHRD Fund to other programs included, among others, US\$5.0 million for the CEPF, US\$0.3 million for the CGAP, and US\$5.0 million for FCPF.

PHRD TECHNICAL ASSISTANCE PROGRAM

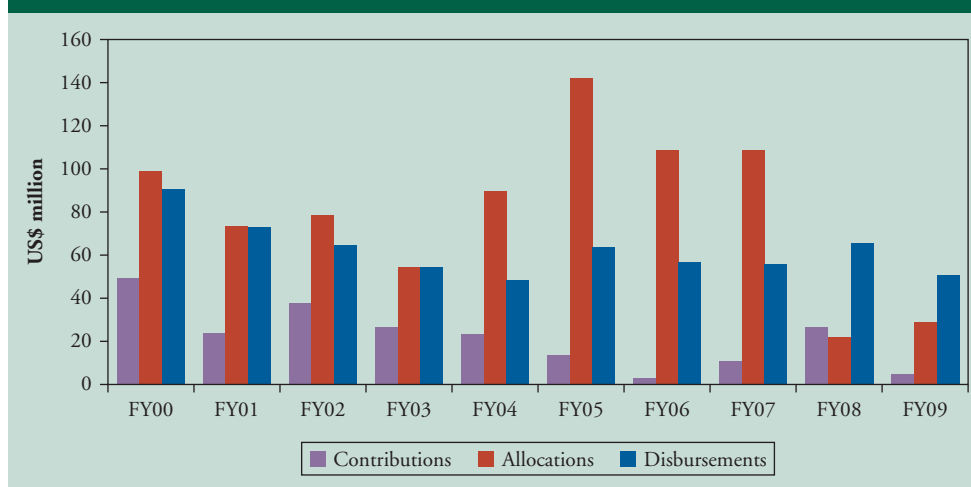
2.1 Program Trends

Figure 3 shows the trends in the PHRD TA contributions, allocations, and disbursements during FY00–09.¹ The annual contribution has been tending to decline since FY02. After hitting a low of US\$2.9 million in FY06, it rebounded to US\$26.7 million in FY08 and then fell to US\$4.8 million in FY09.

Compared to FY08, the TA allocations increased to US\$29.2 million in FY09. Grant disbursements were the lowest since FY00 with the exception of FY04. Disbursements fell from US\$65.8 million in FY08 to US\$50.8 million in FY09.

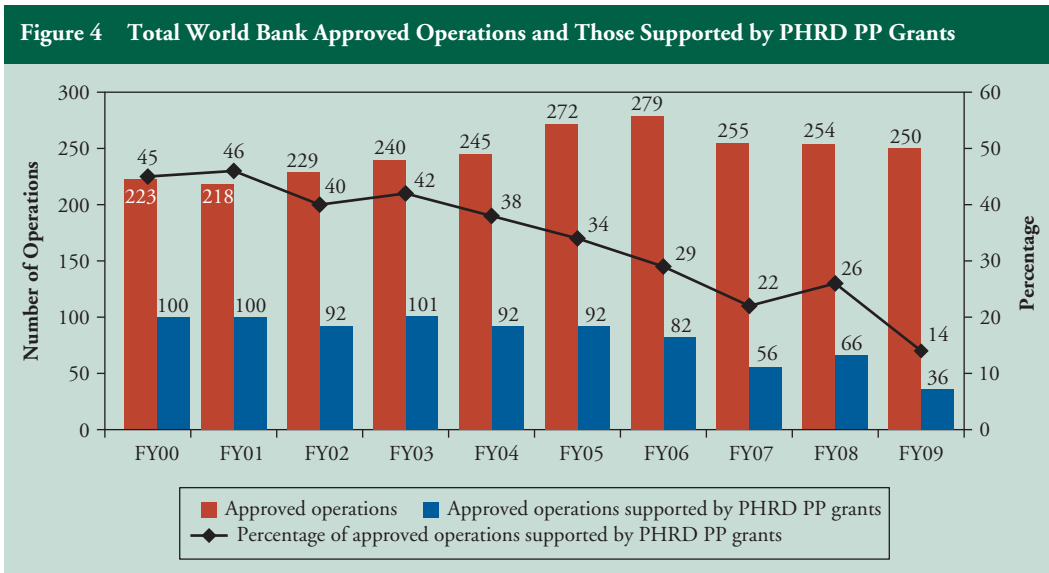
PHRD TA grants have been an important source of financing available to low-income and lower middle-income countries² for the preparation of IBRD loans

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



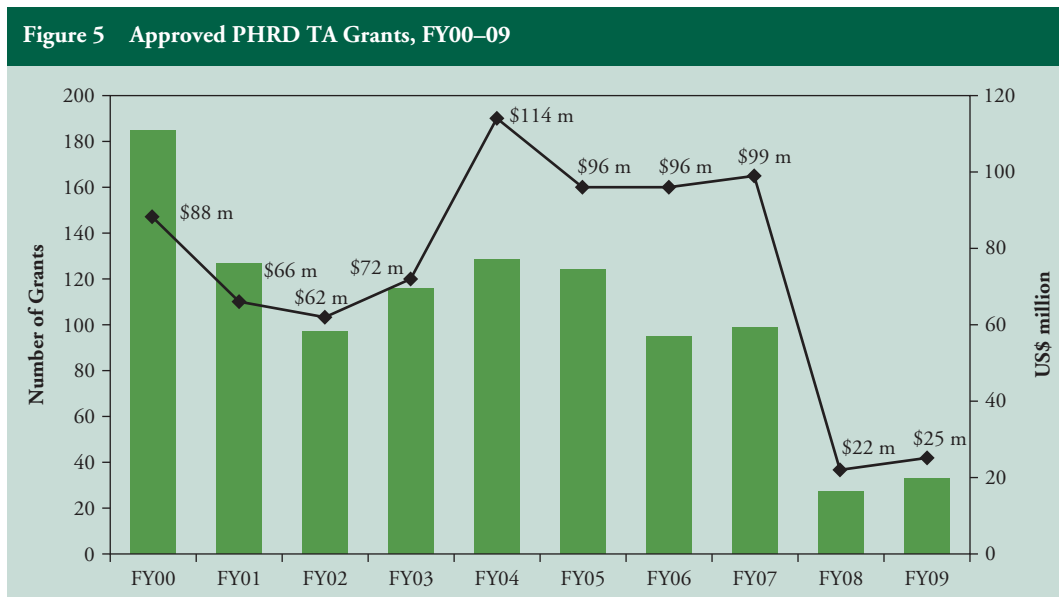
¹ Contribution = amount received from GoJ. Allocation = grant amount, as approved by GoJ, recorded when the specific grant account is established. When grants are approved late in the fiscal year (FY), the allocation may not be recorded until the following fiscal year. As a result, annual data on “allocations” and “approvals” are not always identical. Disbursements = amount withdrawn from the grant account to finance expenses incurred by the grant recipients.

² According to 2007 GNI per capita, countries’ income groups are: low-income, US\$935 or less; lower middle-income, US\$936–US\$3,705; upper middle-income, US\$3,706–US\$11,455; and high-income, US\$11,456 or more. Source: World Development Report, 2009.



and IDA credits. Figure 4 shows that, on average, preparation of 40–45 percent of the total number of loans and credits approved for Bank financing during FY00–03 were supported by PHRD Project Preparation (PP) grants.³ This ratio steadily declined as the number of approved PP grants declined, and, in contrast, the number of Bank operations increased over the years.

Since FY07, the number and value of the previously submitted PHRD TA grant proposals approved began to fall sharply. Figure 5 shows that the total value of approved grants was between US\$96 and US\$99 million annually in the three years from FY05 to FY07. There was a sharp fall in FY08 and a slight increase in FY09.



³Approved operations exclude projects scaled-up through additional and supplemental financing. PHRD PP grants exclude grants with zero disbursements. Grants associated with approved operations that were dropped and/or had zero disbursements have also been excluded.

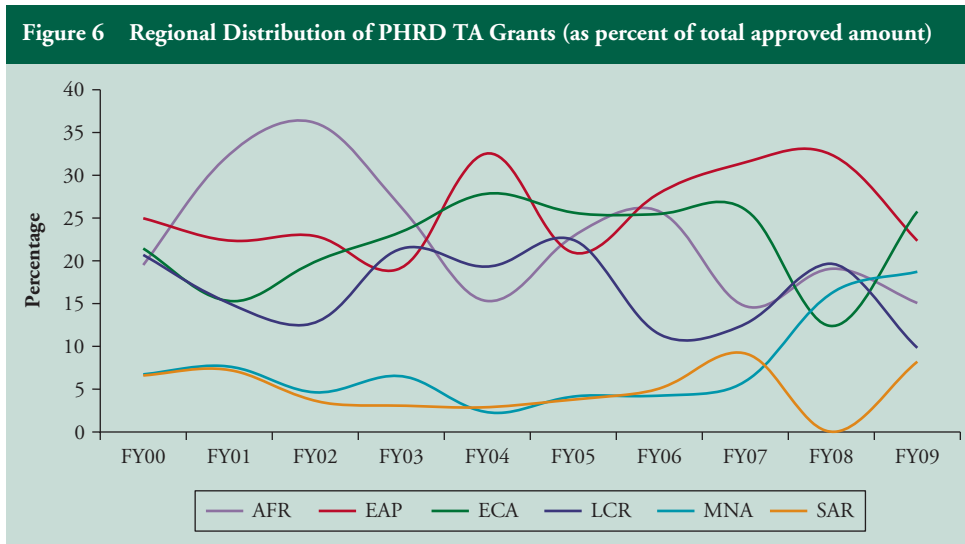


Figure 6 shows that Europe and Central Asia (ECA) region’s share of approved grants doubled from 12 percent in FY08 to about 26 percent of total value of grants approved in FY09. Thus, it became the top grant recipient region in FY09. South Asia (SAR) region’s share also increased to 8.3 percent in FY09 compared to nil in FY08. Middle East and North Africa (MNA) region’s share improved slightly in FY09. East Asia and the Pacific (EAP) region’s share fell by 11 percentage points in FY09 compared to the previous year. The shares of Africa (AFR) and Latin America and the Caribbean (LCR) regions also fell in FY09 compared to FY08.

2.2 PHRD TA Grants in FY09

Since the PHRD TA Program was being revised, no new grant proposals were submitted in FY09. However, 33 grants (US\$25.11 million) from previous years’ submissions were approved in FY09. Figure 7 shows the values of the grants approved from FY00 to FY09 by type. PP grants were dominant in all the years. A detailed list of grants approved in FY09 is provided in Annex 1.

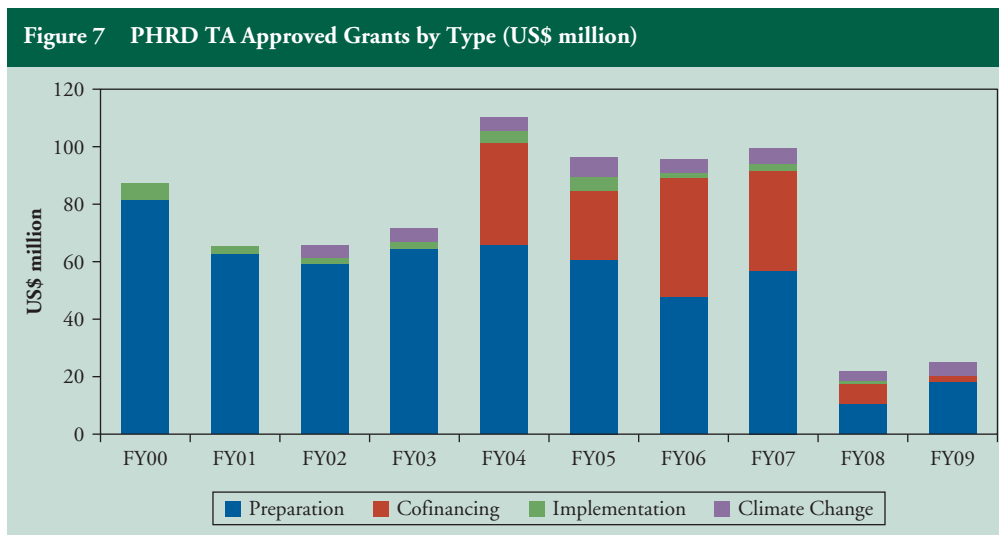
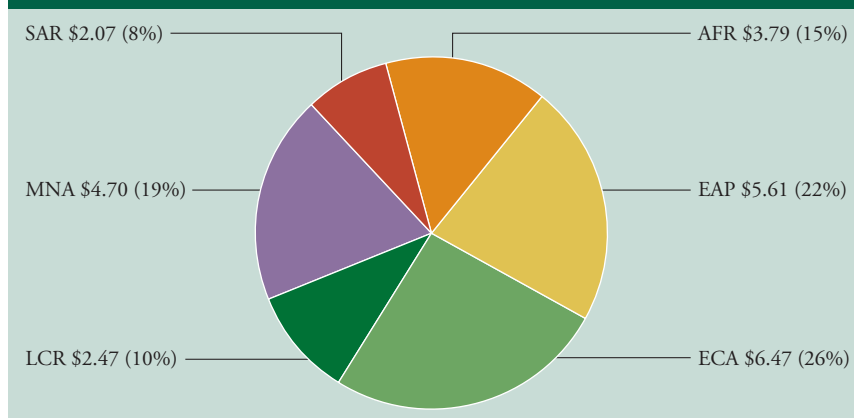


Figure 8 Regional Distribution of PHRD TA Grant Approvals for FY09 (US\$ million)



By region, 26 percent of the approved grants were for the ECA region, followed by EAP (22 percent).

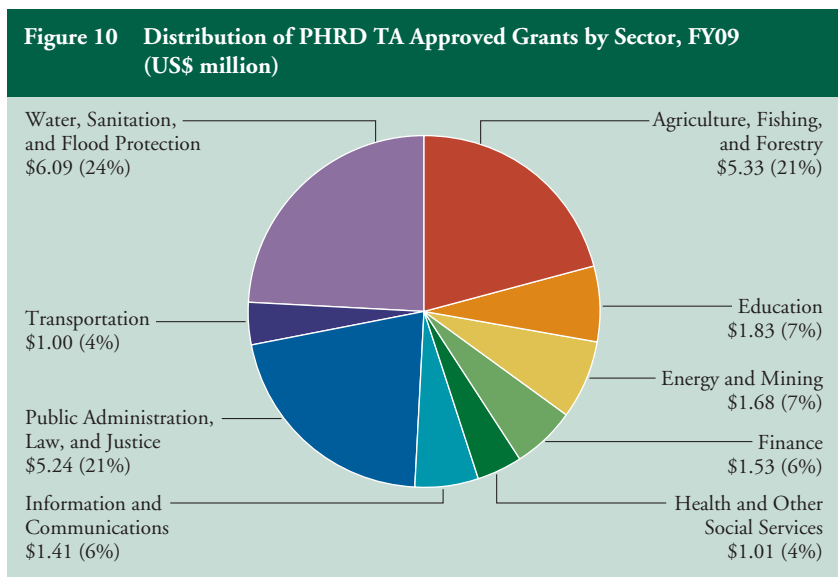
The PHRD TA Program is committed to supporting poverty reduction efforts, with a continuing focus on the poorest countries. In FY09, about 82 percent of the total value of approved grants was for IDA-eligible (including blend) countries.

In FY09, 21 countries received PHRD TA grants, the same number as in FY08. The top ten grant

recipient countries in FY09 are shown in Figure 9 (below). Yemen (four grants) and Madagascar (three grants) received 8.8 percent and 8.2 percent, respectively, of the total grant amount approved in FY09. Two grants were approved for regional projects. One of the regional grants benefitted countries in the West Africa region, and the other benefitted countries in the Mekong region (Cambodia, Lao PDR, and Vietnam).

Figure 9 Ten Largest Recipients of PHRD TA Grants in FY09





The distribution of approved PHRD TA grants by sector in FY09 is shown in Figure 10. About one-fourth of the approved grant amount was for operations in the Water, Sanitation, and Flood Protection sector, followed closely by 21 percent each for operations in the Agriculture, and Public Administration and Law sectors.

Bank through the provision of funds directly to potential borrowers to obtain technical expertise to carry out analytical studies to help prepare documents to access loans and credits from the World Bank. In FY09, GoJ approved 25 new grants amounting to US\$18.29 million. Fifteen countries received PP grants.

Project Preparation Grants

Project Cofinancing Grants

PP grants are aimed to strengthen the quality and recipient ownership of operations financed by the World

These grants are to support technical assistance to strengthen institutional capacity for operations financed



Nearly one-fourth of PHRD TA grants is provided to develop water and sanitation facilities.

by the Bank in IDA and blend countries. In FY09, GoJ approved three Cofinancing grants with a total amount of US\$3.27 million. Three countries received Project Cofinancing grants in FY09.

Climate Change Initiatives Grants

Climate Change Initiatives grants support the inclusion of climate change concerns in the development planning process of recipient countries. They also support 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 FY09, five grants valued at US\$4.65 million were approved for the Climate Change Initiatives program.

Approvals from the new PHRD TA Program

In late FY09, GoJ approved a limited program of US\$21.3 million, of which US\$20.0 million is for the CGIAR to support research on rice in two centers, and US\$1.3 million is for the Pacific Catastrophic Risk Initiative. The latter is a Bank-executed grant for the EAP region.

HUMAN RESOURCES DEVELOPMENT CAPACITY BUILDING AND PARTNERSHIP PROGRAMS

3.1 Introduction

G oJ supports the following four 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; (c) the Japan Indonesia Presidential Scholarship Program; and (d) the Japan–World Bank Partnership Program.

3.2 Joint Japan/World Bank Graduate Scholarship Program

The main objective of the 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



World Bank Graduate Scholarship Program Conference in Paris, France.

of which lead to a Master's degree. Since its establishment in 1987, the JJ/WBGSP has awarded 4,302 scholarships for studies in development-related fields at renowned universities in Bank member countries. Among them, 1,123 scholarships were awarded for studies at the various partner institutions under the Partnership Program.

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 FY09, GoJ contributed US\$16.47 million to the JJ/WBGSP, which allowed the Program to sponsor a total of 400 scholars. In FY09, the Program awarded 301 new scholarships under the Regular Program to scholars from 85 countries, and 99 scholarships to Partnership Program scholars. For the Regular Program, about 39 percent of the awardees were from the AFR and 13 percent each from the SAR and EAP regions. About three-fourths of awardees served in the public sector in their countries, 16 percent worked for non-governmental organizations, and seven 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 exchange. In FY09, a short-term training course was delivered in Japan targeting a small group of 14 JJ/WBGSP alumni who studied outside Japan. A one-day Knowledge Sharing Forum was organized in Paris for scholars currently studying in universities in continental Europe. The main topics covered were climate change, financial crisis and capacity development. A second forum was held in Washington, D.C., for the scholars studying in the United States. The forum included a skill training event where the participants learned how the Rapid Results Approach can be used as a leadership tool.

3.3 WBI: Supporting Capacity Development through Knowledge and Innovation

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 has been one of the largest donors in WBI by providing nearly 19 percent of all donor funds that were available for WBI use during FY08 and FY09. 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, under the PHRD program, Japan approved a final allocation of US\$1.88 million to fund programs in WBI's focus countries in Asia: US\$1.17 million (or 62 percent) were allocated to countries in East Asia, US\$0.5 million (or 27 percent) to countries in South Asia, and US\$0.21 million (or 11 percent) to countries in Central Asia. This enabled WBI to deliver a wide range of activities in 17 focus countries, mainly in Asia, and some regional activities. Two highlights of the PHRD-financed programs were in the Philippines and India in the areas of Health Sector Reform and Investment Climate. Box 1 highlights specific outcomes achieved by these two country-level programs.

In FY09, WBI worked with a long list of partners around the world and continued to expand its partnerships locally, regionally, and globally. Partnerships allow WBI to enrich the content of its programs, scale them up, and increase their cost-effectiveness. Partnerships also help build local capacity, harmonize capacity-development activities more broadly across donors, and better align these activities with country needs. In FY09, nearly two-thirds of WBI's activities were delivered jointly with partners. PHRD grants particularly facilitated building partnership with Japanese organizations, such as the Japan International Cooperation Agency (JICA) and the University of Kyoto.

3.4 Japan Indonesia Presidential Scholarship Program

The Japan Indonesia Presidential Scholarship Program was introduced in FY08 to support the Indonesia Ministry of National Education's Presidential Scholars

Program to strengthen the qualifications 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 11 scholarships were awarded for the 2008/9 academic year. Eight scholars started their studies in FY09. Nineteen scholars have been selected to start their studies during the academic year 2009/10.

Box 1 PHRD WBI Capacity Development Grants Program Achievements

Health Sector Flagship Course in the Philippines

WBI and the EAP region, in collaboration with the Department of Health of the Government of Philippines, Asian Development Bank, the United States Agency for International Development, and the World Health Organization, delivered the 4th Flagship course in July 2008 in Philippines. This is the fourth course of an in-country program on Health Systems Strengthening supported also by GoJ. The aim of the capacity building program is to support the Government in implementing its Formula 1 health strategy by strengthening the knowledge base of the various government officials working at the central and regional levels. In addition, the program aimed to build the capacity of local faculty who can in turn design and deliver related programs in the future. To date about 300 government officials from central and regional levels have been trained under the Flagship course on Health Sector Reform and Sustainable Financing.

The course content is constantly improved on the basis of the previous Philippines Flagship courses with new material and new cases. More local faculty has taught in the courses. The local faculty has benefitted from a series of Training of Trainers on content and pedagogy. These Training of Trainers sessions were delivered through videoconference by twinning local faculty with international faculty. The program places great importance on training the local faculty to ensure that future courses can be offered by local faculty rather than international faculty, thus trying to establish sustainability of the program. Future activities in support of the Formula 1 have been identified. These are: developing a reference book to incorporate existing and new cases used to teach the course, international and regional experiences, and data used to address the different topics. The participants can use this reference book in their analytical work and application of the policy tools and methods introduced in the course.

Investment Climate in India

The PHRD Capacity Building Fund for India has been supporting activities in two of the poorest states of India—Bihar and Orissa. The trust fund has provided capacity building support to enhance the competitiveness of these states with the lowest per capita incomes in the country and the highest poverty rates. In Orissa, WBI delivered an e-learning course on “Investment Promotion” for 32 key district and state level officials and trained them in a systematic way to professionally approach prospective investors to their states, thereby increasing the prospects for further investment, employment opportunities and growth in the state. As a result of the program, senior officials observed a sea change in the attitudes of the government officials and there have been further requests from the state government to continue support to the Department of Industries to help build capacity of the team to undertake a second wave of regulatory reforms.

In Bihar, the WBI team has undertaken background research and held several meetings with the Government of Bihar, private sector and other key stakeholders to help build the capacity of various government departments to enhance competitiveness by training government officials across different sectors such as industries, labor, environment, etc. The goal is to implement change that can make the business environment more competitive for the private sector through streamlining existing regulations, cutting red tape and introducing more efficient systems for approvals of new proposals, such as the Single Window. WBI has also assisted the Government of Bihar to improve the monitoring and tracking systems for new investment proposals. Jointly with the South Asia private sector team, WBI has produced background research on “Single window systems in India” and a mapping of the Regulatory Environment in Bihar.

OTHER PHRD-SUPPORTED PROGRAMS

4.1 Introduction

The PHRD Fund also supports a number of other World Bank-administered programs, including the Japan–World Bank Partnership Program, the Japan PHRD Staff and ETC program, the Japan Consultant Trust Fund Program, and other trust funds that receive contributions from Japan via the PHRD Fund.

4.2 Japan–World Bank Partnership Program

The objective of this program is to support activities that strengthen collaboration between Japan and the World Bank. In FY09 GoJ approved ten PHRD Partnership grants at the total amount of US\$3.5 million. The focus of these grants ranged from setting up a world class learning center in Tokyo to facilitating policy dialogue between the World Bank and the Japanese stakeholders, providing advisory services to the Japanese private sector, and recognizing outstanding research work. The list of approved grants is provided in Annex 2. Progress under some of these programs is described below.

Tokyo Development Learning Center

The grant supporting the TDLC is the largest under the Japan–World Bank Partnership Program.

In FY09, TDLC successfully scaled up its partnerships, programs, and regional leadership, achieving distinction as an important organizer and convener of knowledge sharing activities for the development community in

Japan by successfully leveraging the resources and reach of the GDLN. TDLC put increased focus on delivery of “public good model” type programs with a scope to produce more development impact, increasingly drawing on Japanese expertise and experience in subject areas such as disaster risk management, health, Africa, and other current economic issues. TDLC also initiated programs which explicitly targeted the private sector as users or content partners in areas ranging from infrastructure to corporate social responsibility.

Another notable feature in FY09 was the official launch of GDLN Regional Technical Hub Services in the Asia-Pacific region. This facility provides multi-point video-conferencing bridging and content management services by utilizing the Multipoint Control Unit and a high-speed Science and Information Network connection to reach 700 Japanese universities as well as equivalent networks in foreign countries. TDLC is thereby positioned as a leader in the GDLN Asia-Pacific community and demonstrating its strong value-addition to knowledge sharing activities and sustainability of GDLN throughout the region.

In FY09, TDLC forged a partnership with ASEAN on a number of important programs including “Growth and Integration of East Asia,” “ASEAN Summit 2009: a Pre/Post-Summit Briefing by Dr. Surin Pitsuwan, Secretary-General of ASEAN,” and “ASEAN+3 on A/H1N1 Crisis”—a just-in-time event that connected Health Ministers in an emergency meeting to discuss measures to combat the A/H1N1 crisis. While TDLC established a number of new partnerships in Japan in FY09 with universities, private firms and associations, and local governments, its strong collaboration with JICA was reinforced with the ongoing “JICA-Net

Distance Learning Short Seminars” delivered to Global Distance Learning Center communities in Asia, Africa, and Latin America now reaching an accumulated estimated 1,000 participants.

Some of the programs that illustrate TDLC’s contribution as a knowledge broker were: “Strengthening Disaster Risk Management in EAP Distance learning Seminar Series,” organized in collaboration with the EAP Disaster Risk management team and external partners including Kobe City and Hyogo Prefecture; two seminar programs on “Corporate Social Responsibility” for Japan and Asia, respectively, supported by private companies and delivered in collaboration with the WBI; as well as a seminar on “Oil Price Volatility, Economic Impacts, and Risk Management in Asia” that linked top energy experts from Japan and the United States (US) with policy makers and researchers in Philippines and Thailand. In the context of increased focus on Africa, TDLC conducted “Youth Dialogue” at a Tokyo International Conference on African Development side event in collaboration with UNICEF and implemented “Orphans Meet Artist” programs (a cultural series engaging orphans in Africa).

Other strategically important programs included: “Nurse Education Programs” for Mongolia (on mother-child healthcare) and Indonesia (on disaster nursing) that successfully mobilized 1,553 nurses, who usually do not have opportunities to receive training from international experts; a knowledge sharing workshop on “System of Rice Intensification,” which received a lot of attention from academics and practitioners in Lao PDR, Indonesia, Japan, and the US. In line with an increasing focus on “South-South” learning in the international development community, TDLC also focused on promotion of knowledge exchange among developing countries on hot topic programs, such as “Today’s Inflation: Global Context and Local Solutions” and “Financial Crisis: Trends and Countermeasures by Asian Countries.”

TDLC’s approach using “blended learning methodology” has proven effective in achieving big outreach or cultivating “unreached populations” which conventional training would never address. Programs such as “Microfinance Training of Trainers” in collaboration with the Asian Development Bank Institute reached over 1,100 estimated participants from 36 countries around the world. A long-term TDLC partner, Asian Productivity Organization has also embraced the blended learning approach to deliver its training programs to over 1,000 participants in their member countries.

The Policy Dialogue Enhancement Support Fund

In FY09, GoJ approved Phase V of the Fund which was fully utilized to support further enhancement of policy-level dialogue and interactions between the World Bank and Japanese stakeholders. Several public seminars were organized to disseminate the Bank’s key messages to the Japanese general public as well as to those working on development issues. The grant also helped with organization of outreach activities through the Public Information Center in Tokyo which arranged mini-seminars and other public events on development throughout FY09 and mobilized an active audience of more than 1,300 people. The grant also supported translation and production of World Bank publications and information materials including annual editions of the World Bank Annual Report, PHRD and Japan Social Development Fund Annual Reports. “The World Bank and Japan” general brochure was also produced in Japanese and English versions. These products promoted interactions and partnerships on development issues between the World Bank and Japan.

The Public Outreach Support Fund

The translation specialist and webmaster supported by the grant contributed to the visibility of the World Bank Group’s presence in Japan through various translation products and websites. A notable example is the constant updating of the Bank’s response to the financial crisis on the website in Japanese. The number of hits on the Tokyo Office website has steadily increased, making it the most visited site among the Bank’s country office websites in the East Asia region. The fund also contributed to reaching out to the more general audience who are not necessarily active participants in international development issues by organizing events related to art and music to raise awareness on broader themes of development such as Africa and Health. The grant supported the participation of the World Bank’s Tokyo Office in events organized by international organizations including the United Nations Day and the International Global Fiesta. This participation helped the Bank reach out to the general public interested in development issues.

Strengthening the Partnership between the World Bank and the Private Sector in Japan

In FY09, GoJ approved Phase IV of the program which has continued to allow the Bank to provide Japanese contractors and consultants with advisory services for fair 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 processes, and business opportunities under Bank-financed projects and programs.

World Bank–Japan Partnership for Recruitment Support Fund

In FY09, GoJ joined the World Bank’s JPO program to enable more young Japanese nationals to join the World Bank. GoJ also approved a PHRD grant in FY09 to support the selection process for the JPO program. Specifically, the grant supported the contracting of Human Resources specialists as Selection Committee members, hiring a Human Resources company to place advertisements and manage on-line applications. All of this is supervised by the World Bank’s office in Tokyo. The grant also supported information dissemination by organizing seminars and workshops to inform the public about the Bank’s recruitment programs.

Global Development Awards and Medals

Since FY00, GoJ has provided US\$3.27 million to the Global Development Network for annual recognition and awards to outstanding researchers from developing countries. In FY09, GoJ approved US\$0.38 million for the annual conferences in Brisbane and Kuwait.

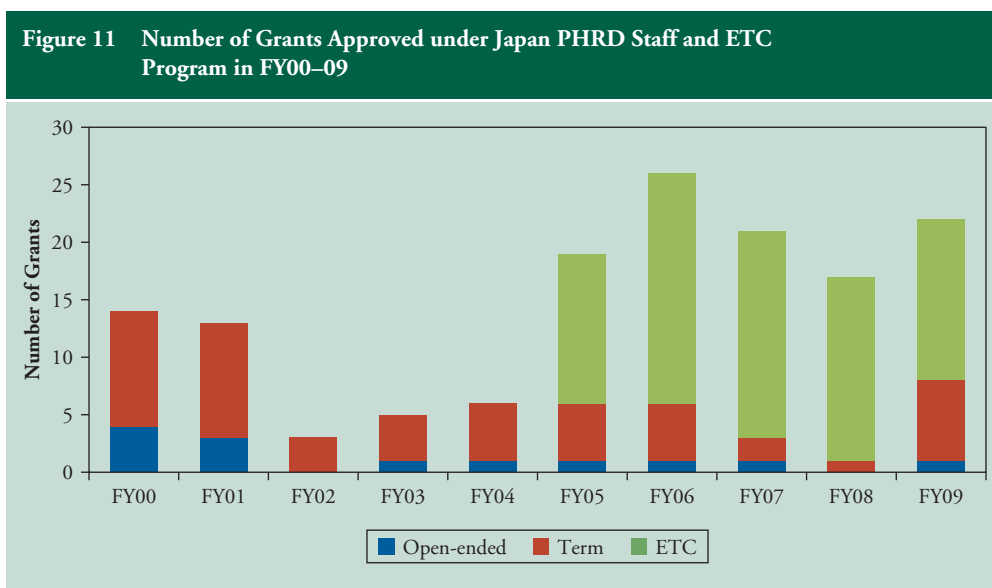
Ethiopia Cluster Development Program Support

The focus of this grant of US\$0.24 million is to build capacity and stimulate innovation in the shoe leather, garment, and textile industries, thus contributing to the broader goal of stimulating and reforming the private sector in Ethiopia.

4.3 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 appointments: (a) ETC for a maximum of two years; (b) term appointments for a maximum of five years; and (c) open-ended appointments for two years or until completion of the probationary period, whichever comes first.

In FY09, GoJ approved 22 applications worth US\$3.4 million for three categories of staff: open-ended, term, and ETCs. This number is the second highest in the history of the program, after the FY06 approvals. Of the 22 approved applications, 14 ETC appointments (US\$1.4 million), seven term appointments (US\$1.6 million), and one open-ended appointment (US\$0.4 million) have been approved. Figure 11 gives the cumulative numbers of grants approved under the program since FY00.



Over the period FY00–09, 146 appointments were financed under this program, of which 55 percent were ETC, 36 percent term, and nine 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.

4.4 Japan CTF Program

In FY09, US\$4.76 million was allocated to the Japan CTF Program and about 73 percent of the FY09 allocation has been committed as of the end of

June 2009. The EAP region and the Sustainable Development Network were the largest recipients of the Japan CTF in FY09, each receiving 13 percent of the total FY09 allocation.

4.5 Other Ongoing Programs

During FY09, transfers were made from the PHRD Fund to several other programs managed by the World Bank. Three transfers of US\$5.0 million each were made to: (a) the Readiness Fund for FCPF, (b) CEPF, and (c) the newly established Japan JPO Program. In addition, US\$0.3 million was transferred to the CGAP.

MONITORING AND EVALUATION OF PHRD ACTIVITIES

5.1 Monitoring the Progress and Impact of PHRD Activities

The Concessional Finance and Global Partnerships 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 the Global Partnership and Trust Fund Operations Department 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 funds.

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 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.

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 was 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. The key lessons from the FY08 report are presented in Box 2 below. The FY09 closed grants report will be completed in December 2009.

Box 2 Key Lessons from Grant Implementation

- Local ownership of grant-financed studies is more effective than setting external conditionalities or financing incentives (in case of Development Policy Loans) as evident from a Recipient who continued to implement some of the reforms designed with PHRD TA grants even though the Bank's expected loan did not materialize;
- Resources to interact with stakeholders help to improve the knowledge base required for good project design;
- PHRD TA grants can be a very effective tool to develop consensus on sector strategy and project design;
- Ownership is enhanced when municipality representatives take the responsibility for grant implementation rather than working through a centralized and consultant based project preparation team;
- Government managed trust funds can support increased planning and design capacity of the implementing Ministries, and improved integration between project and overall sector development plans;
- Detailed capacity assessment of the proposed grant implementing agency should be undertaken before taking a final decision on the implementation arrangement;
- Strong political support is needed to adopt a decentralized approach to project management;
- Need to be realistic about the country's political situation and its track record regarding carrying out reform programs to avoid designing an ambitious operation;
- When grants are implemented in an environment with governance issues, fiduciary setbacks should be anticipated at the design phase, and potential delays factored into the implementation strategy and schedule.

Source: FY09 PHRD TA Closed Grants Report.

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, and in Japanese at www.worldbank.org/japan/about-j.

The World Bank Institute website is www.worldbank.org/wbi. The JJ/WBGSP website is at 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. This website is maintained in both Japanese and English languages.

6.2 Programs Supported by the PHRD Fund

Other programs supported through the PHRD Fund in FY09 are:

Critical Ecosystem Partnership Fund (CEPF): <http://www.cepf.net>

Consultative Group to Assist the Poorest (CGAP): <http://www.cgap.org>

Forest Carbon Partnership Facility (FCPF): <http://www.forestcarbonpartnership.org/fcp/>

ANNEX 1

LIST OF PHRD TA GRANTS APPROVED IN FY09

AFRICA REGION

Country	Name of Grant	Amount (US\$)	Grant Type
Madagascar	Sustainable Health Systems Development Project II	660,000	Project Preparation
Madagascar	Education for Growth	800,000	Project Preparation
Madagascar	Environmental Swap Support	600,000	Project Preparation
Mozambique	Water Resources Development Project I	750,000	Project Preparation
Regional	West Africa Regional Fisheries Project	975,000	Project Preparation
Africa Region Total		3,785,000	

EAST ASIA AND THE PACIFIC REGION

Country	Name of Grant	Amount (US\$)	Grant Type
Indonesia	Strengthening the National Statistical System of Indonesia	1,000,000	Project Preparation
Lao PDR	Transport Sector Project	1,000,000	Cofinancing
Papua New Guinea	Rural Communications Project	420,000	Project Preparation
Papua New Guinea	Productive Partnerships in Agriculture	775,000	Project Preparation
Regional	Mekong Integrated Water Resources Management Project	1,000,000	Project Preparation
Vietnam	Financial Sector Modernization and Information System Project	830,000	Cofinancing
Vietnam	Social Security Administration Modernization Project	585,000	Project Preparation
East Asia and the Pacific Region Total		5,610,000	

EUROPE AND CENTRAL ASIA REGION

Country	Name of Grant	Amount (US\$)	Grant Type
Albania	Municipal Finance, Governance and Services Delivery	980,000	Project Preparation
Armenia	Technology Competitiveness Enhancement Project	990,000	Project Preparation
Armenia	Public Financial Management and Corporate Accounting and Auditing	950,000	Project Preparation
Azerbaijan	Higher Education Project	460,000	Project Preparation
Bosnia & Herzegovina	Municipal Development Project	480,000	Project Preparation
Bosnia & Herzegovina	Enhancing Competitiveness, Private Sector Development and Reducing Business Regulatory Barriers	700,000	Project Preparation
Moldova	Community Support Program for Sustainable and Integrated Forest	975,900	Climate Change
Uzbekistan	Municipal Infrastructure and Services Project	935,000	Project Preparation
Europe and Central Asia Region Total		6,470,900	

LATIN AMERICA AND THE CARIBBEAN REGION

Country	Name of Grant	Amount (US\$)	Grant Type
Colombia	Jepirachi Wind Farm Carbon Offset Project	675,000	Climate Change
Mexico	Support to the Implementation of the National Climate Change Strategy	995,000	Climate Change
Nicaragua	Public Sector Technical Assistance II	800,000	Project Preparation
Latin America and the Caribbean Region Total		2,470,000	

MIDDLE EAST AND NORTH AFRICA REGION

Country	Name of Grant	Amount (US\$)	Grant Type
Morocco	Strengthening Capacity to Adapt to Climate Change Impacts on Water Management in the Oum Er Rbia Basin of Morocco	1,000,000	Climate Change
Tunisia	Addressing Climate Change Impacts in the Oak Forest Ecosystem	999,710	Climate Change
West Bank Gaza	Municipal Infrastructure and Services Delivery Project	495,000	Project Preparation
Yemen	Integrated Urban Development	950,000	Project Preparation
Yemen	Port Cities Development Project Phase II	340,000	Cofinancing
Yemen	Second Higher Education Project	570,000	Project Preparation
Yemen	Population Project	350,000	Project Preparation
Middle East and North Africa Region Total		4,704,710	

SOUTH ASIA REGION

Country	Name of Grant	Amount (US\$)	Grant Type
India	Bihar Panchayat Strengthening Project	565,000	Project Preparation
India	Haryana Power System Improvement Project	1,000,000	Project Preparation
Pakistan	Technical Assistance National Environment Policy	500,000	Project Preparation
South Asia Region Total		2,065,000	

ANNEX 2

LIST OF PHRD JAPAN–WORLD BANK PARTNERSHIP PROGRAM GRANTS APPROVED IN FY09

Grant Name	Approved Amount	US\$ Equivalent
Japan WB Policy Dialogue Enhancement Support Fund—Phase V	¥30,000,000	\$284,199
Strengthening of Partnership between the World Bank and the Japanese Private Sector—Phase IV	¥8,000,000	\$75,786
Ethiopia—Cluster Development Program Support	\$240,000	\$240,000
Health Systems Strengthening—Takemi Working Group Project Proposal	\$84,117	\$84,117
Development Gateway Foundation	\$1,000,000	\$1,000,000
Global Development Awards and Medals—FY08	\$190,000	\$190,000
Global Development Awards and Medals—FY09	\$190,000	\$190,000
Separate JSDF Facility for Promoting JSDF Activities	\$1,098,000	\$1,098,000
World Bank–Japan Partnership for Recruitment Support Fund	¥7,872,000	\$59,221
Regional Energy Study	\$300,000	\$300,000
Total		\$3,521,323

CONCESSIONAL FINANCE AND
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