Dalberg

JSDF FY 2022 Independent Assessment

2013-2020

January 2023

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I.1 EXECUTIVE SUMMARY

Introduction

The Japan Social Development Fund (JSDF) is a partnership between the Government of Japan (GoJ) and the World Bank ("the Bank"). The JSDF's objective is to provide grants in support of community-driven development and poverty reduction projects that empower the poorest and most vulnerable groups — those not reached by other programs. The JSDF also aims to improve their lives through direct benefits. JSDF grants are made to recipients in eligible low- and lower-middle-income countries in good standing with the World Bank. Unlike most Bank-financed projects executed by governments at the central level, JSDF projects can be executed by NGOs/CSOs and local governments and are mainly implemented at the community level.

The World Bank engaged Dalberg Advisors in FY 2022 to independently assess the JSDF. The focus was to assess the extent to which activities funded under the JSDF between January 2013 and June 2020 contributed to the achievement of development results and improved the livelihoods of beneficiaries and their communities. It also sought to review: (i) the mechanisms instituted to address findings of the previous independent assessment undertaken in 2014; (ii) the extent to which activities scaled into development partner operations; (iii) how projects are helping to sustain beneficiary livelihoods; (iv) the extent to which projects empowered and strengthened local community authorities, NGOs/CSOs, and other local stakeholders; and (v) the strengths and weaknesses of JSDF's operational and administrative arrangements.

Methodology

The assessment team anchored the analysis across two dimensions: Project Impact (including community impact and implementing agency impact) and Program Management. Under each area, the team investigated key questions linked to the assessment objectives. Program Management sought to uncover the strengths and weaknesses of JSDF's operational and administrative arrangements. Project Impact looked at how projects achieved their objectives; how they empowered and strengthened local community authorities, NGOs/CSOs, and other stakeholders; and how projects scaled local impact.

The assessment team used a mixed-methods approach to collect and analyze data structured around the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD DAC) criteria: relevance, effectiveness, efficiency, and sustainability. These methods included: (i) over 20 interviews with World Bank personnel; (ii) a survey of 24 task team leaders (TTLs); (iii) a desk review of over 300 documents covering 46 projects; and (iv) in-person field visits to eight countries covering nine projects (and one virtual visit) that involved over 70 interviews and 47 focus groups with project beneficiaries.

Although the assessment incorporated several levels of analysis, it experienced three limiting factors:

1. **Inconsistent project documentation.** Desk review of the 46 selected projects considered key project documents such as the Project Proposal Package, Implementation Status Results Reports (ISR), and Implementation Completion Reports (ICR). Unfortunately, since these documents were

not readily available across all projects, the extent to which projects could be equally evaluated was limited. Although the team worked to glean relevant information from all available documents, the absence of key project documents limited the scope of analysis.

2. **The long duration between project completion, and the dates of the project field visits.** Some projects which were selected for field visits had wrapped up more than five years prior to the assessment. This was the case with the Bolivia and Kenya projects. As a result, some of the implementing agencies, local government officials, community members, and World Bank TTLs involved in implementation had moved on or were only able to share limited insights on a given project's performance. At times, those interviewed struggled to recall specific details about the project's implementation.

3. **Difficulties connecting with World Bank personnel.** The assessment occurred during the summer period in the northern hemisphere. As a result, engagement with some key World Bank personnel was limited as it coincided with the Bank's annual leave period. Additionally, several Country Managers expressed a lack of familiarity with JSDF during interview requests. As a result, they declined to speak with the team or suggested the team communicate with a TTL instead, which posed a challenge in the analysis of Country Management Unit (CMU) perspectives.

Key findings are presented in the two sections that follow: JSDF Project Impact and JSDF Program Management. The first presents results related to the relevance, effectiveness, efficiency, and sustainability of JSDF projects. The second presents findings related to the effects of JSDF's 2014–2016 policy changes, successes, and areas for further improvement.

JSDF Project Impact: Key Findings

- **Beneficiary relevance: The projects assessed were found to be highly relevant to the needs of beneficiary communities.** The assessment team found that the majority of projects reviewed were considered relevant to a country's development priorities. Based on ICRs, 70 percent of projects sampled were rated "high" for relevance. Beyond the ICR relevance rating, field visits demonstrated how different projects responded directly to beneficiary needs. The team found that all projects reviewed included a participatory design process, which effectively contributed to project relevance.

- **World Bank relevance: The JSDF fills a critical gap and offers a unique value proposition that other World Bank funding opportunities do not.** A consistent message across interviews, supported by 94 percent of TTL survey respondents, agreed that JSDF grants fill a gap and address development issues that other donors or governments do not. Specifically: (i) JSDF grants enable TTLs to collaborate with local implementing agencies to reach vulnerable communities and provide tailored and localized support; (ii) JSDF grants fill a critical funding gap that enables TTLs to collaborate with others to pilot new interventions (the pilot approach and a focus on innovation enables TTLs to test new interventions on a smaller scale before scaling up, increasing the success of larger projects); and (iii) JSDF effectively champions innovation, as evidenced by the plethora of

innovative ideas executed across the 46 reviewed grants. Explicitly requiring TTLs to demonstrate during the design stage how a project is innovative is key to achieving pioneering interventions.

- **World Bank relevance: Despite JSDF's broad coverage across nine thematic areas, projects are concentrated in Social Sustainability and Inclusion (SSI), Health Nutrition and Population (HNP), Agriculture, and Education Global Practices.** The high proportion of JSDF projects allocated to these global practices reflects significant overlap with the JSDF's poverty alleviation objectives. However, JSDF's concentration in these thematic areas has had a cooling effect on TTLs from other practice areas. The four global practices account for 80 percent of projects approved between FY 2015 and FY 2022.

- **Implementing agency relevance: The assessment suggests that by collaborating with local government and NGOs/CSOs, the JSDF is better able to design projects to respond to beneficiary needs, more efficiently reach intended beneficiaries, and strengthen local implementing capacity**. Implementing with NGOs/CSOs and local governments allows JSDF projects to respond to community-specific challenges that central governments may not have the visibility or flexibility to examine and address. Since NGOs/CSOs and local government agencies operate at the community level, they are better placed to identify distinct poverty drivers and provide support in identifying novel solutions.

- **Project effectiveness: The majority of projects reviewed achieved their project development objectives**. This statistic highlights that most JSDF projects are effective and likely to deliver on the impact targets set during grant design. The desk assessment found that 92 percent of projects sampled reported their project development objectives (PDOs) as either moderately satisfactory or satisfactory, reflecting the JSDF's high efficacy. Findings around gender effectiveness were more complex. Just 68 percent of projects reviewed included gender indicators and, of those, only 50 percent achieved them.

- **Project effectiveness: Overall, the assessment estimated that the JSDF reached 60.4 million individuals during the period under review.** With a total budget across the set of projects of US$ 135 million, this indicates a spend of US$ 2.2 per individual reached. Across thematic areas, beneficiaries are heavily concentrated in improved nutrition and early childhood development, and to a lesser degree basic legal services and livelihood support. It is noteworthy that there was significant variation as to the number of beneficiaries reached by JSDF projects – with some projects reporting in the hundreds and some in the millions. This variation is not necessarily in and of itself a problem. JSDF projects are intended to be innovative pilots. Projects with a smaller number of direct beneficiaries can still offer significant value by proving a concept. It does, however, raise questions as to the comparability of beneficiary indicators. A deeper assessment of JSDF indicators shows significant differences in the ways that beneficiaries are measured, which has implications for reporting.

- **Implementing agency effectiveness: Despite the higher perceived risks among TTLs in working with local organizations vs international NGOs/CSOs, on average, little difference exists in**

effectiveness and efficiency metrics. The likelihood of a satisfactory score on overall project efficiency is similar across different types of implementing agencies. The JSDF supports implementing agency capacity building through subject matter expertise, technical and monitoring and evaluation (M&E) training, data collection support, and procurement and financial management guidance. The JSDF's commitment to capacity building is critical in creating foundations for sustainable results. For instance, one local NGO said it "learned a lot about how to capture results more scientifically by using simple tools." By training implementing agencies and supporting the development of essential facilities such as a vegetable tissue culture lab in Uganda or energy-dense food (EDF) factories in India, for instance, projects build the institutional memory and infrastructure necessary to continue results beyond grant duration.

- **Sustainability: Among projects which were subject to field visits, all achieved sustainability through one of the following four channels: sustainability of results, World Bank adoption and scaling, development partner adoption and scaling, or government adoption and scaling.** Sustainability of results was often achieved through the continued application of skills, the continued use of infrastructure, or the continued provision of grant-enabled services. For example, based on the training and grants provided, Ghana beneficiaries could set up a business and continue generating income from it after the program concluded. Additionally, development partner and government adoption and scaling were common sustainability channels, with this occurring in 50 percent of the projects subject to field visits. In Guatemala, for instance, ChildFund was able to secure funding from Lego Foundation and expand the JSDF project. Finally, 83 percent of projects that were part of the desk review reported that project interventions were continued or lessons incorporated into other development work.

JSDF Program Management: Key Findings

- **The JSDF Secretariat is proactive and flexible in its management of the JSDF program, as evidenced by its historical responsiveness to challenges that hamper demand for JSDF support.** One of the Secretariat's major strengths is its awareness of the challenges and needs of different stakeholders within the Bank, particularly TTLs. Over the years, the Secretariat has introduced a range of mechanisms in direct response to feedback, such as introducing the Idea Brief stage and the Seed Fund, to name a few.

- **Critically, the JSDF Secretariat's approach and interactions when assisting TTLs to navigate complexities were consistently acknowledged and valued.** Feedback indicated that in troubleshooting issues with TTLs, the Secretariat showed a strong willingness to go above and beyond providing applicants with guidance and input. Similarly, parties requiring guidance on protocols or input on restructuring during implementation spoke highly of the Secretariat's flexibility and the manner in which it engaged. For example, one TTL noted that "JSDF [the JSDF Secretariat] was flexible and adaptable to the country and community-level health context."

- **While many of recommendations were implemented, the 2022 assessment notes two areas where 2014 assessment recommendations have not been actioned.** Adjustments made included

finalizing a strategic results framework, defining innovation more explicitly, and increasing the flexibility of the Seed Fund grants. It was recommended that the GoJ increase its annual JSDF contribution to at least US$ 30 million. However, while the 2014 contribution was US$ 32 million, it fell to US$ 4 million in 2020. Subsequently, this trend was further amplified in 2021 and 2022 when the GoJ did not contribute any funding. In addition, while the 2014 assessment recommended transforming the Seed Fund grant into a more flexible tool to provide advance funding, the Seed Fund (and project preparation funds as a whole) were still found to be challenging to access. .

- **Most notably, demand for JSDF grants has dramatically decreased in recent years, reducing disbursements.** Idea Brief submissions declined from 35 to six between the first round of submissions in 2017 and the eighth round in 2021. This negative trend has reduced the portfolio of ideas eligible for development into detailed JSDF proposals. Between 2014 and 2021, annual disbursements declined from US$ 46 million to US$ 15 million. This reduction occurred on top of an already high unallocated fund balance (US$ 215 million in FY 2021) and the GoJ raised concerns that the JSDF may not be reaching its full potential to create impact. Given the high balance of unallocated funds, the GoJ subsequently reduced its annual JSDF contribution by 29 percent — from US$ 32 million in 2014 to US$ 4 million in 2020, and provided no additional funding in 2021 and 2022. Given the significance of this trend, a core part of the assessment of program management focused on understanding drivers of the decline in JSDF grants.

Drivers of Demand for and Disbursements of JSDF Grants

The assessment identified several micro and macro dynamics impacting demand (see Figure A below)

Figure A: Overview of micro and macro dynamics impacting demand
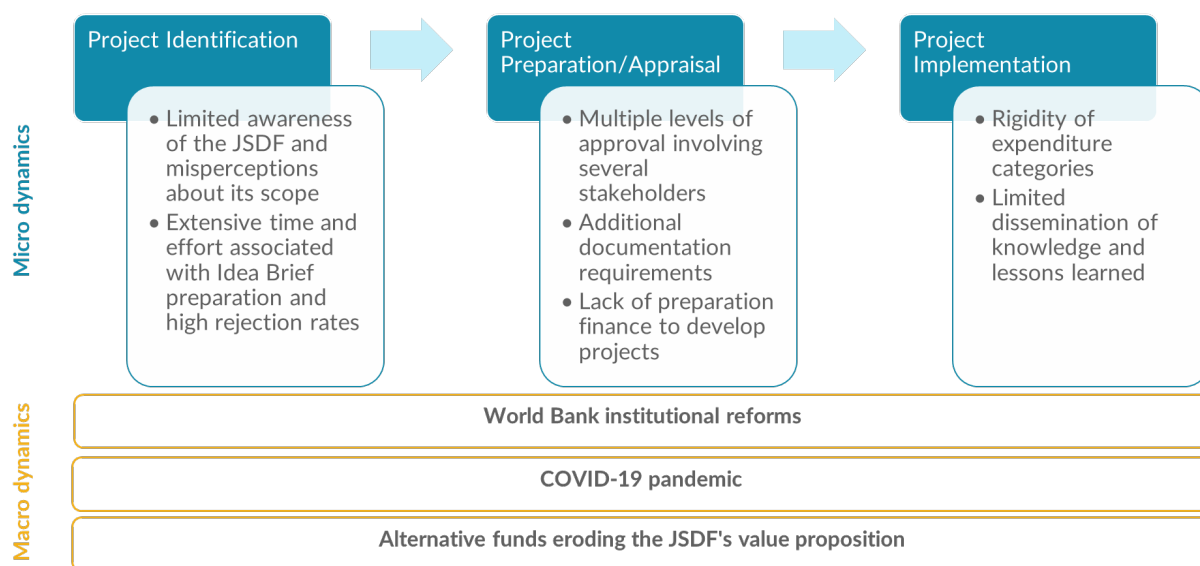
Micro-dynamics

A combination of micro challenges across the project cycle limits demand for JSDF grants.

Project identification

- **Limited awareness of the JSDF as well as misperceptions about its scope.** Various World Bank stakeholders expressed that some people are not aware of JSDF or have an incorrect understanding of its activities. Despite JSDF's broad thematic mandate, TTLs also commonly perceive its thematic focus to be narrow and that proposed projects must map to a select few global practices in order to be approved. For this reason, TTLs mapped to other global practices may not pursue JSDF opportunities due to the incorrect perception that it is irrelevant to their work. For example, one TTL expressed that "it is known now that if you are not putting together a proposal in health, education, or nutrition, you will not get funding."

- **Time and effort associated with Idea Brief preparation, and high rejection rates.** An Idea Brief is the high-level summary of a proposed project that, if approved, is used to develop a detailed project proposal. While it was introduced in April 2017 to lower the effort associated with grant application submissions, safeguard resources, improve concept note quality, and encourage more ideas it is still relatively resource intensive with various due diligence requirements. For instance, the template states that TTLs should *"explain how the targeted beneficiaries' views and concerns have been discussed and included in the formulation of this Idea Brief,"* a step that requires beneficiary consultations which can be complex and time intensive. In addition, Idea Briefs have a relatively low acceptance rate, which can discourage TTLs from responding. Between 2017 and 2022, the average Idea Brief approval rate upon submission was approximately 11 percent and the average acceptance rate following some revisions was 27 percent.

Project Preparation/Appraisal

- **Multiple levels of approval involving several stakeholders.** World Bank guidelines on small recipient-executed trust funds (RETF) mandate that applications follow a two-tier review and approval process, the JSDF process includes three tiers – Idea Brief (additional), Project Initiation Note (PIN) and Appraisal/Approval packages -– for improved quality control. This does however contribute to additional complexity and longer timelines. A review of a set of 25 JSDF projects between 2018 and 2021 indicates an average turnaround time of 17 months from Idea Brief submission to GoJ final approval. This excludes the time taken to develop the Idea Brief itself, which can be as long as three months. PIN package review typically takes longer than the appraisal package since the GoJ needs to conduct a thorough preliminary assessment to understand the proposed project. Despite commitments to keep the process to a month, between 2018 and 2021 it took an average of 2.1 months for GoJ review of PIN packages and an additional 0.78 months on average for review of appraisal packages. It is noteworthy, that these times are an improvement on pre-2018 averages which were 3.4 months, and 1.01 months respectively. TTLs highlight lengthy timeline and associated level of effort as a significant downside to considering whether to apply to JSDF, particularly for relatively small ticket sizes. Just 30 percent of survey respondents

agreed or strongly agreed with the statement that JSDF grants are undertaken in a timely fashion. These sentiments were echoed strongly in interviews, with TTLs consistently highlighting the burdensome process and long timelines as undesirable.

- **Additional documentation requirements.** In addition to the common project initiation and appraisal packages, JSDF requires applicants to submit detailed supplemental documents (i.e. Cost Table and JSDF Annex) that require additional effort. JSDF also has defined a set of rules on budget allocation and maximum envelopes for cost categories that can create additional challenges. On occasion, these rules conflict with those of Country Offices, which are informed by local legislation and context.

- **Lack of preparation finance to develop projects.** A lack of available project preparation funding to support TTLs in conducting in-depth due diligence and plans that are in line with proposal requirements is a major hindrance to demand for JSDF. While the Seed Fund was introduced to support project preparation by encouraging participatory discussions, it is not easy to access. The Seed Fund is only made available in specific instances and interviewees expressed that the Seed Fund application and approval timeframe was lengthy, taking approximately a year to complete.

Project Implementation

- **Rigidity of expenditure categories.** A major project implementation challenge TTLs highlighted is an inability to reallocate costs across project components and expenditure categories, which often results in restructuring. During the project design process, TTLs get to a project's total cost by identifying and mapping all execution cost items to specific project components and expenditure categories. However, TTLs often find discrepancies between estimated costs and on-the-ground implementation costs. This results in cases where total project costs align with the project's budget but costs split across components differ from the project proposal. The rigidity in JSDF cost allocations tends to lead to more frequent project restructuring. The desk review found that changes in funding categories was one of the most common reasons for project restructuring among the 46 grants. Overall, the lack of autonomy in effecting relatively small project changes has been reported to frustrate TTLs and delay grant impact to beneficiaries.

- **Limited dissemination of knowledge and lessons learned:** While replicability and scalability are key objectives for JSDF projects, there is a need to strengthen knowledge management and dissemination to promote project sustainability. The purpose of JSDF projects is to pilot innovative ideas on a small scale to establish a basis upon which to expand project impact. However, JSDF does not have an active learning agenda[1] in place for internal stakeholders, which limits awareness about projects that can be replicated or scaled.

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[1] A learning agenda is a set of prioritized research questions and activities that guide a program's evidence-building and knowledge dissemination.

The following macro shifts also likely impacted demand:

- **World Bank institutional reforms:** In April 2013, the Bank adopted a set of policies and procedures to modernize and consolidate the processing of investment project financing (IPF) projects, based on a paper approved by the Board in October 2012. Simplified procedures were adopted for small projects financed by the Bank under recipient-executed trust fund grants under US$5 million. Task team leaders of JSDF projects were required to establish a separate project under a product line called Recipient Executed Activities with its own project ID (P code). This was a departure from previous practice where JSDF projects were linked to planned or ongoing investment projects, which meant that they did not have to have their own P code. A separate but concurrent institutional push to consolidate activities and reduce fragmentation of country portfolios resulted in Country Management Units (CMUs) prioritizing fewer, larger-scale operations over multiple smaller ones (like JSDF projects). The JSDF's primary mandate — to reach the most vulnerable populations and to test innovative approaches — and the fact that they are often implemented by local governments/NGOs rather than central governments, have made it difficult for TTLs to make the case with CMUs to initiate JSDF projects in the evolving institutional environment.

- **COVID-19 pandemic: Beginning in 2020, COVID-19 saddled World Bank staff with a surge in pandemic-related lending activities.** The value of IDA/IBRD commitments jumped by 65 percent between 2019 and 2020, with 200 additional P codes registered in 2020 compared to the prior year. The rapid increase in pandemic response efforts burdened TTLs with a significant workload as they prepared response activities. The subsequent burden left less room for the innovative, experimental projects generally associated with JSDF.

- **Alternative trust funds eroding the JSDF's value proposition: There are currently 256 active World Bank trust fund programs.** TTLs reported they value funds with efficient design and approval processes, high funding ceilings, and project preparation funds. Some TTLs reported that other trust funds favorably compare on these dimensions, pushing them toward those options even if they do not offer JSDF's same focus on local communities and innovation. Further, JSDF projects have similar transaction costs as IDA projects but a significantly lower ticket size of US$ 3 million. JSDF projects experience high transaction costs due to their focus on communities often situated in hard-to-reach areas, an in-depth due diligence process, and intensive monitoring and evaluation requirements. Twelve years have passed since the grant ceiling was defined as US$ 3 million and inflation has eroded that purchasing power over the intervening period.

Recommendations

While the assessment's findings show that JSDF projects play a powerful role in enabling localized impact and innovation with clear pathways to sustainability, they also identify critical operational and strategic challenges that must be addressed to ensure JSDF's future in the long run. Recommendations to address these challenges anchor on four complementary strategic shifts: **maximizing impact, more flexible and efficient processes, increased collaboration and visibility, and enhanced relevance.**

Maximizing impact: Enhancing project sustainability and impact measurement

- **Continue to emphasize participatory design processes as part of project preparation.** The assessment highlighted that all projects reviewed included a participatory design process and that the majority of projects reviewed were considered relevant to a country's development priorities. Furthermore, the field visits validated how an inclusive design process enabled projects to respond directly to beneficiary needs. The JSDF Secretariat should continue to emphasize this component in project design.

- **Continue to encourage projects to consider optimal sustainability channels as part of project preparation and implementation.** The assessment found that JSDF projects were very successful in terms of sustainability; i.e. continuing to scale and/or transferring project approaches and lessons to other initiatives. more than 80 percent of projects with significant closeout documentation showed some form of project sustainability. These results indicate that JSDF planning processes manage discontinuation risk well. The assessment recommends that JSDF continues to focus on this programming element.

- **Mandate high-level cross-portfolio JSDF indicators.** To strengthen JSDF portfolio level reporting, the assessment team recommends that the JSDF mandate that projects report on a small set of cross-cutting indicators. These should include, but are not limited to, direct and indirect beneficiaries from JSDF projects. Project proposals should include methodologies for calculating direct and indirect beneficiaries that are approved as part of the overall project approval process and are designed to ensure comparability across project types. Further, the JSDF should continue to emphasize that gender disaggregated data be collected in project indicators.

More Flexible, Effective and Efficient Processes: Increasing Support and Reducing Bottlenecks

- **Dedicated application support capacity.** JSDF projects require TTLs to work with actors they may be unfamiliar with, to serve the most difficult-to-reach populations, and to trial new, innovative approaches. The current process increases the burden on the applicant by, for example, requiring additional in-country consultations and expecting detailed cost tables at an early stage. These factors add up to enormous expectations for TTLs. For new applicants in particular, the availability of dedicated, easily accessible individuals familiar with the application process and requirements could play a critical role in prospective TTLs gaining informal feedback and guidance at the Idea Brief stage. Operations staff seconded to the Secretariat or loaned by Global Practice partners and short-term consultants hired during Idea Brief call periods could fulfill this role.

- **Easier and quicker access to project preparation funds.** While the Seed Fund provides TTLs with additional support to develop proposals, it is difficult to access and at times extends the application process by over a year. It is generally only undertaken in marginal cases where Idea Briefs need specific gaps filled. The Secretariat can consider a range of options to enable early access to project preparation funds, including: (i) redistributing a portion of project supervision budgets upstream to support project development for projects with successful Idea Briefs in line with the Bank's full cost recovery for trust funds ; (ii) ring-fencing separate funding pools for TTLs with successful Idea

Brief applications that they can disburse directly on behalf of the Bank; and (iii) revising the Seed Fund process to streamline application and approval stages. In choosing between these and other options, a critical priority is to enable quick access to a pool of funding for prospective TTLs to use in supporting the recipient in project design preparation and for project appraisal.

- **Reduce the JSDF application burden.** Options to explore include reducing the required detail of cost tables, reducing in-country stakeholder consultation requirements, and limiting extensive GoJ review to a single stage.

- **Strengthen the grant tracking system.** For the JSDF Secretariat and the GoJ to hold themselves to specific turnaround times, the assessment team recommends tracking performance and timelines at each step of the grant application process as a measure of performance management. Tracking helps to identify and resolve challenges and bottlenecks in the system and holds stakeholders accountable.

- **More flexible cost allocations.** The team recommends that the JSDF allow more flexible allocations across cost categories on a case-by-case basis, considering local context, the nature of a project, and the implementing agency's capacity and resource base — while staying true to the current principles the regulations currently (i.e., maximizing direct funding to vulnerable communities).

Increased Collaboration and Visibility: Formalizing and Leveraging Partnerships with Global Practices

- **Identify and develop formal partnerships with Global Practices.** Global Practices are a critical medium for promoting trust funds, providing technical expertise, and disseminating knowledge. Given the small JSDF team, leveraging the current infrastructure and reach of Global Practices can be an efficient and effective way to increase awareness of the JSDF. To widen the coverage of active projects, JSDF can identify and develop formal partnerships with 4–5 practices where JSDF has strong potential applicability but relatively low utilization rates. In turn, these Global Practices can build awareness about JSDF projects to their respective TTLs by disseminating lessons from relevant projects and highlighting JSDF's value proposition. Through these partnerships, Global Practice Leads can also play a more active role in the project design process via technical reviews to strengthen proposal development.

- **Codify and increase dissemination of lessons learned and insights from JSDF projects.** To increase awareness of JSDF in the long term and disseminate project learnings to a wider audience, the JSDF Secretariat can strengthen its capacity to lead in collecting and disseminating JSDF project findings across its diverse geographic and sectoral portfolio. The JSDF has an enormous opportunity to leverage its work in order to highlight JSDF's value and create project demand. In collaboration with Global Practices, JSDF can formalize its learning agenda[2] and communication strategy. This can include co-investing in impact assessments and co-creating and jointly disseminating knowledge materials that leverage project insights and align with Global Practice

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[2] A learning agenda is a set of prioritized research questions and activities that guide a program's evidence-building and knowledge dissemination.

learning and impact objectives. As a first step, the Secretariat can engage with relevant Global Practices to share experiences to date, identifying areas of complementarity, key learning questions projects may feed into, and appropriate fora and touchpoints to jointly disseminate findings and insights.

- **Undertake more targeted outreach and information sharing.** Greater investment in communicating and supporting expectations at an early stage would pay dividends in strengthening the quality of submissions later. Linking outreach to Global Practices is a powerful way to achieve this. The Secretariat could consider piloting targeted calls for Idea Briefs through Global Practice communication channels. They would still be in line with the current timing of JSDF's biannual calls but require additional tailoring and customization to relevant audiences. Separately, the JSDF can continuously extend bilateral outreach to regional and country leadership.

Enhanced Relevance: Maximizing the JSDF Value Proposition

- **Broaden country eligibility.** To increase uptake and remain in line with its strategic objectives, the JSDF can broaden its list of countries eligible for projects. Eligibility is currently based on income-level classification but excludes countries in fragile and conflict-affected situations (FCS) where development partners struggle to reach many of the world's poorest and most vulnerable groups. Broadening eligibility to invite applications from TTLs in the World Bank's list of FCS countries, including UMICs, would amplify JSDF's reach and further the GoJ's objectives.

- **Enable JSDF projects to align with larger, more strategic operations.** In response to the World Bank's desire to limit country portfolio fragmentation and focus resources on fewer, larger, and more strategic operations, JSDF can explore ways to position JSDF projects as complementary to other ongoing operations or as part of the design of new, larger-scale initiatives. One way to achieve this is to revise the JSDF policy framework, allowing teams to use JSDF grants to support the grant-financed component of planned IDA/IBRD loans or as additional financing to well performing ongoing operations. JSDF grants can still be ring-fenced to retain JSDF's focus on piloting innovations for vulnerable communities while pursuing them within the context of a broader initiative.

- **Revise grant ceiling in line with inflation.** In FY 2009, JSDF raised the grant ceiling from US$ 2 million to US$ 3 million. In 2022, a simple U.S. inflation adjustment would take that to US$ 4.1 million. The assessment recommends that, at a minimum, JSDF grant size be increased to US$ 4.1 million. Further, a benchmarking exercise across comparable funds would be a beneficial indication of the extent to which JSDF grants are competitive with other funds available to TTLs for similar activities.

I.2 Background

Introduction

Dalberg Advisors is pleased to submit to the World Bank an assessment of the Japan Social Development Fund (JSDF).

The focus of the 2022 independent assessment is to assess the extent to which activities funded under the JSDF between January 2013 and June 2020 contributed to the achievement of development results and improved the livelihoods of beneficiaries and their communities. It also recommends ways to strengthen the JSDF's strategic framework. The assessment specifically reviewed five key areas:

1. Mechanisms instituted to address findings of the 2014 assessment.

2. How JSDF projects contributed to the reduction of extreme poverty among targeted beneficiaries, including the extent to which activities scaled into development partner operations.

3. How projects helped to sustain beneficiary livelihoods, including the extent to which projects and innovative activities scaled into development partner operations.

4. The extent to which projects empowered and strengthened local community authorities, NGOs/CSOs, and other stakeholders to participate in their own development via learning and doing.

5. Strengths and weaknesses of operational and administrative arrangements for JSDF and its operations.

The assessment represents a holistic review of the JSDF rather than an impact evaluation of specific JSDF-funded projects.

The assessment produced the following deliverables:

1. **A comprehensive assessment** (this document) that explores the five core assessment objectives. It includes an introduction, chapters on assessment methodology, an overview of the JSDF, findings on the results and impact of JSDF projects, JSDF program management findings, the assessment team's recommendations, and supporting appendices. Appendix I includes ten field visit reports; Appendix 2 includes a consolidated set of research tools; Appendix 3 provides a list of documents reviewed and interviews undertaken; and Appendix 4 provides an Excel spreadsheet with detailed data and analysis to support the desk review.

2. **A public-facing summary report** that provides a snapshot of the results and impact of JSDF projects.

Background to the Assessment

JSDF is a partnership established in 2000 between the Government of Japan and the World Bank. JSDF's initial focus was to target communities directly affected by the 1997–1998 Asian financial crisis. Following successful recovery efforts in the region, the JSDF mandate evolved to focus on other pertinent issues. At

present, JSDF is a global, multisector grants program that targets poverty reduction. It aims to improve human security for the poorest and most vulnerable populations in low-income and lower-middle-income countries. JSDF is unique in its focus on piloting innovative, community-driven development projects that enhance productivity, increase access to social and community-driven services and infrastructure, and improve living conditions for vulnerable groups. JSDF fills a critical gap as target communities typically are not exposed to mainstream development interventions.

JSDF seeks to continuously assess and evaluate the impact and effectiveness of its work. Every seven years, JSDF conducts an independent assessment to measure the efficiency of its operations, the effectiveness of its projects, and the overall impact of its disbursed funds. The last JSDF assessment, conducted in 2014, produced ten key recommendations on how JSDF could strengthen its operations and impact. JSDF has since worked to incorporate those findings.

I.3 METHODOLOGIES

Data Collection and Analysis

The assessment team developed an overarching framework to guide analysis of its independent assessment. Based on the assessment's terms of reference and objectives, the team identified two priority areas to anchor the analysis: project impact (including community impact and implementing agency impact) and program management (see Figure 1 for further details). Project impact examined how grants impacted intended beneficiaries and the sustainability of that impact, as well as how grants strengthened the capacity of local implementing agencies. Program management sought to uncover how JSDF management and operations enabled JSDF to achieve its objectives. The Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD DAC) criteria informed analysis of the proposed questions within each impact area. The assessment heavily focused on four indicators: relevance, effectiveness, efficiency, and sustainability. The program management area primarily focused on assessing cost, operational, and time efficiency of the grants. The team assessed project impact by evaluating relevance and effectiveness (i.e., understanding project relevance to beneficiary communities, the relevance of project design, the achievement of project objectives, and continuation of project impact), and exploring how impact was sustained through partnerships, replicating or scaling pilots into larger projects, and sharing lessons learned.

Figure 1. Overarching assessment framework

The team employed a mixed-methods approach to collecting and analyzing data. Methodologies included documents review, interviews, a task team leader (TTL) survey, desk review, and field visits, as discussed below.

Document review

The team consulted two sets of documents for its assessment. The first set related to the review of project documents supporting the 35 projects selected for desk review and the ten projects selected for field visits. These documents are outlined in the desk review section.

The second set consisted of World Bank documents that assisted the team in understanding the internal workings of the Bank and JSDF. It included policy and strategy documents, guidelines, processes to govern trust funds such as JSDF, and committee meeting notes. A full list of these documents can be found in Appendix 3.

Interviews

Multiple stakeholders are involved in the functioning of JSDF. For the assessment, the team identified the most relevant stakeholder categories and scheduled interviews with 3–5 members of each to capture their perspectives (see Figure 2 for details). Beyond the stakeholders engaged during field visits, main participants included members of the management team from the World Bank's Development Finance (DFi) Vice Presidency, JSDF Secretariat staff, World Bank country directors and managers, task team leaders (TTLs), practice managers, and representatives from the Government of Japan (GoJ). Over 20 interviews were conducted outside of the field visits. A full list of interviewed stakeholders can be found in Appendix 3.

The team developed targeted interview and discussion guides for each stakeholder category to increase the relevance of discussions and capture rich insights on stakeholder perspectives, experiences, and recommendations with respect to JSDF. The approach fostered a holistic view of JSDF that informed recommendations. Sample interview and discussion guides can be found in Appendix 2.

Figure 2. Non-field visit stakeholder interview categories and objectives

Stakeholders	Research tools	What we hope to capture
Field visit stakeholders		
Country Management Unit	Semi-structured interviews	• Reflect on whether JSDF grants have been adequately aligned to country office strategic priorities • Understand the support they provide during the pre-approval validation process, if any
TTLs		• Understand the TTLs' role in grant validation and beneficiary engagement • Identify process bottlenecks and potential interventions to improve current procedures
Implementers		• Build an understanding of how the JSDF is able to capacitate local implementing organizations • Evaluate the implementer's ability to improve community livelihoods
Government and Development Partners		• Understand the approval process for local and national government stakeholders • Define the grant's community impact on the sustainability of the grant's outcomes
Beneficiaries	Focus Groups	• Understand the relevance of the grant's objectives and activities • Gain first-hand knowledge of the grant's outcomes and how they impacted participants

Task Team Leader survey

TTLs play a significant role in the design and execution of JSDF grants. The assessment team designed a survey to assess their experience in navigating JSDF grant application and implementation processes. It also aimed to identify ways to improve the experience. A sample of 47 TTLs who worked on JSDF grants during the review period participated in the short online survey.

Survey questions covered the following topics:

1. Motivations behind the pursuit of JSDF grants
2. Strengths and weaknesses of the grant design and approval process
3. Project implementation and sustainability
4. Knowledge dissemination
5. Opportunity areas to strengthen the relevance, effectiveness, and efficiency of the JSDF and its grants

While the survey largely employed a Likert scale, each question included an optional comment box for respondents who chose to explain their answers. It also included several open questions to adequately capture recommendations. Overall, the survey achieved a 50 percent response rate.

Desk review

Core assessment components included a desk review of the 46 projects active during the review period. This diverse portfolio of sample projects represents the different regions and practice areas JSDF covers. A list of projects that were part of the desk review can be found in Appendix 4.

A robust desk assessment tool evaluated sample project performance. A range of identified indicators were mapped to DAC criteria within the two impact areas: project impact (including community impact and implementing agency impact) and program management. Indicators consisted of a mix of quantitative and qualitative measures and assumption tabs were set up for each impact area. Each tab contained two elements: the first defined a scoring threshold to determine whether an indicator's performance was low, medium, or high. The second, a notes section, was where the team registered qualitative or subjective indicators (the rationale behind low, medium, and high scores).

The team relied on project documentation generated by each project's task team to create the desk tool (see Appendix 4). Main sources of information for the desk review included:

- Project proposals

- Implementation Status and Results (ISR) reports

- Restructuring papers

- Implementation Completion and Results (ICR) reports

The desk tool included a summary table to easily compare how a project performed on various indicators within each impact area (see Appendix 4). The Project Impact section of this report explores findings and implications from the desk tool.

Field visits

The assessment involved a deep dive into ten JSDF projects, including field visits across nine countries: Bolivia, Cambodia, Djibouti, Egypt, Ghana, Guatemala, India, Kenya, and Uganda. The JSDF Secretariat selected the projects to be subjected to field visits. The country sample is representative of the wider JSDF grant portfolio, as JSDF covers five World Bank regions: East Asia and Pacific, Latin America and Caribbean, Middle East and North Africa, South Asia, and Sub-Saharan Africa. However, while the team was able to conduct eight in-person

field visits, the Guatemala field visit was conducted virtually to accommodate a project replacement that occurred during the assessment.

Each in-person field visit required a week of site visits, interviews, and focus groups with a range of stakeholders, specifically interviews with the World Bank Task Team that designed or supervised the project's implementation and the World Bank Country Management Unit, where possible. Through interviews, the team also engaged project implementing agencies ranging from international and local NGOs/CSOs to local governments. The team arranged interviews with development partners, subcontractors, and industry experts in cases where other stakeholders played an important role in project design or implementation. The team conducted 2–6 focus group discussions for each project to understand its relevance and impact and to obtain a direct account of the experience and perspective of beneficiaries. Held in local communities, each focus group included 8–16 beneficiaries. Figure 3 includes a summary of types of stakeholders, research tools, and objectives of engagement.

The team synthesized findings from field visit discussions into ten field visit reports. These reports explore the most salient and relevant insights across project impact (community impact and implementing agency impact) and program management impact. Insights from field visits have been incorporated into the JSDF Project Impact section of this report; full field visit reports can be found in Appendix 1.

Figure 3. Field visit stakeholders and objectives of engagement
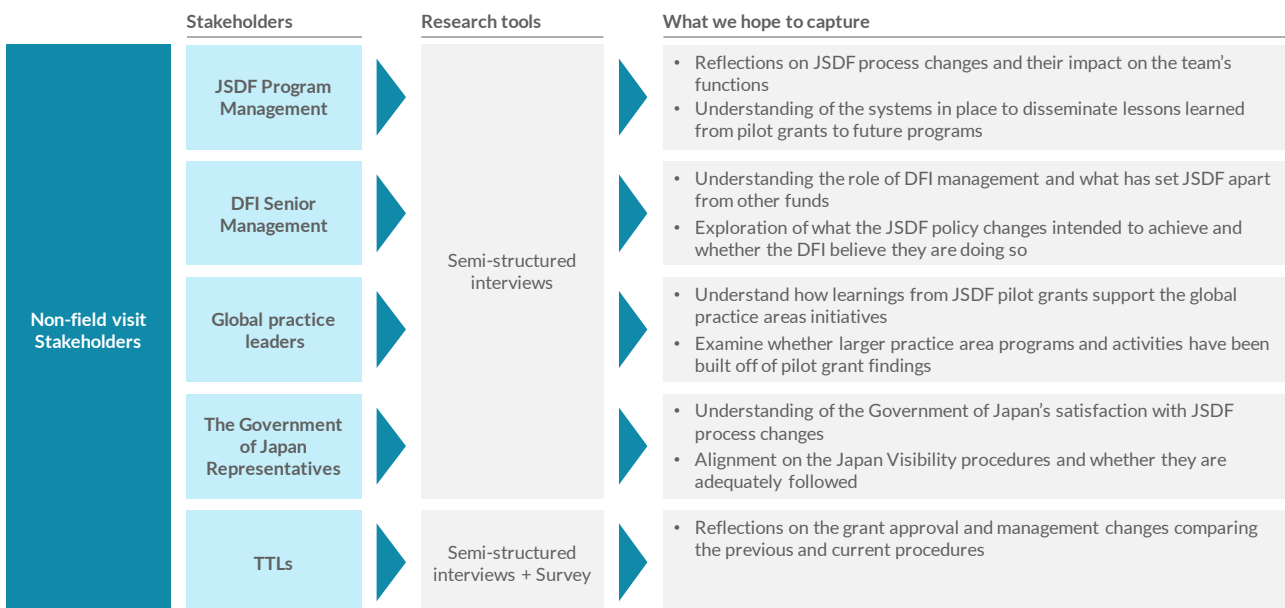
Limitations

The assessment identified three sets of limitations: issues related to the desk review, issues related to field visits, and difficulties connecting with World Bank personnel.

The desk review identified two challenges with documents.

- First, several documents were missing across project folders (e.g., projects were missing ICR reports or completion memoranda, which reflect on a project's performance at project completion). Given that desk tool indicators depend on a certain set of documents, these gaps limited the team's ability to systematically assess all 46 projects. To resolve the issue, the team used alternative document sources to retrieve relevant data where possible (e.g., often using the data included in a final ISR report as a proxy for an absent ICR report).

- Second, formats were not standardized among available documents, which meant that some indicators were not available across all documents (e.g., some ICRs included an implementing agency performance rating while others did not). Further, projects were not mandated to collect standardized indicators. The result is that there is significant inconsistency in indicators reported on, even within similar thematic areas. While non-standardized indicators provide more flexibility to projects to design appropriate monitoring and evaluation frameworks, it makes portfolio level reporting for the JSDF more difficult.[3]

The review period for projects which were subject to field visits elicited challenges related to recollection of events that had occurred several years prior. Among the ten projects included in the field visits, all projects had launched over seven years ago and 60 percent had closed over four years ago. Given the time elapsed, during interviews and focus groups some stakeholders struggled to recall details pertaining to grants. Inherently, this may have slightly reduced the validity of some experiences shared. The team worked to mitigate risk by cross-referencing with project documentation, engaging with multiple stakeholders in each stakeholder category, where possible, and aggregating findings to build a representative perspective. Nonetheless, reliance on recounting dated events may have limited the accuracy of field visit report insights. Additionally, given the length of time since project closure, some stakeholders had left their posts and were not reachable to share perspectives from their experience. Finally, for some projects, follow-on projects and activities funded by the World Bank and/or other development partners had scaled the project's initial impact. While this is a positive result, it may have impacted stakeholder ability to focus perceptions on the original JSDF grant.

Finally, the assessment occurred during the summer period in the northern hemisphere. As a result, engagement with some key World Bank personnel was limited as it coincided with the Bank's annual leave period. Additionally, several Country Managers expressed a lack of familiarity with JSDF during requests for interviews. As a result, some declined to speak with the team or suggested the team communicate with a TTL instead, which posed a challenge in the analysis of Country Management Unit (CMU) perspectives.

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[3] For annual reporting, the JSDF has manually mapped project-level indicators to the fund-level indicators articulated in the Results Framework. The external assessment team decided against such an approach. Without pre-defined crosswalks between project level indicator definitions and JSDF indicators there is significant risk of errors being introduced in final reporting through misalignment of indicators.

I.4 OVERVIEW OF JSDF

JSDF at a Glance

The Japan Social Development Fund is a partnership between the Government of Japan and the World Bank. JSDF was created over two decades ago to provide targeted assistance to vulnerable communities that were affected by the Asian financial crisis. Recognizing that poverty is multidimensional and multilayered, JSDF's comprehensive approach seeks to bring community-based integrated solutions to address it. A community-based approach allows JSDF to empower vulnerable and/or marginalized groups to participate in efforts that improve their livelihoods.

Over the years, JSDF has evolved into a global mechanism for improving the lives of the world's poorest and most vulnerable groups. JSDF is now a multisector grants program that targets poverty reduction to improve human security. JSDF differentiates itself by targeting communities not accessible by other mainstream interventions and piloting innovative and scalable interventions that inform government policy. All low-income and middle-income countries — as outlined in the yearly World Development Reports (WDR) — that are in good standing with the World Bank can be JSDF grant recipients. JSDF has provided grants in nutrition and early childhood care and development, education, governance, health and sanitation, livelihood support, and agriculture, among other sectors.

JSDF projects are largely executed by community-level actors such as NGOs/CSOs and local governments. On one hand these actors are more likely to understand the needs of target communities and thus deliver relevant interventions, and on the other hand, an objective of the JSDF is to build capacity at the community level. In championing small-scale pilots, JSDF encourages projects to scale or be replicated by the World Bank, other development partners, national and local governments, and other actors that can reach larger populations and expand impact.

The maximum grant amount awarded is US$ 3 million. JSDF has provided 797 grants valued at US$ 720 million in 85 countries from its inception through June 2020. In 2019–2020 alone, JSDF grants reached 1.2 million direct beneficiaries (60 percent female) and supported 8,000 small and medium enterprises (SMEs). Beneficiaries — both businesses and individuals — reported US$ 15 million in revenue due to support received.[4]

Within the World Bank, JSDF is administered by the Trust Fund and Partner Relations department (DFTPR) of the Development Finance Vice Presidency as Trustee of the JSDF. JSDF's day-to-day management is carried out by the JSDF Secretariat.

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[4] World Bank, "JSDF Annual Report for Fiscal Years 2019–2020," 2021.

JSDF Thematic Areas

JSDF projects relate to activities that directly deliver results and support the improvement of services and facilities to target beneficiaries or pilot development approaches in activities that are multisectoral in scope. The development objective of JSDF projects is to directly respond to the needs of the poorest and most vulnerable groups in society. All projects include a capacity-building element that focuses on empowering and strengthening the knowledge and skills of local communities, governments, and NGOs/CSOs so they can further develop through project implementation.

JSDF grants extend support across nine thematic areas that underpin the JSDF results framework. These thematic areas include:

- Livelihood support
- Improved nutrition and early childhood development
- Inclusive education
- Environmentally sustainable agriculture practices and adaption to climate change
- Basic legal services and local governance
- Basic sanitation services
- Community-level disaster risk management
- Scaled or replicated projects through World Bank-financed operations
- Strengthened local governance through enhanced participatory decision making and accountability

Financial Contributions, Allocations, and Disbursements

The Government of Japan (GoJ) is the sole financier of the JSDF, having contributed US$ 854.3 million in funding between 2000 and 2020. Following the 2014 independent assessment, it was agreed between the GoJ and the World Bank that the GoJ would annually contribute at least US$ 30 million to JSDF. However, between 2018 and 2020 the GoJ's annual contribution declined by 55.87 percent (from US$ 21 million to US$ 4 million) and it has not provided an annual contribution since 2020. Overall, annual disbursements have also trended downward, contributing to a high unallocated fund balance (see Figure 4). The Program Management section explores these trends in further detail.

Figure 4. Annual disbursement of JSDF grants, 2014-2022, US$ million[5]
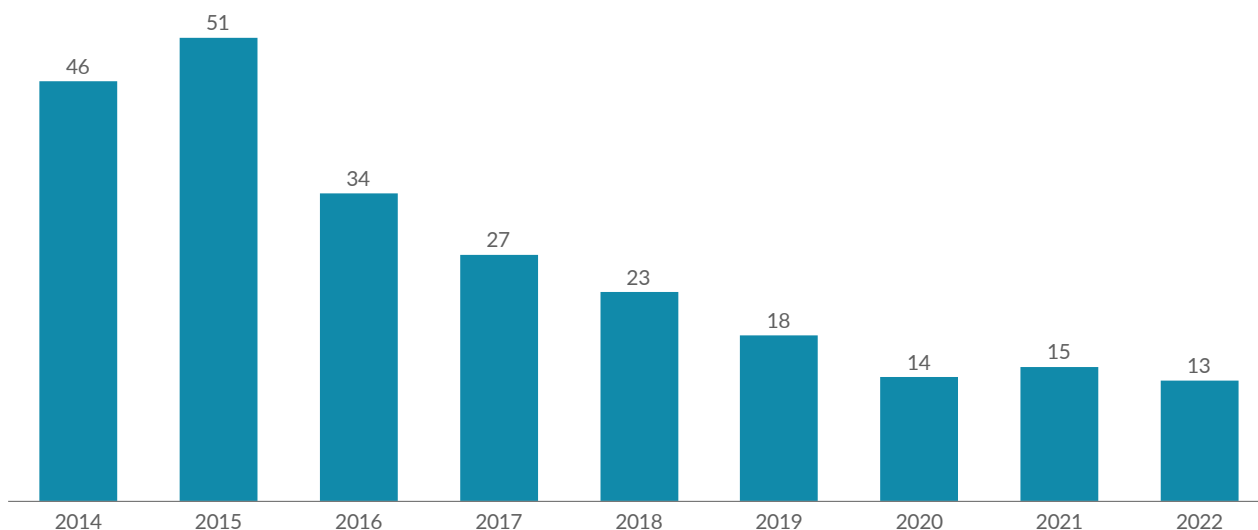
Figure 5. Government of Japan annual contributions versus JSDF grant disbursements, 2014-2021, US$ millions[6]
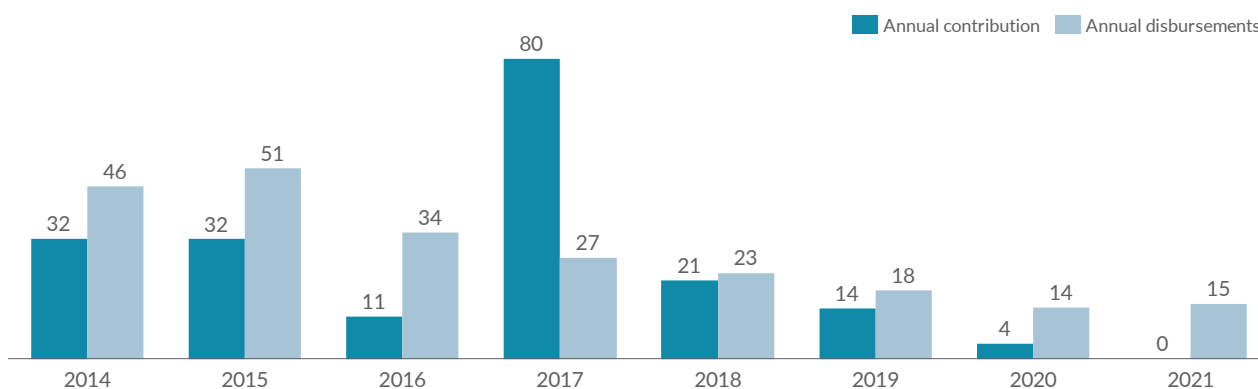
NB: The 2017 contribution partly includes funds from the 2016 contribution

2014 Independent Assessment

The overarching objective of the 2014 JSDF independent assessment was to "contribute to the on-going efforts to enhance the results of the [Japan Social Development] Fund and improve its operation." The 2014 assessment sought to answer two key questions: (i) how JSDF projects are contributing to poverty alleviation among beneficiaries and helping to sustain beneficiary livelihoods; and (ii) which operational and administrative issues and problems stand in the way of efforts to improve JSDF's operations.

Based on the 2014 assessment, the evaluators proposed ten recommendations for the Trust Funds and Partnerships unit (DFPTR) and GoJ to incorporate in order to improve JSDF performance, as follows:

1. The World Bank was to reaffirm the value of the JSDF partnership with the GoJ to maintain JSDF at a minimum of its present funding level over the following three years.

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[5] JSDF Portfolio Data, accessed September 2022.

[6] Ibid

2. DFTPR managers were to rapidly finalize a strategic results framework for JSDF to articulate how, as an innovative global program, it contributed to and was part of the hierarchy of evolving World Bank priorities and aligned with the strategic goals of reducing extreme poverty and increasing shared prosperity.

3. The JSDF mechanism was to be located within a World Bank organization that possessed a transverse mandate (e.g., the Development Finance or the Global Practices Strategies and Operations unit).

4. DFTPR and the GoJ were to agree upon a more explicit common understanding of the nature of innovation.

5. DFTPR and the GoJ were to revisit current guidelines that addressed issues related to Japan's visibility — to more explicitly articulate what constitutes minimum visibility criteria, what should be expected in different circumstances, and what should be submitted to DFTPR to demonstrate visibility.

6. To improve the results orientation of JSDF grant monitoring, DFTPR was to provide additional guidance on the presentation of periodic report writing and revisit the application format and content of the application package.

7. As a bridging mechanism, the GoJ was to set aside a specific sum for up to three years, managed by DFTPR, to accommodate carrying out a small number of ICRs per year — pending the transition of all JSDF grants to ISR and, consequently, ICR.

8. DFTPR and the GoJ were to revisit the current approach to formal approval of grants by the GoJ in an effort to reduce current delays and to operate within existing agreements, which were based on the principle of assumed consent. The establishment of an Advisory Board to vet concept notes was to be considered as well.

9. DFTPR and the GoJ were to amend their agreements to provide that current Seed Fund grants be transformed into a more flexible tool that provides for a degree of advance funding. The goal was to strengthen the capacity of implementing agencies to meet World Bank-mandated fiduciary requirements.

10. DFTPR and the GoJ were to rapidly enter into negotiations to provide additional human and financial resources so JSDF would become more results oriented.

In response, DFi management drafted a document that outlined its perspective on the appropriateness of the recommendations and shared a status update on JSDF's progress in implementing them. Out of the ten suggestions, six were addressed by the time the response was written (recommendations 1, 2, 4, 7, 8, and 9); options for three suggestions were under exploration (recommendations 3, 5, and 10); and one suggestion (recommendation 6) was not supported by DFi management.

The 2022 independent assessment shares similar objectives with the 2014 assessment and builds on lessons learned. Throughout the remainder of this report, explicit reference is made to areas where the 2014 recommendations have been actioned or have caused new complications for JSDF.

I.5 IMPACT OF JSDF PROJECTS

To assess the impact of JSDF projects, a desk review was conducted on a sample of 46 projects, along with field visits to the locations of nine of those projects and one virtual visit. Projects were assessed according to the OECD DAC's criteria for program evaluation, which considers relevance, effectiveness, efficiency, impact, and sustainability. These indicators were applied to each project to determine its impact, areas of success, and lessons learned. Boxes 1 - 22 provide a brief overview of the assessed projects and illustrate how the projects exhibit elements of the indicators.

Relevance

JSDF projects engage three critical stakeholder groups: project beneficiaries, implementing agencies, and the World Bank. In this context, beneficiary relevance considers the degree to which projects meet beneficiary development needs while implementing agency relevance considers the extent to which projects strengthen local capacity. A project's relevance to World Bank stakeholders examines how aligned a project is with the Country Partnership Framework (CPF) and whether it complements ongoing or pipeline World Bank programs in the country.

Beneficiary relevance

Key finding: JSDF projects are highly relevant to the needs of beneficiary communities in terms of project development objectives and interventions.

JSDF primarily implements projects in low-income countries (LICs) and lower-middle-income countries (LMICs), although a select few have been implemented in countries currently classified as upper-middle-income (UMICs). It is noteworthy that at the time of project approval, some UMIC countries may have moved into the LIC/LMIC category due to periods of conflict. Figure 6 shows that most JSDF projects approved between 2015 and 2022 took place in LMICs. These countries account for 70 percent of projects approved in the past seven years. LICs follow closely, accounting for 20 percent of projects implemented in that same period. Four projects were implemented in UMICs recovering from recent periods of conflict.

JSDF is relevant to LICs and LMICs because of the high poverty rates and vulnerability experienced by extremely poor people. A significant share of the population in LICs and LMICs lives below the global poverty line, with 45 percent of people in LICs and 11 percent in LMICs earning less than US$ 1.90 per day.[7] Food insecurity is also prevalent, with up to 26 percent of people in LICs and 10 percent in LMICs experiencing extreme food insecurity.[8] Educational attainment rates pose a challenge in both country groups as well, particularly in LICs where the lower secondary completion rate is 39 percent compared to 74 percent in LMICs. The need for programs that support social inclusion and poverty alleviation reflects JSDF's strong relevance to these country contexts.

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[7] World Bank, SDG Data, 2022.

[8] Ibid.

JSDF approved projects in four UMICs (based on the 2022 classification) between 2015 and 2022. Each of those countries experienced conflict in the 1990s–2000s. Projects in Iraq, Kosovo, Armenia, and Georgia focused on promoting the inclusion of conflict-affected youth and leveraging entrepreneurship to improve livelihoods. Projects were equally distributed between the World Bank's Social Protection and Social Sustainability and Inclusion Global Practices, which reflected a clear need for socially oriented support in the post-conflict recovery process.[9] In this context, JSDF has been relevant in supporting social inclusion and livelihood support activities for groups left vulnerable due to prior national conflicts.

JSDF projects are primarily implemented in Asia and Africa due to the high proportion of LICs and LMICs in those regions. As Figure 6 shows, over 60 percent of projects approved between 2015 and 2022 were equally distributed between Africa and the East Asia and Pacific (EAP) region.[10] According to the World Bank's country classification, 80 percent of LICs and 32 percent of LMICs are in Africa.[11] JSDF is highly relevant to the development needs of African countries, given its mandate to support LICs and LMICs. Since JSDF was created in response to the Asian financial crisis of the early 2000s and since up to 40 percent of EAP countries are considered low or lower middle income, JSDF's livelihood assistance and poverty alleviation support is highly significant to the region's needs and its historical context.[12]

Figure 6. JSDF projects approved by region, FY 2015–FY 2022
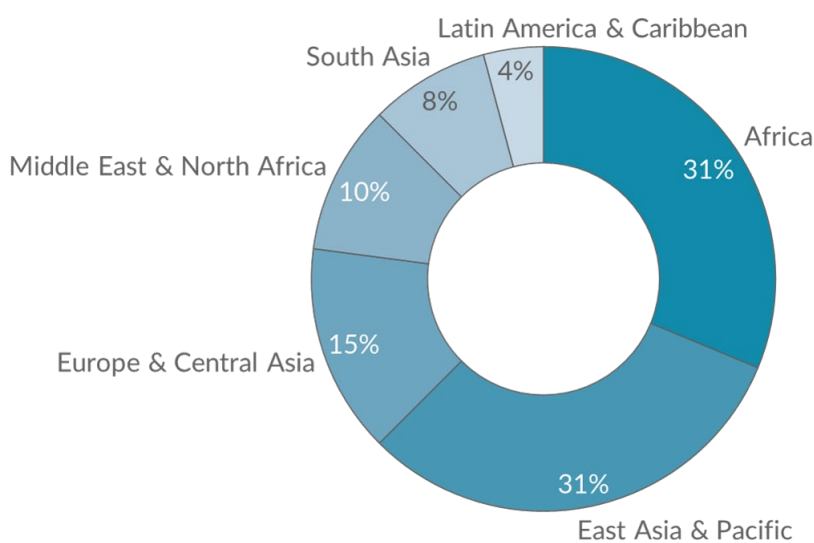
To support vulnerable communities in LICs and LMICs, JSDF focuses on nine thematic areas. By funding projects that address vital needs such as early childhood development, health and nutrition, and livelihood support, JSDF introduces interventions that directly respond to the needs of beneficiary communities. In response to challenges faced by LICs and LMICs, JSDF projects focus on social protection, sustainability and social inclusion, and inclusive education, among other key areas. JSDF's thematic areas are highly relevant to

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[9] World Bank, JSDF FY 2015–FY 2022 Grant Approval Data, 2022.

[10] Dalberg Analysis, JSDF Grant Approval Data FY 2015–FY 2022, 2022.

[11] World Bank, The World by Income, 2021.

[12] World Bank, JSDF Evaluation Brief, 2021.

beneficiaries in LICs and LMICs, given their lower educational attainment rates and higher poverty levels.[13] See p.22 for these themes.

JSDF projects aim to address challenges that are particularly pertinent at the local level, where regional and community contexts may present unique obstacles to further development. For example, up to 66 percent of the population in LICs lives in urban slums, which results in government support primarily directed to urban areas.[14] In these contexts, JSDF projects go beyond International Development Association (IDA) programs to support underserved populations in rural communities and project interventions to improve service delivery. Such was the case in the Guatemala Nutrition project[15] and the ECCD Floating Villages project in Cambodia. Both explicitly focused on the provision of pre-primary schools in areas not reached by previous projects.

The assessment team found that the majority of projects reviewed were considered relevant with regard to a country's development priorities. ICRs assess the relevance of project development objectives (PDOs) by considering the extent to which objectives are consistent with a country's development priorities and current World Bank country and sectoral strategies. Based on the ICRs, 70 percent of projects sampled were rated as "high" for relevance. The remaining 30 percent did not include a relevance rating or the final ICR was unavailable.[16]

Beyond the ICR relevance rating, field visits demonstrated how different projects responded directly to beneficiary needs. The assessment team found that all projects reviewed included a participatory design process, which effectively contributed to project relevance. Conducting consultations with target beneficiaries is a key requirement of JSDF as it helps to improve the degree to which an initiative meets the needs of the beneficiary population and validates an idea.

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[13] World Bank, SDG Data, 2022.

[14] World Bank, Indicators, 2022.

[15] World Bank, Implementation Completion Results Report: Guatemala, 2019.

[16] Dalberg Analysis, desk review of 46 JSDF grant documents, 2022.

The JSDF-funded Guatemala Nutrition project leveraged local insights to pilot nutrition training models that effectively cater to rural indigenous communities. The project aimed to improve nutrition outcomes for children in rural indigenous communities through education interventions, including training sessions, and distributed materials that explained early stimulation, positive childcare and feeding practices, and the importance of breastfeeding. The project was based on a program previously implemented in Jamaica but adapted to the local context and translated into local indigenous languages other than Spanish. Indigenous languages allowed the implementing agency, ChildFund International, to build community trust by displaying an understanding of the local context and reaching beneficiaries less proficient in Spanish. This in turn enabled strong community uptake of program interventions and improved child and maternal nutrition outcomes, reflecting the strong relevance of the project's design and interventions.

Box 2. Accelerating Rural Women's Access to Markets and Trade

In Kenya, interventions by the Accelerating Rural Women's Access to Agricultural Markets and Trade program increased the production capacity of smallholder women farmers. The program aimed to improve the livelihoods of 3,400 women by increasing women farmers' lobbying power, facilitating market linkages, and improving their business and production capacities. As part of the project, women were introduced to formal financial services by being introduced to long-term agricultural loans managed by Equity Bank. The loans, along with business and production training provided by the implementing agency, GROOTS Kenya, enabled beneficiaries to collectively improve their production and livelihoods as they expanded agricultural operations. The introduction of loans and direct engagement and training of women in how to apply and manage loans were particularly relevant - many women indicated that their husband had led financial decisions for them. Business training and engagement with Equity Bank expanded women farmers' awareness of and access to financial resources in the community and contributed to enhancing women's agency in making decisions.

World Bank relevance

Key finding: JSDF fills a critical gap and offers a unique value proposition that other funding opportunities within the World Bank do not.

JSDF projects enable TTLs to collaborate with local implementing agencies to reach vulnerable communities. TTLs appreciated the opportunity to work with local governments and NGOs/CSOs, given the differences in their implementation models compared to the World Bank's traditional modes of operation. A TTL based in Southeast Asia stated that "*learning from NGOs is a key value add of the JSDF, and it pushes the Bank to explore innovative models for government implemented programs.*" Similarly, a Central Asia-based TTL stated that "*smaller*

projects help highlight the work of the World Bank at the local level," as communities rarely engage directly with the World Bank or its implementing partners.

JSDF projects fill a critical funding gap that enables TTLs to collaborate with others to pilot new interventions. In a survey of TTLs, 70 percent of respondents strongly agreed that JSDF projects were a critical source of funding for the types of projects they wished to pursue, reflecting JSDF's high relevance to the World Bank.[17] To Country Managers, the primary value proposition was the opportunity to fund program areas that are difficult to finance through loans. According to one Country Manager, by funding programs with rigorous data collection and analysis and in thematic areas such as social inclusion, JSDF can address community-level data availability and programming gaps not addressed by IDA and IBRD programs.[18] Similarly, 94 percent of TTLs surveyed agreed that JSDF projects fill a gap and address development issues that other development partners or governments do not.[19]

Figure 7. Summary of the JSDF value proposition

World Bank stakeholders see significant value in the core offering of the JSDF		The opportunity that JSDF provides to pilot innovations and work at the community level was frequently noted and valued…
TTL survey data	**Illustrative quotes**	**Pilot approach allows for testing new approaches**
• **94%** of survey respondents agree that JSDF grants are a **critical source of funding** for the types of projects they wish to pursue • **94%** of survey respondents agree that JSDF **grants fill a gap** and address development issues that other donors or governments have/are not • **75%** of survey respondents agree that JSDF grants present a **strong value proposition** to enable them to achieve their **individual performance objectives** within the Bank	*"Crucial for innovative community building, livelihood support, social accountability, youth empowerment initiatives that Governments are reluctant to finance from their own resources. Key for proof of concept."* *"The Program is flexible enough to be implemented in communities with conventionally weak capacity development. It relies on communities' strong participation and involvement in the implementation of subprojects. The Program tends to promote innovation at the local level."*	• The pilot approach resonates with TTLs as many expressed that it is important to test ideas on a small scale before rolling them out at a national level • Using pilots, it is easier to persuade national stakeholders to continue/scale up the operation **Working with community actors** • TTLs believe that working with NGOs and local government is an important approach in addressing development issues as these stakeholders have an in-depth understanding of beneficiary needs and can therefore deliver more relevant projects to these stakeholders **…importantly, it was also noted that the JSDF has been used to play important gap filling roles, particularly in LMICs** **Provides a mechanism to access funding where lending programs cannot be leveraged** • Enables TTLs to access funding for new projects in cases where the scope of the lending agreement cannot be altered. • E.g., in Mongolia, the Task Team was able to introduce a JSDF grant that targeted secondary school students as the lending operation was designed to focus on primary school students

TTLs leverage JSDF grants to test novel methods and interventions to engage communities and complement ongoing World Bank assisted projects. JSDF supported projects can test interventions previously implemented in other countries to build an evidence base for their effectiveness in multiple contexts and to gain government buy-in to further scale them up. JSDF supported projects also complement ongoing IDA grants, providing support in skills building and entrepreneurship training for more extensive poverty alleviation programs.

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[17] JSDF Evaluation, TTL Survey, 2022; n=24.

[18] JSDF Evaluation, Country Management Unit Leadership Interview, 2022.

[19] JSDF Evaluation, TTL Survey, 2022.

The Voice and Action: The Social Accountability for Improved Service Delivery project in Cambodia tested government decentralization through the commune service delivery model. Volunteers in each commune were trained as Community Accountability Facilitators (CAFs) — citizen liaisons who educated and informed other citizens about their rights. Additionally, an allocated commune budget enabled CAFs to improve key social services delivery. The project improved local service provision and citizen advocacy in each commune. Regional development partners later scaled it to the second phase of the Implementation of the Social Accountability Framework (ISAF 2).

Box 4. An Innovative, Integrated Approach to Enhance Smallholder Family Nutrition

The Innovative, Integrated Approach to Enhance Smallholder Family Nutrition project in Uganda was developed to pilot and supplement the country's IDA-financed Multisector Nutrition program. The project tested the introduction of orange-fleshed sweet potatoes to rural communities in central and southern Uganda and introduced a nutrition program model that combined agricultural input provision with educational health interventions. The project ran alongside the Multisector Nutrition program, incorporating key areas of success, such as its nutrition training program, into the larger nutrition program.

Most projects TTLs developed in collaboration with local communities were complementary to larger World Bank assisted projects. Over 70 percent of projects sampled were linked to at least one World Bank assisted project, indicating a preference among TTLs to use JSDF projects to complement ongoing World Bank supported initiatives in the country.[20] A North Africa-based Country Manager echoed the sentiment, stating that for a JSDF project to be approved, it must "*fully integrate into the strategic position of the country and support ongoing interventions.*"[21] Projects affiliated with ongoing programs were better positioned to align with the CPF and support the country unit's current programs. Projects that complement larger programs were in a strong position to be scaled by the government or supporting development partners. For example, the Ghana rural income generation project was linked to a social safety net IDA program, which scaled the project's livelihood training Business Advisory Center interventions into the larger World Bank project. Scaling ensured the JSDF project's sustainability since the district government adopted its interventions.[22]

While JSDF projects are not sector-specific, projects covered by this assessment were concentrated in a few specific thematic areas. This could have led to an incorrect perception of the JSDF's narrow sector focus. Main areas of concentration of projects in the sample were Social Sustainability and Inclusion (SSI), Health Nutrition and Population (HNP), and Agriculture Global Practices, with SSI accounting for 31 percent of

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[20] Dalberg Analysis, desk review of 46 JSDF grant documents, 2022.

[21] JSDF Evaluation, Country Management Unit Leadership Interview, 2022.

[22] Dalberg Analysis, JSDF Assessment Field Visit: Guatemala, 2022.

projects approved.[23] The high proportion of JSDF projects mapped to these Global Practices likely reflects the significant overlap between the strategic priorities of these Global Practices and JSDF's thematic areas, given its focus on social protection and poverty alleviation. However, TTLs interviewed indicated that they perceived the trend to be driven by the JSDF Secretariat's selection criteria. One TTL stated that *"the JSDF seems to be a health, education, and nutrition focused trust fund."*[24] Figure 8 shows the distribution of JSDF projects approved across Global Practices.

JSDF's thematic priorities provide a broad array of project options relevant to LICs and LMICs	Yet grants have been concentrated in four Global Practices	There are a wide range of other Global Practices that could see value in JSDF's offering that are not having projects approved

1. Livelihood Support
2. Improved Nutrition and Early Childhood Development
3. Inclusive Education
4. Sustainable Agriculture and Climate Change
5. Basic Legal Services and Local Governance
6. Basic Sanitation Services
7. Community Level Disaster Risk Management
8. Scale Up or Replicated Pilot Projects
9. Strengthening Local Governance

Grants Approved between FY 2015 and FY 2022 by Global Practice

47

4% Other
4% Transport
4% FCI[1]
6%
13% Education
15% Social Protection
        Agriculture
21% HNP[2]
32% SSI[3]

~80%

• Agriculture
• Education
• Energy
• Environment & Natural Resources
• Extractive Industries
• Finance, Competitiveness & Innovation
• Governance
• Health, Nutrition & Population
• Human Development
• Jobs and Development

• Macroeconomics, Trade & Investment
• Poverty
• Social Protection
• Social Sustainability and Inclusion
• Urban, Disaster Risk, Resilience, and Land
• Transport
• Digital Development
• Water

High prevalence JSDF
Low prevalence JSDF
Unused, but potential for JSDF

TTLs report that the **JSDF has a reputation of focusing on a narrow set of sectors** - potentially discouraging applications from other Global Practices

JSDF faces a trade-off. Promoting, supporting, and reviewing grant applications benefits significantly from dedicated thematic expertise[4]. Developing this expertise internally or partnering with Global Practices to incorporate it for a wide array of Global Practices places additional costs on fund management. Conversely, a narrow focus, where the JSDF is closely affiliated with 1-2 Practices, is less costly but risks missing opportunities in unaffiliated Global Practices.

JSDF effectively champions innovation, as evidenced by the plethora of innovative ideas executed across the 46 reviewed projects. For example, the approach taken by the Cambodia Voice and Action project with the ISAF Partnership Steering Committee and its use of locally based Community Accountability Facilitators had not been undertaken in the country. The approach was considered "highly innovative, recognizing the country's history,"[25] and has been scaled since. Similarly, the Cambodia Early Childhood Care and Development for Floating Villages project took an innovative approach to construct floating and onshore ECD centers to cater to children in remote areas. Moreover, the Integrated Sanitation and Sewerage Infrastructure project introduced decentralized sanitation technology in Egypt for the first time. In this manner, explicitly requiring TTLs to demonstrate during the design stage how a project is innovative is fundamental to achieving pioneering interventions.

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[23] Dalberg Analysis, JSDF Grant Approval Data FY 2015–FY 2022, 2022.

[24] JSDF Evaluation, TTL Interview, 2022.

[25] CSO Interview, Cambodia.

Implementing agency relevance

Key finding: The assessment suggests that by collaborating with local governments and NGOs/CSOs, JSDF is better able to design projects to respond to beneficiary needs, more efficiently reach intended beneficiaries, and strengthen local implementing capacity.

One of JSDF's critical objectives is to engage and strengthen local civil society by engaging local governments and local NGOs/CSOs to implement project activities. The approach aims to strengthen local capacity to address community challenges and enable local entities to provide additional poverty alleviation and livelihood improvement opportunities. Implementing with NGOs/CSOs and local governments allows JSDF projects to respond to community-specific challenges that central governments may not have the visibility or flexibility to examine and address. Since NGOs/CSOs and local government agencies operate at the community level, they are better placed to identify distinct poverty drivers and provide support in introducing novel solutions.

Local government agencies are mandated to serve at the local level and can more easily embed programs. JSDF engages local government agencies that are primarily municipal leadership and district-level government agencies or ministry divisions. By tasking local government offices with JSDF project implementation, and since district offices are often located nearer to target beneficiaries, projects benefit from government personnel's proximity to, and understanding of, communities and their needs. Projects with district-level or municipal approval and implementation provide hesitant community members with additional validation and encourage participation. Local government stakeholders can also embed pilot interventions into their programs to ensure continuation. A government stakeholder in Uganda who supported the Multisector Nutrition project stated that his office could have "*identified the areas where the program's interventions would have been of the most value, supported community sensitization efforts, [and] embedded nutrition sensitization into the district agenda*" had it been more involved in project implementation.[26]

Figure 9. JSDF projects approved by implementing agency type, FY 2015–FY 2022, no. grants

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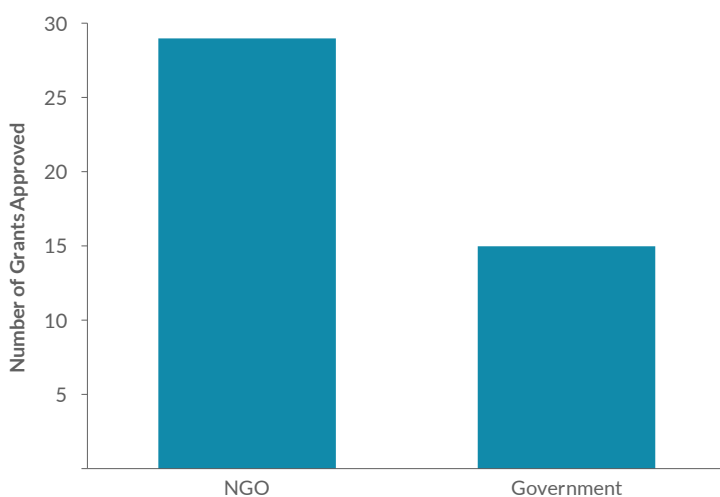
[26] Dalberg Analysis, JSDF Assessment Field Visit, Uganda, 2022.

NGOs/CSOs implement most JSDF projects. NGOs/CSOs implemented approximately 64 percent of JSDF projects between 2015 and 2022, as shown in Figure *9*.[27] One TTL in Southeast Asia mentioned a preference for implementing with NGOs/CSOs because **"***the JSDF's budget is significant to NGOs, and they are more willing to explore innovative models.***"**[28] NGOs/CSOs tend to have more flexibility than government, which is important when dealing with innovation.

International NGOs (INGOs) implement a larger share of JSDF projects due to their greater familiarity with, and capacity to, adhere to World Bank implementation guidelines. As Figure *10* reflects, international and regional NGOs/CSOs implemented 58 percent of all JSDF projects between 2015 and 2022.[29] TTLs and members of JSDF management indicated that *"though the preference is to work with local NGOs, it is harder to find local NGOs with the capacity to carry out the project."*[30] Along the same lines, a TTL in Latin America and Caribbean (LCR) observed that local NGOs struggled to build the administrative capacity required to implement JSDF projects, such as hiring procurement and financial management professionals with World Bank experience.[31] Importantly, INGOs in some cases subcontracted to local NGOs for implementation support. In so doing, even when the World Bank did not directly interact with local NGOs, a degree of capacity strengthening remained for these organizations.

Figure 10. JSDF NGO/CSO implementing agency types, FY 2015–FY 2022

52%	6%	42%
International	Regional	Local
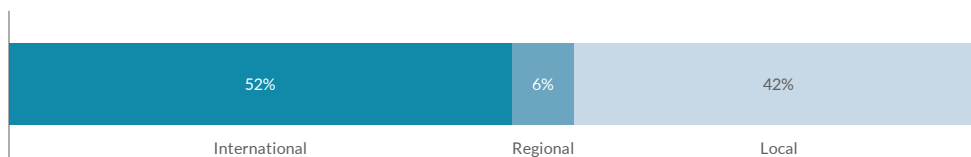
TTL concerns about local organizations are reflected in the extent to which they identify risk factors during project planning. For projects that captured data in funding proposals, TTLs identified significant risk factors in 41 percent of INGO projects — compared to those identified in two thirds of local NGO/CSO and all local government-implemented projects. However, looking at projects reviewed during the assessment period, project development objective (PDO) achievement did not vary based on implementing agency type.

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[27] Dalberg Analysis, JSDF Grant Approval Data, FY 2015–FY 2022, 2022.

[28] JSDF Evaluation, TTL Interview, 2022.

[29] Dalberg Analysis, JSDF grant approval data, FY 2015–FY 2022, 2022.

[30] Stakeholder Interview with JSDF Management, 2022.

[31] JSDF Evaluation, TTL Interview, 2022.

Figure 11. Risk factors identified during project development, no. projects[32]
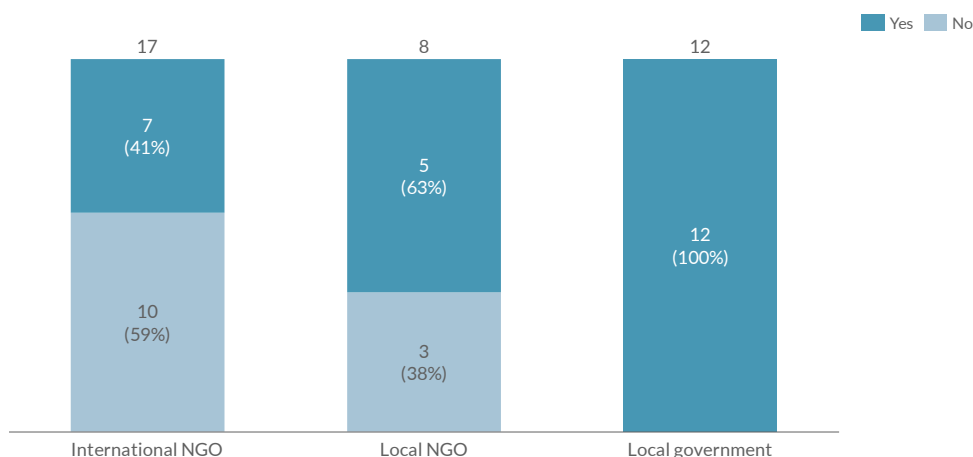
Separately, JSDF funding allocation restrictions may be particularly burdensome for local NGOs/CSOs. JSDF restricts the amount of financing allocated to NGO/CSO staff salaries. NGOs/CSOs must therefore use other funding sources, at least in part, to finance technical and operational staff tasked with project implementation. Smaller NGOs/CSOs are less well placed to do so than their larger international counterparts due to their smaller size, the less flexible financing that they receive, and their weaker operations capacity.

Effectiveness and Efficiency

Project effectiveness

Key finding: The majority of projects reviewed achieved their development objectives, highlighting the fact that most JSDF projects are effective and likely to deliver on the targets set during project design.

OVERALL OUTCOMES

Project effectiveness is determined by the extent to which interventions achieve or are expected to achieve their objectives. Effectiveness assessment is based on the likely short- and medium-term outcomes of project implementation and their positive and negative long-term effects. JSDF is aligned with the World Bank Small Grants Guidelines and Procedures in terms of project progress and completion reporting. Implementing agencies monitor disbursements, activities, and outputs and report on progress toward intended outcomes. Further, one of the JSDF selection criteria is the inclusion of a participatory monitoring and evaluation (M&E) system to help beneficiaries address their vulnerability and to ensure ownership and sustainability. The team's effectiveness assessment relied on three layers of data: intermediate indicators, PDOs, and overall project outcome data.

- **Intermediate indicators show the progress of project deliverables and components.** Indicators are checked at a project's midline as part of participatory M&E. They assess progress toward PDOs and help manage risk as various actors can benchmark and iterate deliverables to satisfy requirements.

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[32] Dalberg analysis, JSDF Grant Document Review, 2022

- **PDO indicators are the set of succinct outcomes a project aims to achieve.** Effectiveness is measured by assessing whether PDOs are adequately met based on participatory endline assessments. Due to a project's evolving circumstances, PDOs are sometimes revised and subsequently assessed to determine achievement percentage.
- **Overall outcome rating is based on an assessment of how a project achieves its development objectives.** Projects receive an overall satisfactory rating when each indicator has been met or surpassed. Projects receive a rating of unsatisfactory when indicators have not been met.
- **Beneficiary data.** Aggregating beneficiary-level indicator across projects to report on overall numbers of beneficiaries reached across thematic areas.

A majority of JSDF-funded projects were extremely effective based on PDO achievement. The team's assessment of 39 projects showed that 92 percent of projects self-reported PDOs and overall outcomes were achieved at either a moderate or a satisfactory level.

Figure 12. Effectiveness rating based on PDOs and overall outcome, no. projects[33]
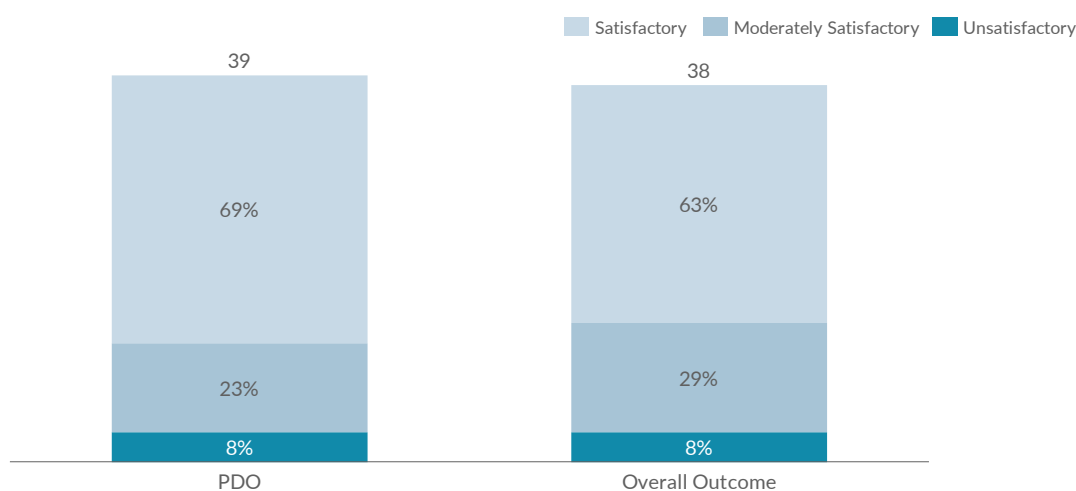
Specifically, 69 percent of projects were deemed satisfactory based on PDO assessment. This closely correlates to the 63 percent satisfactory rating based on overall outcome indicators. Projects deemed satisfactory cut across themes and geographies, proving that their ability to successfully deliver was not based on a thematic area or region. In addition, projects did not vary based on implementing agency type.

The remaining 23 percent of projects with moderately satisfactory PDO achievement also strongly correlated with overall outcome indicators, with all rated either moderately satisfactory (70 percent) or satisfactory (30 percent). Projects that performed moderately well showed common themes, with 77 percent mainly focused on social protection and health and nutrition. These themes required significant community participation to execute effectively, which caused implementation delays that were ultimately resolved. Figure *13* breaks down sector and implementation distribution for moderately satisfactory PDOs.

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[33] Dalberg analysis, JSDF Grant Document Review, 2022

Figure 13. Summary distribution of sectors and implementing agencies with a moderately satisfactory rating, no. projects[34]
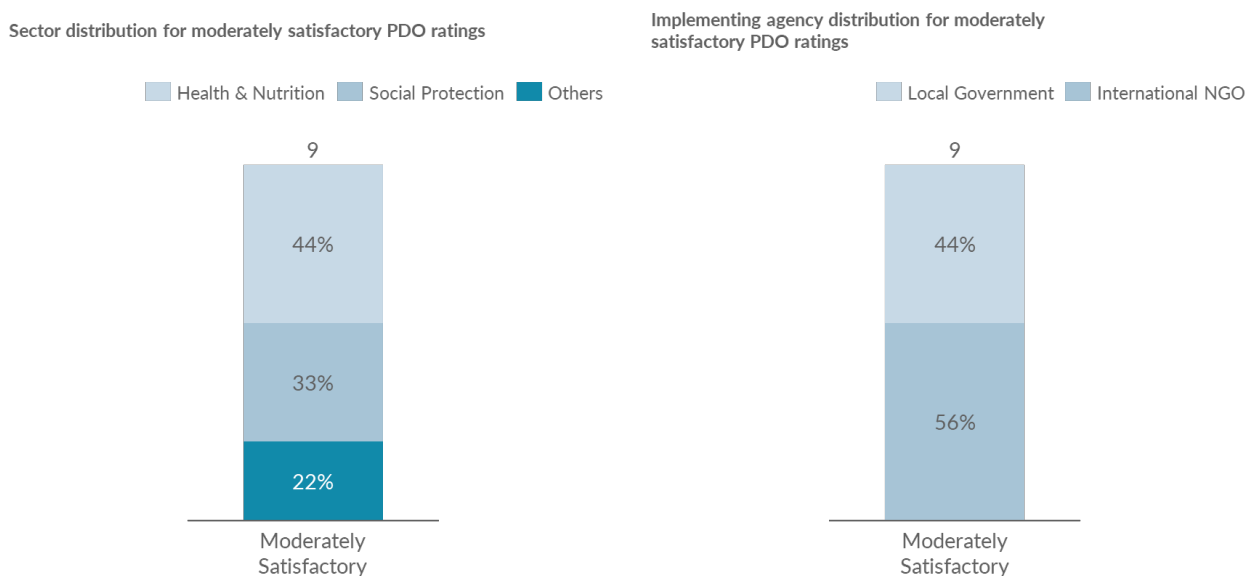
Only 8 percent of projects were rated unsatisfactory in PDO achievement and overall outcomes. These projects consistently exhibited unsatisfactory achievement of intermediate indicators showing continued challenges in implementation. Other commonalities included the livelihood improvement theme and a level of complexity in design or project implementation that made execution difficult. Complexity in execution arose in several projects that looked to increase incomes which depended on their country's larger economic context — a factor that implementing agencies could not influence but needed to respond to. Complexity in design occurred when stakeholders needed time to understand novel processes and/or technology that was introduced but not adaptable to the local context. Projects that did not fall within a particular geography, and headed by various implementing agencies also experienced implementation challenges.

In 8 percent of projects, PDOs were revised during implementation. This did not affect attainment of PDO indicators or overall outcome ratings. Projects proved extremely adaptable to local context while maintaining quality implementation.

A closer look at projects assessed during country visits showed a close link between indicator data reported in ICRs and the extent of impact evidence. The team's selection of five projects subjected to field visits validated the spectrum of ratings (i.e., satisfactory, moderate, unsatisfactory) against site visit information. Three projects — Bolivia, Djibouti, and Kenya — showed satisfactory results for PDOs, overall outcomes, and gender indicators. Project descriptions follow.

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[34] Dalberg analysis, JSDF Grant Document Review, 2022

Bolivia focused on implementing the Early Childhood Care and Development project in the poorest and most vulnerable urban districts of La Paz and El Alto. The project aimed to support young mothers and improve early childhood development by creating a standardized model of integral care for all childcare centers in target municipalities and providing renovations to two centers in each municipality. The care model yielded improvements in early childhood development, socioeconomic conditions, and beneficiary mental health. Many young parents reported increased labor force participation and, in several cases, increased accessibility to complete their schooling. Program impact has proven sustainable; the model now serves as a basis for standardized care, with new enrollees sharing similar benefits to those of longer-term beneficiaries.

Box 6. Enhancing Income Opportunities Project

Djibouti implemented the Enhancing Income Opportunities project (Projet de Promotion de l'Emploi des Jeunes et de l'Artisanat, aka PROPEJA). PROPEJA's goal was to help address the human capital and credit constraints that poor, vulnerable, and low-skilled youth and women face. The project was extremely effective, with 1,335 young people receiving direct cash transfers to implement their projects. The cash transfers increased most participants' incomes by 100 percent to an average of US$ 90 per month. A full 90 percent of projects were operational 9–12 months later and 70 percent operational 1–2 years later. Women's groups increased capacity within handicraft value chains to achieve sales of US$ 17,000. They are working to build more online opportunities to tap into export markets for their products.

Box 7. Accelerating Rural Women's Access to Markets and Trade

In Kenya, the Accelerating Rural Women's Access to Agricultural Markets and Trade project empowered 3,400 women farmers. These women learned new agricultural techniques, received access to formal financial services, and are now significant leaders across several community organizations.

One project in Cambodia, received satisfactory ratings on PDOs and gender indicators but an overall rating of moderately satisfactory only. A description follows.

Box 8. Early Childhood Care and Development for Floating Villages Project

Among its efforts to reduce poverty and increase prosperity, **Cambodia** recognized the importance of Early Childhood Care and Development (ECCD) as part of overall national development. The US$ 2.79 million **ECCD for Floating Villages project** was developed in this context to continue extending services to populations in remote areas. It aimed to strengthen capacity at the community level and build on the achievements of prior projects. The project's innovative and ambitious approach ensured that it reached marginalized and vulnerable communities by constructing floating and onshore ECCD centers. The centers catered to children in remote communities who would otherwise remain unserved. The project empowered communities and built their capacity to manage and monitor ECCD services. It also lobbied with communities to sustain gains by including ECCD services in commune development plans. Assets purchased as part of the project were handed over upon project completion. Parental training proved instrumental in teaching parents how to care for their children and enable early learning — a huge benefit during the COVID-19 pandemic. However, the project received a moderate rating. Where improvements in outcomes were sought, two out of three service providers (schools and health centers) met PDO targets. The third (communes) made significant progress toward achieving targets but ultimately came up short.

Egypt was the sole project which was included in the sample for field visits to receive an unsatisfactory rating for PDO objectives, overall outcome, and gender indicators. The team's indicators assessment matched site visit feedback as well. A project description follows.

Box 9. Integrated Sanitation & Sewerage Infrastructure

The concept of the **Integrated Sanitation and Sewerage Infrastructure project** (ISSIP 1) In **Egypt** was to help develop sustainable improvements in sanitation and environmental conditions for resident communities. The project also aimed to improve water quality in select drainage basins in the areas served. ISSIP 1, however, was not a success. The project lacked clear definitions of responsibility between collaborating institutions. A void in leadership alignment led to slow, cumbersome decision making. Its novel and complex project design was challenging to implement and a lack of technical capacity made it difficult to adopt to the local context. The result was poor execution, and resulting unsatisfactory ratings.

It is important to note, however, that lessons learned contributed to the successful implementation of **Sustainable Rural Sanitation Services Program for Results** (SRSSP), which had similar PDOs to ISSIP 1. SRSSP has currently raised over US$ 1.5 billion and constructed several central and decentralized sanitation plants. During the team's field visits, SRSSP officials indicated that they had achieved better results by applying lessons learned from ISSIP 1. These included clear demarcation of roles between central and local organizations that lead to faster implementation and upfront buy-in on innovative technologies from various government agencies. With additional training, capacity, and awareness about necessary processes and technologies, staff involved in ISSIP 1 were better able to implement SRSSP.

An important channel through which the JSDF enabled poverty reduction was by working with local communities to strengthen incomes and livelihoods. The thematic area, livelihood support, accounted for 39 percent of the JSDF projects[35], with a majority of them being in lower middle-income countries and implemented by a local government. JSDF projects assisted beneficiaries using various implementation models, including entrepreneur capacity building, access to finance, provision of business management services and supporting group-based activities.

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[35] Given that some JSDF grants can be connected to multiple thematic areas, this assessment classified each project into a single thematic area to avoid double counting. Note that none of the reviewed projects was categorized under the cross cutting thematic areas "Scaled or replicated projects through World Bank-financed operations" and "Strengthened local governance through enhanced participatory decision making and accountability"

Ghana's Support Rural Income Generation of the Poorest in the Upper East Region met its key impact goal of poverty reduction. Implemented by the National Coordinating Office of the Ghana Social Opportunities Project/Ministry of Local Government and Rural Development, the project aimed to reduce poverty via skills training and a small grant, targeting beneficiaries from extreme poor households in rural communities, of which 50 percent were expected to be female. 7,072 rural households living below the poverty line received startup kits for small-scale trade and received support to ensure business survival for at least a year. The specific vocational skills enabled them sustainably earn income, with beneficiaries reporting an estimated doubling of earnings potential and a strengthened ability to earn income year-round. Women reported that the businesses they set up more than six years prior were still running and served as their primary income source. Increased income for women also led to secondary improvements such as increased educational enrollment, financial inclusion, better health, and reduced emigration.

To estimate the number of beneficiaries reached, the assessment team reviewed indicators for each project and identified indicators linked to the number of individuals benefitting from the project. JSDF projects did not consistently have indicators capturing beneficiaries associated with each project. To develop a database of the number of project beneficiaries per project, the assessment team took a two-tier approach. In a first tier, the assessment team reviewed project documents and identified metrics that clearly articulated "number of direct project beneficiaries" associated with the project intervention. In a second tier, the assessment team took a second review to identify indicators that reported on the number of beneficiaries associated with a project and picked indicators that appeared to be the best proxy for overall project beneficiaries. As a rule, while doing so, the assessment team identified indicators that captured the highest number of beneficiaries associated with an outcome. Where none of these options were available, e.g., with projects with percentage indicators only, the team also relied on any mentions of the number of beneficiaries in a project.

Typically, most JSDF projects reached the targeted number of beneficiaries and the number of female beneficiaries where specified. Of the projects for which sufficient data was available (39), 79 percent reached the set target for beneficiaries.[36] This average was relatively consistent across projects, with a slightly lower proportion (60 percent) of early childhood and nutrition projects reaching beneficiary targets than other thematic areas. Where targets for female beneficiaries were provided, most projects either reached or exceeded this target.

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[36] This estimate only includes projects that provided the number of targeted beneficiaries

Figure 14. Proportion of reviewed projects that achieved the target

Figure 14. Proportion of reviewed projects that achieved the target

Legend:
- Reached or exceeded target (green)
- Did not reach target (red)

Category	Count	Reached	Did not reach
Total	39	79%	21%
Livelihood support	17	88%	12%
Improved nutrition and early childhood development	10	60%	40%
Environmentally sustainable agriculture practices and adaption to climate change	4	100%	
Inclusive education	3	67%	33%
Basic legal services and local governance	2	100%	0%
Basic sanitation services	2	50%	50%
Community-level disaster risk management	1	100%	0%

Overall, the assessment estimates that the JSDF reached 60.4 million individuals during the period under review. With a total budget across the set of projects of US$ 135 million, this indicates a spend of US$ 2.2 per individual reached. Across thematic areas, beneficiaries are heavily concentrated in improved nutrition and early childhood development, and to a lesser degree basic legal services and livelihood support.

Figure 15. Beneficiaries across thematic areas

Total number of beneficiaries by thematic areas including outliers, 000's

Thematic area	Total	Avg. per project
Improved nutrition and early childhood development	56,342	4.3m
Basic legal services and local governance	2,906	969k
Livelihood support	735	41k
Basic sanitation services	293	98k
Environmentally sustainable agriculture practices and adaption to climate change	57	14k
Inclusive education	40	10k
Community-level disaster risk management	22	22k

Total number beneficiaries reached by thematic area, excluding outliers, 000's

Thematic area	Total	Avg. per project
Improved nutrition and early childhood development	542	45k
Basic legal services and local governance	40	20k
Livelihood support	297	17k
Basic sanitation services	157	78k
Environmentally sustainable agriculture practices and adaption to climate change	6	2k
Inclusive education	10	3k
Community-level disaster risk management	22	22k

In a deeper assessment of the data, several important caveats emerge. Several outlier projects significantly skew results in each thematic area. The most significant of these outliers is an Ethiopia Nutrition project implemented by the Federal Ministry of Health. The project reports reaching 55.8 million individuals through a budget of US$ 2.8 million. Another project in basic legal services in Bangladesh, the Safe Migration for Bangladeshi Workers project, reports reaching 2.9 million individuals. These two projects account for 97 percent of the 60.4 million individuals reached across the sample. Excluding these two projects, the JSDF reached 1.7 million individuals at a spend of US$ 75 per individual each. More broadly, there was significant variation as to the number of beneficiaries reached by JSDF projects – with some projects reporting in the hundreds compared to the millions reported on in the two examples just presented. This variation is not

necessarily in and of itself a problem. JSDF projects are intended to be innovative pilots. Projects with a smaller number of direct beneficiaries can still offer significant value by proving a concept. It does, however, raise questions as to the comparability of beneficiary indicators.

A deeper assessment of JSDF indicators shows significant differences in the ways that beneficiaries are measured, which has implications for reporting. These vary from the number of individuals that received direct training (for example in livelihoods projects), to number of people receiving advice from NGOs supported (in e.g., legal support projects), to the number of people accessing nutritional advice through existing health care centers supported (in e.g., nutritional projects). This diversity in indicators reflects the diversity of projects that JSDF supports and, first and foremost, indicators need to be fit for purpose for the project in question. The diversity does, however, introduce complexity in portfolio level reporting for the JSDF. There are, for example, significant differences in the extent to which one can attribute impact to the JSDF in project whereby a small business owner receives intensive, holistic entrepreneurship training and an individual that receives nutrition guidance from a government paid employee that has had additional training through a JSDF project. Reporting these two individuals as equivalent at the portfolio level represents an incomplete view of the nature and extent of JSDF impact. A common way to address this type of issue in MEL is to categorize data on beneficiaries reached as direct beneficiaries vs indirect beneficiaries. While several JSDF projects did categorize indicators in this way, it was not uniformly applied.

The breadth of JSDF projects also limited more granular reporting at the portfolio level – this is not necessarily an issue given the JSDF's value proposition. While the JSDF has put in place a results framework with associated indicators, it did not mandate the collection of those indicators by JSDF projects. Reporting on those indicators at the portfolio level requires a manual mapping of JSDF level indicators with project level indicators. Because indicators are not exactly the same across these two levels, it is both time consuming for the JSDF secretariat to develop portfolio level reporting and introduces significant risk of bias and error. Mandating the collection of specific JSDF indicators by projects is not necessarily the right approach. A key part of JSDF's value proposition is the flexibility it offers to provide funding across a wide range of thematic areas using innovative approaches. Enforcing the collection of a set of indicators has the potential to limit space to innovate in project design or result in redundant indicator collection. This dynamic results in a trade-off between less granular JSDF portfolio level reporting and introducing limitations and inefficiencies in projects by mandating indicators. The assessment team is of the view that granular JSDF portfolio level reporting is the lower priority, with beneficiary level reporting kept to a high-level and emphasis placed on project innovation, lessons, later scale-up, and narratives on vulnerable communities reached.

GENDER

A substantial 85 percent of projects considered the gender aspect during project design. However, just 68 percent explicitly integrated and tracked gender indicators during implementation — a drop-off in the focus on gender between project design and implementation. Of projects that tracked gender indicators, 50 percent achieved most or all of their listed gender objectives. A significant minority (32 percent) did not have gender indicators. Figure 16 summarizes the gender indicators analysis.
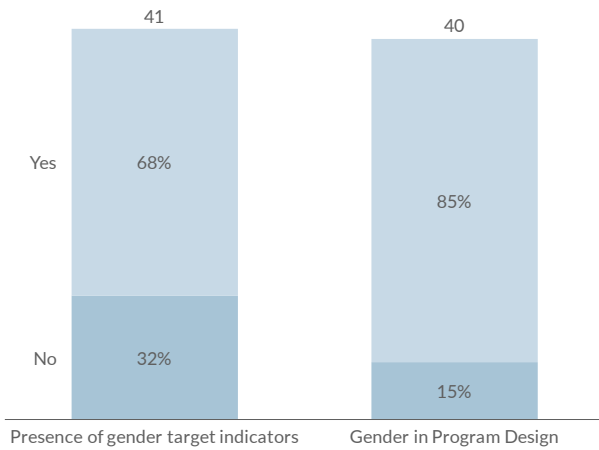
Reviews of field visit reports during two site visits helped the team determine the extent to which the positive impact of gender indicators were impactful for beneficiaries in Cambodia and Kenya. Project details follow.

Box 11. Voice and Action: Social Accountability for Improved Service Delivery

The first review examined the **Voice and Action project for Social Accountability for Improved Service Delivery** in **Cambodia**. The project was designed to support service delivery improvement in schools, health centers, and communes for rural households in select districts. Local government and service providers were to engage with communities in an open and transparent process. In the design phase, the project had clear gender indicators to measure the percentage of women in target areas who (i) were satisfied with primary school, health center, and commune service and functions, and (ii) reported that their voice had been strengthened in local service delivery. Collected project monitoring data showed evidence of significant levels of women's participation during the project. Women made up a majority of participants in all activities, including 73 percent of those in awareness-raising events and 76 percent of those in community scorecard meetings. Furthermore, 1,456 out of 2,509 community facilitators were female (58 percent). Since 90 percent of village chiefs and 80 percent of commune council members were men, women's significant participation in decision-making meetings reflected their elevated presence in decision-making and influential community positions. It is of note that community sessions timing was more conducive to women attending, given the other economic activities men were responsible for. Evening sessions were also held to encourage additional male participation.

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[37] [37] Dalberg analysis, JSDF Grant Document Review, 2022

Box 12. Accelerating Rural Women's Access to Markets and Trade

The second review, in **Kenya**, focused on implementation of the **Accelerating Rural Women's Access to Markets and Trade project.** The project aimed to level the gender equality playing field in Kenya by strengthening women's effective representation in the economy and society. The grant empowered 3,400 vulnerable women farmers, improving their livelihoods and increasing women's participation in agricultural markets. The project organized women farmers to work collectively to economically empower and improve their livelihoods, enhanced their lobbying and advocacy capacities for essential services to improve production, and enhanced their business capacities. It facilitated market linkages and empowered women to improve production capabilities for specific commodities. It also enhanced their access to microfinance to strengthen their enterprises. Women participants went on to become key decision-making voices in their communities, including assuming leadership positions in key institutions.

Effectiveness and efficiency by implementing agency

Key finding: Despite the higher perceived risks in working with local vs international NGOs/CSOs, little difference exists, on average, in effectiveness and efficiency metrics.

Across different implementing agencies, the likelihood of a satisfactory score on "efficiency of the overall project" is similar. For example, where project closeout documents[38] reported the extent to which implementing agencies were able to manage World Bank processes, TTLs gave over 50 percent of local organizations a satisfactory performance score compared to up to 40 percent of INGOs/CSOs. Similarly, local NGOs/CSOs were as likely to receive an overall rating of satisfactory as INGOs/CSOs, local governments more so.

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[38] Project closeout documents included either an ICR, or final ISR where an ICR wasn't available

Figure 17. Implementing agency effectiveness and efficiency, no. projects[39]
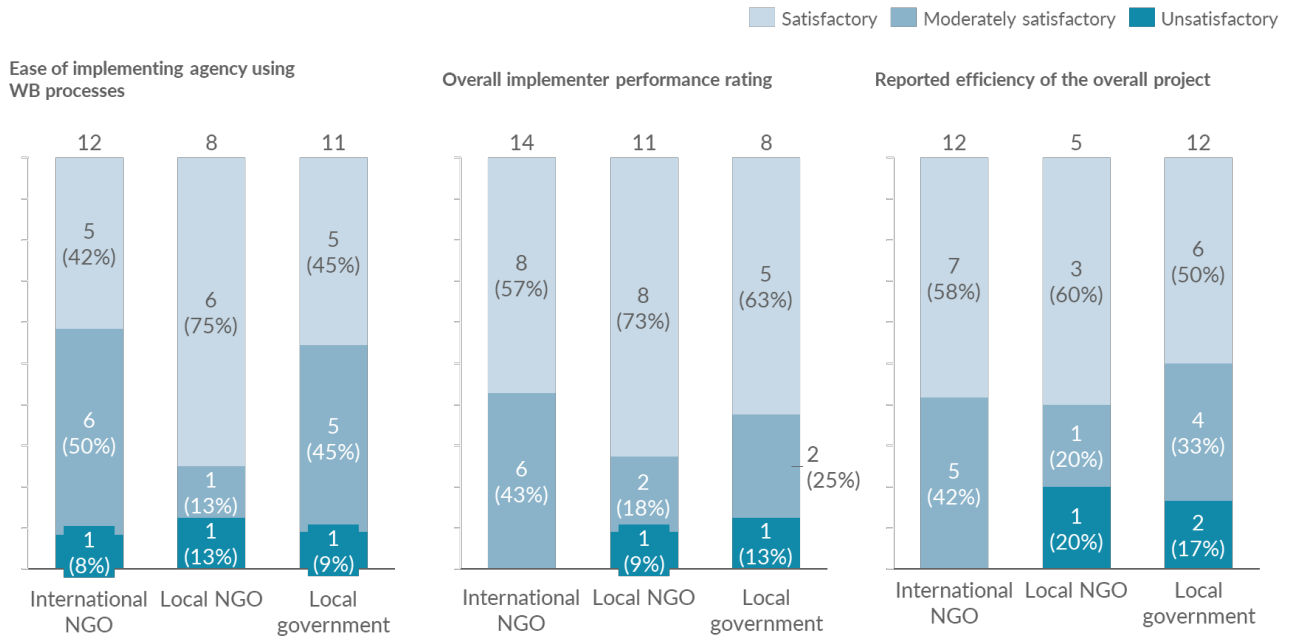
While local organizations appear to be as likely to record meeting World Bank standards as satisfactorily as INGOs/CSOs, they are more likely to be reported as having unsatisfactory performance standards, albeit with a very small sample size. This gives credence to the greater emphasis TTLs placed on evaluating risk in local organizations over international organizations. A potential driver is the extent to which INGOs/CSOs can turn to an international body for additional resources when delivery is at risk. Local NGOs/CSOs do not have that option.

A hybrid model — with both benefits and potential drawbacks — also emerged. INGOs/CSOs sometimes implement projects by subcontracting to local NGOs/CSOs. This model benefits from pairing an INGO's effective administration, reporting, technical expertise, and global resources within the context and networks of NGOs/CSOs. For example, the Guatemala Nutrition project chose a collaborative model where an INGO that has local presence and local NGOs implemented together. ChildFund, the INGO, handled the core responsibilities for financial management, procurement, and other administrative World Bank procedures. ACODIHUE and CEDRO, two local NGOs, led pilot implementation in indigenous communities where they had significant presence and community engagement experience. The model enabled local implementing agencies to focus resources on program areas that fit their core community engagement competencies while leveraging the international implementing agency's greater capacity to take on World Bank administrative procedures.[40] A drawback to the model is that it lowers the likelihood of local NGOs/CSOs building the necessary capabilities to directly obtain grants from institutions like the World Bank.

Overall, despite perceived risks, strong performance by local governments and NGOs/CSOs highlights the efficacy of JSDF capacity building. JSDF projects provide capacity-building support in two key areas: monitoring and evaluation (M&E) and subject matter expertise. M&E is central to JSDF projects since

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[39] Dalberg analysis, JSDF Grant Document Review, 2022

[40] Dalberg Analysis, JSDF Assessment Field Visit: Guatemala, 2022.

mandatory baseline, mid-term, and end-line assessments (along with other evaluation methods) ensure reliable and effective project outcome data collection. World Bank technical teams often train implementing agencies in M&E procedures, enabling them to carry rigorous methods into future programs. The World Bank's strict financial management policies also require implementing agencies to partner with finance professionals who are familiar with World Bank grant management guidelines. World Bank technical teams also facilitate trainings with subject matter experts to improve the quality of implementing agency/beneficiary engagement.

Since task teams are responsible for providing technical advice during project design and assessing if the design meets the World Bank's technical and fiduciary standards, training in each project's technical area ensures that implementing agencies are knowledgeable about what it takes to implement a project. Projects also enable TTLs to provide implementing agencies with monitoring training and resource support, teaching staff about research methods and equipping them with the financial support to undertake data collection and analysis. Finally, since implementing agencies (especially small NGOs) sometimes face challenges in adhering to World Bank procurement and financial management procedures, TTLs can allocate funding that allows implementing agencies to onboard a finance professional familiar with World Bank processes.

The significance of JSDF's support is demonstrated by the 63 percent of projects that gained a satisfactory implementing agency rating. Just two received a rating of unsatisfactory. Both projects were implemented by local and international NGOs/CSOs, which reflects the capacity constraints they may face when implementing with the World Bank. The following Uganda field visit report demonstrates the value of JSDF capacity-building support.

Box 13. An Innovative, Integrated Approach to Enhance Smallholder Family Nutrition

The **Uganda Multisector Nutrition project's implementing agency, BRAC Uganda,** improved its capabilities through in-depth training from the World Bank. BRAC staff were extensively trained for the project in M&E methods, nutrition, and agronomy. The agronomy training was particularly impactful, with the team leveraging knowledge to develop an orange-fleshed sweet potato tissue culture lab that is still maintained. The agronomy and nutrition trainings expanded BRAC's sectoral expertise beyond financial literacy and access programs, helping the organization to develop tangible agricultural expertise and capacity through the lab.

Figure 18. Capacity-building assessment[41]

Case Study	Summary of capacity building	Assessment	Implementer performance
Bolivia Early Childhood Care and Development in the poorest and most vulnerable urban districts of La Paz and El Alto	The implementing municipalities received ECCD and Gender training to improve the quality and delivery of education. The municipalities also received MEL and resources to conduct research on the developmental milestones of participating children and increase their data collection capacity.		Satisfactory
Cambodia Social Accountability for Improved Service Delivery	The project strengthened the capacity of local level actors to implement social accountability processes by i) training a cohort of CAFs, ii) establishing mentoring opportunities for CAFs, and iii) developing a platform for ongoing government and citizen dialogue.		Satisfactory
Cambodia Early Childhood Care and Development for Floating Villages Project	The project enhanced local capacity by providing training, technical consultations, and maintaining regular contact with sub-national authorities. The project also established School Support Committees (SSC) which strengthened the communes educational engagement.		N/A
Djibouti Enhancing Income Opportunities	The project enhanced the two implementers' procurement and MEL capacity by providing community-based MEL support and procurement policy guidance. The lessons learned were disseminated to local ecosystem actors further enhancing local capacity.		Satisfactory
Egypt Integrated Sanitation and Sewerage Infrastructure Project	The project implementers received limited direct capacity building. Implementing partners were trained on World Bank procurement processes which helped implementers reduce project delays.		Unsatisfactory
Ghana JSDF Support Rural Income Generation of the Poorest in the Upper East Region	The project provided district staff with limited direct training and instead leveraged external consultants to fill capacity gaps. This approach enabled over $US 800,000 to be reallocated to beneficiary cash payments and enabled the project to reach ~4,000 additional people.		Satisfactory
Guatemala Pilot to Improve the Development and Nutrition of Young Children in Rural Areas	The implementing NGO received extensive training on program design and results measurements to improve its data collection and analysis capabilities. A Financial Management specialist with World Bank experience was also brought on to improve the implementers navigation of World Bank protocols.		Satisfactory
India Karnataka Multisectoral Nutrition Pilot Project Case Study	The implementing NGO received training in MEL and World Bank procurement procedures. Additionally, the pilot supported the development of two factories and provided manufacturing related training building the implementer and community's technical capacity.		Satisfactory
Kenya Accelerating Rural Women's Access to Agricultural Markets and Trade	The pilot provided limited training but strengthened the implementing local NGO's by enabling it to carry forward the lessons learned into future programs.		Satisfactory
Uganda An Innovative, Integrated Approach to Enhance Smallholder Family Nutrition	The implementing NGO received agronomy, nutrition, and MEL training improving its service delivery capacity. The project also helped the implementer develop a tissue culture lab that still supports the community.		Moderately Satisfactory

JSDF capacity-building support enables successful project implementation and creates long-term community capacity. Figure 18 assesses the extent to which JSDF built implementing agency capacity in ten projects covered by field visits and how that support impacted implementing agency performance. A full 70 percent of these projects received high capacity-building support in technical and monitoring, evaluation, and learning (MEL) training, including financial management staff onboarding. Most well performing projects received an implementation rating of satisfactory, except for two: one that did not include an ICR implementation rating and one rated moderately satisfactory. The remaining 30 percent of projects received ratings of moderate to low-capacity building. It should be noted that the moderate-rated project implementing agency did not receive training but had consultants brought on board and the two low-rated projects did not receive capacity-building support. As a result, the unsatisfactory implementation rating received by one of the low-rated projects in Egypt reflects the impact of capacity gaps in the implementing government agency.

JSDF's commitment to capacity building is critical to creating foundations for sustainable results. By training implementing agencies and supporting development of essential facilities like a vegetable tissue culture lab in Uganda or energy-dense food (EDF) factories in India, projects build the institutional memory and infrastructure to continue their results beyond project duration. With NGO/CSO staff employment project-based and subject

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to high turnover, the nature of JSDF implementing agencies makes it challenging to secure institutional memory. Similarly, government election cycles significantly alter incumbents in municipal and regional government positions. However, trainings can carry long-term impact, as demonstrated by the implementing NGO ChildFund that presented its project learnings as proof of concept and internationally scaled its project's design in partnership with the Lego Foundation.

Sustainability and Innovation

Project sustainability

Key finding: Among the projects which were subject to field visits, all achieved sustainability through one of four channels: continued benefits to communities after project closure, World Bank adoption and scaling, development partner adoption and scaling, or government adoption and scaling.

The assessment identified four channels that support project sustainability. Sustainability of the results channel is, namely, the extent to which final intended beneficiaries continued to benefit from project outcomes after the project closes. The other three channels are instances of separate funders either continuing a project or drawing from its approach to shape future programming. Figure 19 outlines the four sustainability channels.

Figure 19. Sustainability channels

Channel	Description	Example
1 Sustainability of results	Project results extend beyond the lifetime of the project; e.g., improved infrastructure enables continued access to better services	Mozambique's **Maputo Peri-Urban Sanitation Project** improved long-term sanitation in the city through a private sector approach
2 World Bank adoption and scaling	Project frameworks and approaches adopted and scaled by later World Bank in-country programming	Approaches were tested in Uganda's **Integrated Approach to Enhance Smallholder Nutrition** and integrated into the much larger World Bank Multi-Sectoral Nutrition Project
3 Development partner adoption and scaling	Project frameworks and approaches adopted and scaled by later Development Partner programming – often by NGOs seeking to scale JSDF pilots	The Justice Center for Legal Aid (JCLA) implemented the **Enhancing Community-Driven Legal Aid Services to the Poor** project – supporting legal empowerment of the poor. JCLA expanded the network of pro-bono lawyers and developed a segmented pricing to insure sustainability
4 Government adoption and scaling	Project frameworks and approaches adopted and scaled by later government policy and programming	**The Gambia Emergency Agricultural Production Support Project,** which focused on improving access to better agri. Inputs was adopted and scaled by local government.

Sustainability of results

Sustainability of results tends to be envisaged in project design documents through the continued application of skills, the continued use of infrastructure, or the continued provision of the services a project enables. Limited information was available to assess sustainability of results in the 35 projects that were part of the desk review. However, many projects included elements that inherently lent themselves to sustaining results (e.g., developing infrastructure or skills development). Three examples are discussed below.

Box 14. Sustaining Women's Leadership Project

Indonesia's Sustaining Women Leadership project is a key example of sustainable skills application. The project focused on training women on leadership development, organizing women into community groups, and supporting community widow groups via grants. Skills acquired in leadership workshops gave women a better understanding of their legal rights, which they could use to protect themselves and other community members. Women also gained critical knowledge about formal finance programs and were able to assist other women's groups to secure further community-based business investment loans.

Box 15. Maputo Peri-urban Sanitation

Mozambique's Maputo Peri-urban Sanitation project is a key example of continued infrastructure use leading to sustainability. The project was developed to improve the sanitation conditions and practices of 140,000 people in 11 of Maputo's unplanned peri-urban neighborhoods. The project developed sanitation infrastructure for community use. The grant initially supplied microenterprises with equipment to develop desludging services then build profitable businesses that remained sustainable beyond the grant funding period.

Box 16. Strengthening Community Mobilization and Local Council Service Delivery in the Post-Ebola Context

Sierra Leone's Strengthening Community Mobilization and Local Council Service Delivery in the Post-Ebola Context project is a strong example of sustainability through continued service provision. The project's main goal was to respond to post-Ebola virus disease (EVD) needs at the local level by building community resilience through sensitization efforts and social mobilization activities in districts most affected. With sustainability at the project's core, the local government's capacity gains bolstered community-level service provision even after the project ended. Changes in social trust and community participation dynamics were long-term in nature, generating positive path dependency and a sociopolitical culture of positive engagement.

The assessment more deeply assessed sustainability of results for projects which were covered by country field visits. For these projects, sustainability of results was assessed in two ways:

- Individuals intended to benefit from a project reported continuing to do so at the time of the interview.

- Infrastructure developed during the project was observed as still operational.

Through this lens, projects assessed in field visits overwhelmingly showed evidence of sustainability of results.[42] In focus groups with beneficiaries, individuals indicated they still used skills developed during the project, and, as far as the team was able to assess from location visits, infrastructure remained in use. Only two projects visited showed significant risk to results sustainability — one more so than the other. Both were nutrition projects where sustainability risks centered on beneficiary ability to continue to obtain the foodstuffs promoted during the project. Part of the Karnataka Multisectoral Nutrition project in India produced and distributed energy-dense food but provision ended when the project ended. Where beneficiaries were unable to afford similar food they reverted to less nutritious diets. In the Innovative, Integrated Approach to Enhance Smallholder Family Nutrition project in Uganda, the project team provided inputs and agricultural training on growing a sweet potato variant and a guaranteed market for farmers to incentivize production. However, the sweet potato was not resilient when drought struck and large crop failures ensued. When the project wrapped up, the implementing agency stopped buying the product. With no market for the sweet potatoes, incentives to plant were further reduced. All together, these factors meant that farmers did not continue to grow the more nutritious product post-project. The results of these nutrition projects emphasized the importance of designing for sustainability.

Figure 20. Sustainability of results of field visit projects[43]

Case Study	Summary Results Sustainability	Assessment
Bolivia Early Childhood Care and Development in the poorest and most vulnerable urban districts of La Paz and El Alto	The integrated care model approach remained in use, and intended users/ beneficiaries of the service continued to report highly on the efficacy of the approach	
Cambodia Social Accountability for Improved Service Delivery	Community accountability facilitators, trained during the project, took leadership roles in public service and the project infrastructure was used to support local government response during covid-19	
Cambodia Early Childhood Care and Development for Floating Villages Project	Parents were trained to provide specialized early childhood development support and ECCD centers developed over the course of the project were handed over to management of local government. Teachers also transitioned to the local government payroll.	
Djibouti Enhancing Income Opportunities	Three years after the project, and despite the effects of covid-19, 54% of the 1335 businesses started were still operational	
Egypt Integrated Sanitation and Sewerage Infrastructure Project	As a result of the project, 13,300 households (~66,000 people) were connected to centralized sanitation facilities	
Ghana JSDF Support Rural Income Generation of the Poorest in the Upper East Region	Community beneficiaries interviewed during the case studies reported that businesses developed through support of the project had become their primary source of income	
India Karnataka Multisectoral Nutrition Pilot Project Case Study	Community beneficiaries contacted during the field trip reported that they still practiced and valued the hygiene regimes promoted during the project – although affordability of fortified food was raised as a concern.	
Kenya Accelerating Rural Women's Access to Agricultural Markets and Trade	Community beneficiaries contacted during the field trip report continuing to use the agricultural approaches promoted through the project. Further, financing is now more readily available as a result of the revolving fund set up during the project and the separate development of a SACCO by beneficiaries.	
Uganda An Innovative, Integrated Approach to Enhance Smallholder Family Nutrition	Community beneficiaries noted the value of the nutrition training. However, the orange flesh sweet potato did not perform well in low rain weather, there were no inputs available post-project, and the market (which was the implementer) closed post-project. As a result, there was little sustainability of results.	

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[42] Sustainability of results was not assessed in Guatemala since project assessment consisted of online interviews.

[43] Dalberg analysis, Summary field visit trips, 2022. Color coding can be interpreted as follows: Green – Field visits found evidence of sustainability; Yellow – Field visits found evidence of sustainability with key challenges identified; Red – Field visits highlighted challenges of sustainability.

Project sustainability

Sustainability can be achieved as projects continue or scale and by transferring project approaches and lessons to other initiatives. As Figure 19 outlines, the assessment identified four channels for sustainability: continued results, continued World Bank programming, governments, and other development partners. The team analyzed sustainability by reviewing project closeout documentation and marking projects that clearly indicated how they would be sustained or how insights were integrated into other programming.[44] As Figure 21 outlines, more than 80 percent of projects with significant closeout documentation showed some form of project sustainability.

This analysis heavily relied on ICR and ISR reviews, potentially introducing bias. There is a risk that project outcomes evolved post-development of these documents in a way that changes the analysis — either positively (e.g., additional financing raised for continued NGO implementation) or negatively (e.g., anticipated follow-on programming not materializing).

Figure 21. Project sustainability, no. projects[45]
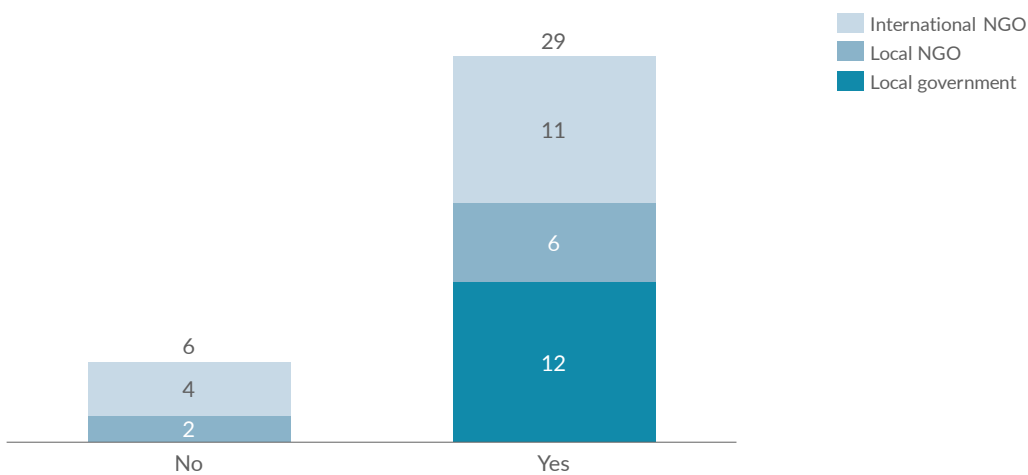
The assessment found some indication that NGO/CSO-led projects are less likely to be continued or expanded. However, the large proportion of sustainable NGO/CSO-led projects suggests the risk of discontinuation is low. All projects assessed in the desk review that were marked as not sustainable were NGO-led and fell into one of three categories:

- **Demonstration but no uptake.** NGO/CSO undertakes a project to demonstrate an approach to the World Bank or government but provides no evidence of uptake

- **Service provision, no follow-up funding.** NGO/CSO develops a complementary supporting network in parallel to government then struggles with post-project fundraising

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[44] Conversations from field visit reports supplemented the assessment in instances where they indicated that project sustainability existed in some form but was not captured in closeout documents.

[45] Dalberg analysis, JSDF Grant Document Review, 2022

- **Poor performance.** NGO/CSO struggles to deliver on overall project objectives, weakening post-project planning

The scarcity of these instances indicates that JSDF planning processes manage discontinuation risk well. The assessment recommends that JSDF continues to emphasize this programming element.

Project sustainability: Channel examples

The remainder of this section provides examples of various sustainability channels.

Local governments, is the first project sustainability channel, commonly adopted by JSDF projects. Governments either absorbed JSDF projects or built on JSDF approaches in their policy making. The channel is available to projects originally implemented by local governments or government agencies and in cases where NGOs/CSOs implement projects to demonstrate an approach to government stakeholders. The following three field visit reports — Gambia, Northern Uganda, and Bolivia — demonstrate how local governments led to sustainable implementation beyond a project's completion date.

Box 17. The Gambia Emergency Agricultural Production Support Project

Local government adopted and scaled the Gambia Emergency Agricultural Production Support project. The project helped restore the productive capacity of targeted smallholder farmers and herders in districts affected by the 2011–2012 drought. Advancements were achieved by improving access to agricultural inputs, rehabilitating dry wells to support vegetable production, and boosting access to livestock feed and animal health products.

Box 18. Northern Uganda Business Support Program

The Northern Uganda Business Support program was developed to improve and sustain household incomes of the vulnerable poor in Uganda. The program provided business management support services to new and existing community interest groups (CIGs) in four pilot districts. Approximately 70 percent of businesses implemented their business plans, 845 businesses achieved sales revenue, and households doubled what they saved weekly. The project laid the groundwork to successfully scale via local governments in other regions. It is important to note that in local government-led projects, fair beneficiary selection is deemed a key risk factor as selection may be biased due to local government interests. This project, however, limited risk through a transparent selection process that included built-in fairness targeting mechanisms.

Bolivia implemented the Early Childhood Care and Development (ECCD) project in the poorest and most vulnerable urban districts of La Paz and El Alto. The project was developed to support young mothers and improve early childhood development**.** It was designed as the first step in a broader initiative to improve young women's employment opportunities at the national level. Thus, during the project's early years, initial infrastructure and institutional and human capital investment complemented efforts to scale the project and strengthen local ECCD systems. Initial expenditures on training officials involved in the project was viewed as a cost savings effort since they would, in turn, train counterparts as the project scaled.

Development partners adopting and scaling projects or concepts is the second channel to demonstrate project sustainability. These cases most commonly arose when NGOs/CSOs implemented or championed work and subsequently took responsibility to sustainably scale a project. Field visit reports involving NGO implementing agencies in Iraq and Jordan can be found below.

Box 20. Youth Livelihoods Development in Southern Iraq

Save the Children International implemented the Youth Livelihoods Development project in **Southern Iraq.** The project aimed to support 3,000 unemployed young people (ages 16–24) who had dropped out of school or worked in the informal sector, helping them access opportunities for positive engagement and sustainable livelihoods. Efforts took the form of community development approaches in four governorates: Basra, Thi-Qar, Missan, and Muthanna. Project successes included 50 percent female participation, several youth starting businesses, and participants reporting increases in income after the project. Save the Children continued talks with the government on the possibility of scaling this small but successful project, with additional improvements based on lessons learned.

Box 21. Enhancing Community-Driven Legal Aid Services to the Poor

In Jordan, the Justice Center for Legal Aid (JCLA) launched Enhancing Community-Driven Legal Aid Services to the Poor. The project aimed to legally empower poor people and other vulnerable individuals by improving access to justice sector services based on demand-side priorities of poor communities and supported by community-driven implementation. JCLA ensured project sustainability by transferring skills to other local NGOs/CSOs by placing their lawyers within them, expanding the pro bono lawyer network through partnership with other law firms, and ensuring that each beneficiary made payments commensurate with their income. JCLA also partnered with government to develop a national legal aid strategy to support increased access to justice across the country. A key risk NGOs/CSOs encounter when driving sustainability is scaling a project's dependence on government cooperation, a process that is not guaranteed and may take time.

Projects or concepts adopted and scaled in World Bank programming is the third type of project sustainability channel. The following two examples include the Smallholder Nutrition project in Uganda.

Box 22. An Innovative, Integrated Approach to Enhance Smallholder Family Nutrition

Uganda implemented the Innovative, Integrated Approach to Enhance Smallholder Nutrition project to address malnutrition among Uganda's children, adolescent girls, and lactating mothers. World Bank Uganda developed the Multisectoral Nutrition Project (MSNP) in alignment with the government's nutrition agenda, aiming to increase production and consumption of micronutrient-rich foods and the use of community-based nutrition services by smallholders in 20 districts. The project decreased malnutrition among beneficiaries. Children in beneficiary communities were also reported as growing faster, gaining weight, and becoming ill less often. The project enabled the World Bank Uganda team to test a multisectoral nutrition approach and consider scaling it into a larger national nutrition program across a wider region.

I.6 JSDF Program Management

Overview of the JSDF Application Process

Figure 22 below provides an overview of the JSDF application process. It is based on the Bank's procedures for Small Recipient Executed Grants, but also includes some additional steps and requirements. TTLs must embark on ten project design and approval stages before recipients can draw from the grant and proceed with project implementation. Each of these is described in Figure 22, and the average duration is estimated in Figure 23.

Figure 22. JSDF project design and approval process
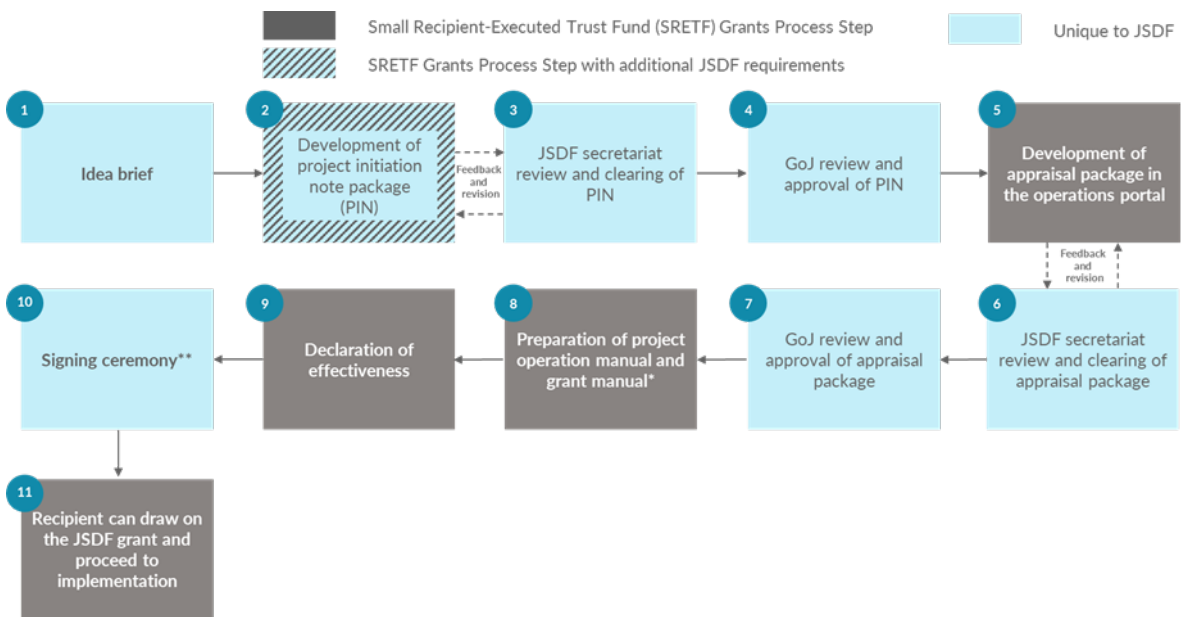
Note: *Condition of effectiveness can occur immediately before or after the signing ceremony; **Mandatory for JSDF, often optional for other grants

Figure 23. Average months per application step, 2018-2021, months[46]
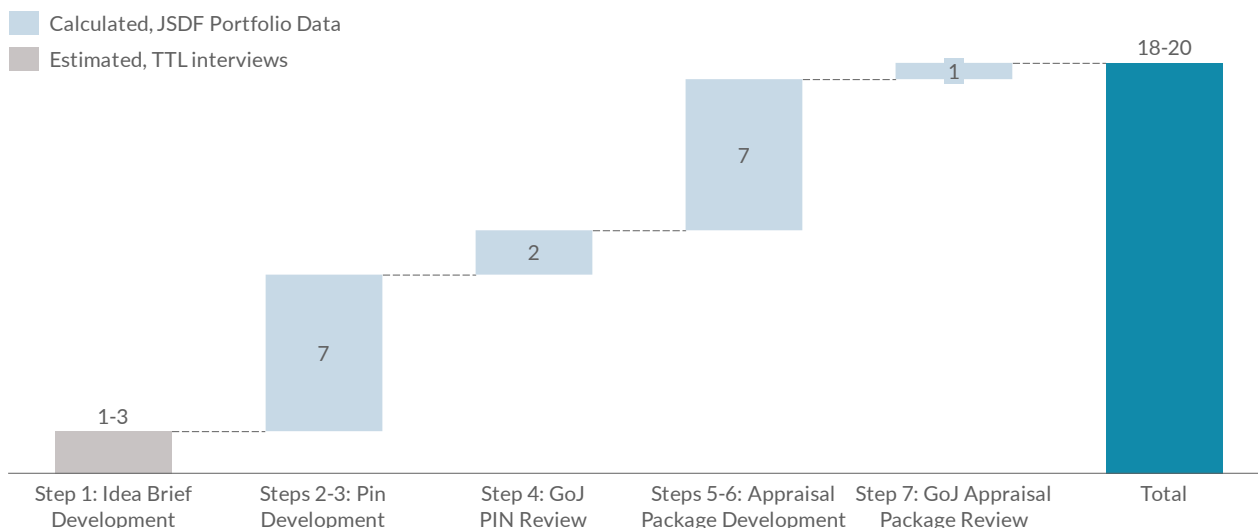
The main areas of divergence with the Bank's standard procedures for Small Recipient Executed Grants are as follows:

- The inclusion of the Idea Brief stage

- During PIN development, the JSDF also requires the Cost Table and JSDF Annex which should include the summary of consultations with the Japanese agencies in-country. This is reviewed by the Secretariat to ensure that the proposal is consistent with the JSDF policy framework

- As part of the concept review, a social development/social protection expert needs to be included among peer reviewers and needs to accomplish a Scoring Sheet to confirm the alignment with JSDF criteria. Following the concept review meeting, the TTL shares a copy of the draft Decision Note reflecting peer reviewer and management guidance received at the meeting.

- The PIN package (including Cost Table and JSDF Annex) is submitted for review and approval to the Government of Japan.

- Similarly, at appraisal stage, the JSDF Secretariat reviews the appraisal package (Project Paper, JSDF Annex, Cost Table) and works with the TTL on any revisions prior to submission to the GOJ for approval prior to the decision of the country director and signing of the Grant Agreement

- The completion of a Project Operations Manual, acceptable to the Bank, is a condition of effectiveness of all JSDF grants.

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[46] JSDF Portfolio Data, accessed October 2022., n=25; Data presented only includes projects between 2018 and 2021 because this is the mainly the period with quality comparable data across projects

Trends in JSDF Demand and Disbursements

Applications to JSDF dramatically dropped over the past three years — from 44 in 2018 to 14 in 2021. Idea brief submissions peaked in 2018, the year after the mechanism was introduced, and steadily declined thereafter. This trend reduced the portfolio of Idea Briefs eligible for development. The sequential nature of Idea Brief and concept note stages points to a direct correlation between volume of Idea Briefs received and proposals approved.

Figure 24. Idea Brief submission trend (number), 2017–2021, no. applications[47]
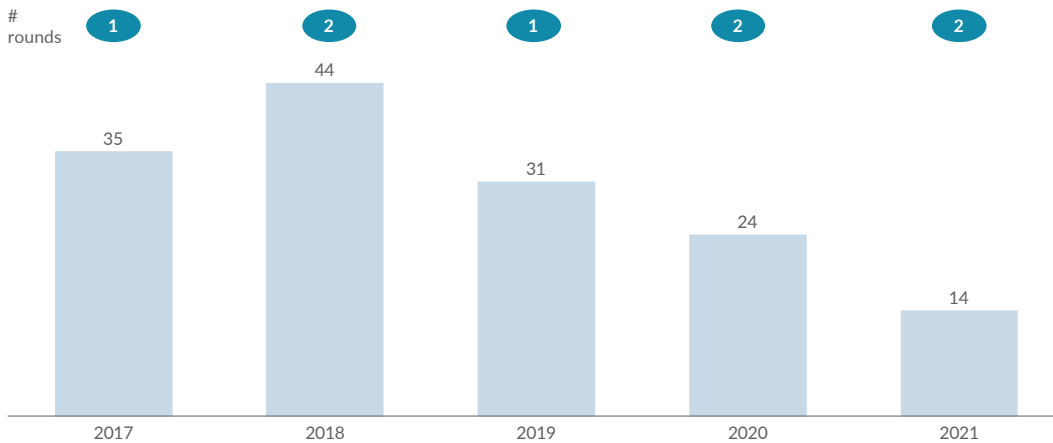
Decline in demand for JSDF grants coincided with a period of already high unallocated JSDF balances. Between 2017 and 2021, JSDF's average unallocated balance of US$ 240 million represented the equivalent of approximately 80 grants' worth of funding.

Figure 25. Annual disbursement of JSDF grants, 2014-2022, US$ millions[48]
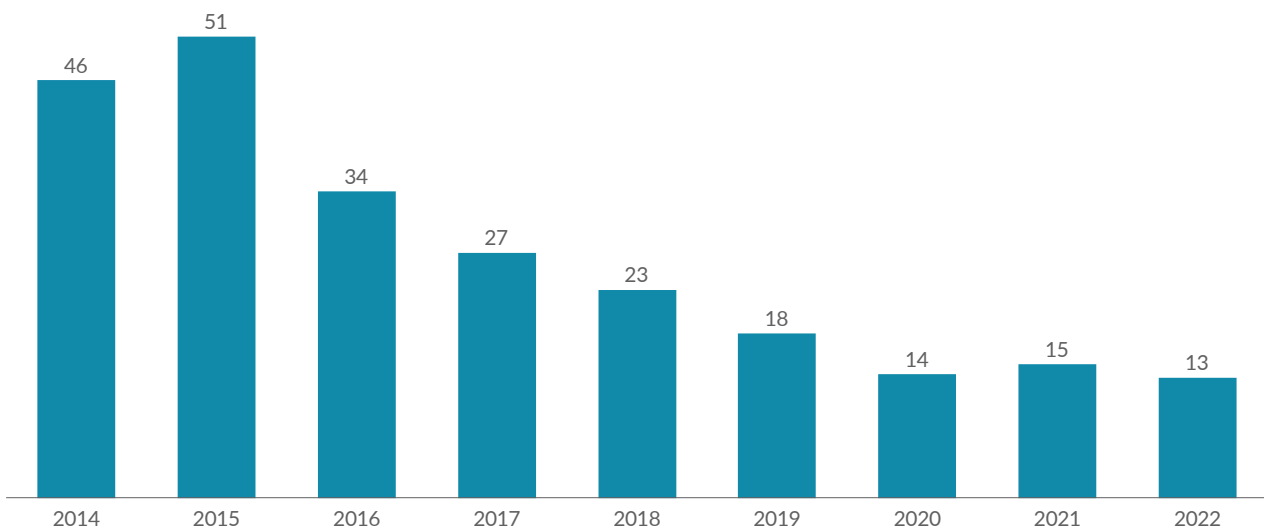
A high unallocated balance coupled with the recent decline in applications and associated disbursements saw the GoJ hold back additional JSDF financing. Between 2014 and 2020, the GoJ reduced its annual JSDF

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[47] JSDF Portfolio Data, accessed September 2022.

[48] Ibid.

contribution by 29 percent, from US$ 32 million to US$ 4 million. A lack of GoJ contributions for 2021 and 2022 further amplified the trend. Interviews with DFi members, the JSDF Secretariat, and representatives of the Government of Japan built consensus that the GoJ had amended its annual contribution in response to declining JSDF proposal and disbursement volumes. Low demand, high unallocated balances, and associated GoJ actions are of critical concern to JSDF leadership.

Figure 26. Government of Japan annual JSDF contribution, 2014-2021, US$ millions[49]
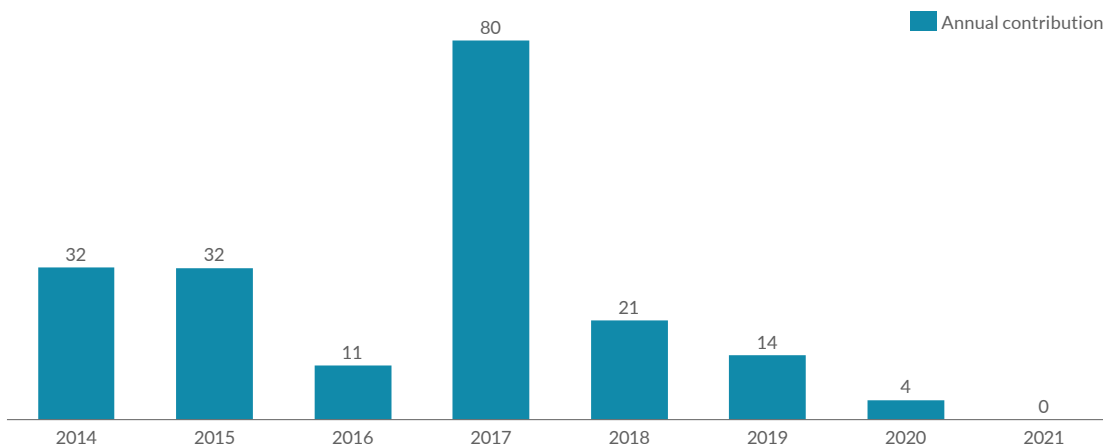
Drivers of Demand for and Disbursements of JSDF Grants

The assessment considered two sets of factors as it explored likely drivers of observed decreases in JSDF grant demand.

1. **Micro.** The length and duration of the grant design and multi-tiered approval process, the level of detail required to submit proposals, proposal feedback, and awareness of JSDF all likely affected demand for JSDF. These factors relate to immediate JSDF processes and as such, the assessment refers to them as "micro."

2. **Macro.** Recent institutional reforms at the World Bank, along with the COVID-19 pandemic, shifted country management and staff priorities to larger integrated projects and dampened demand for smaller funds such as JSDF. Beyond the immediate control of the JSDF team, these factors largely came as shocks over the past three years or so. As such, the assessment refers to them as "macro."

Figure 27 synthesizes the challenges and the following text explores each in more detail.

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[49] Ibid.

Figure 27. Overview of dynamics affecting JSDF demand

Micro dynamics	**Project Identification**	**Project Preparation/Appraisal**	**Project Implementation**
	• Limited awareness of the JSDF and misperceptions about its scope • Extensive time and effort associated with Idea Brief preparation and high rejection rates	• Multiple levels of approval involving several stakeholders • Additional documentation requirements • Lack of preparation finance to develop projects	• Rigidity of expenditure categories • Limited dissemination of knowledge and lessons learned

Macro dynamics

World Bank institutional reforms
COVID-19 pandemic
Alternative funds eroding the JSDF's value proposition

Micro-dynamics

Project Identification

Limited awareness of the JSDF as well as misperceptions about its scope

During outreach and in conversations, various World Bank stakeholders expressed that some people are not aware of JSDF or have an incorrect understanding of its activities. For example, a Country Director said, "I am not familiar with JSDF." This lack of awareness limits the pool of TTLs and CMUs pursuing JSDF grants and could negatively impact grant volumes as a result. Further, TTLs commonly perceive JSDF's thematic focus to be narrow and that proposed projects must map to a select few global practices to be approved. As one TTL expressed, "It is known that if you are not putting together a proposal in health, education, or nutrition you will not get funding." Among the 46 projects assessed for desk review, improved nutrition and early childhood development projects were the most common, representing 28 percent of the portfolio. Combined with education, projects from those two thematic areas accounted for almost 35 percent of the project portfolio.[50] These rates highlight concerns that by virtue of approved JSDF projects, JSDF risks being perceived as specialized — despite the opposite being true. For this reason, TTLs mapped to other thematic areas may decide not to pursue JSDF opportunities due to an incorrect perception of its relevance to their work.

Time and effort associated with Idea Brief preparation, and high rejection rates.

An Idea Brief is the primary mechanism TTLs use to apply for JSDF grants. An Idea Brief is a high-level summary of a proposed project that, if approved, is used to develop a detailed project proposal. This step

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[50] It is important to note that these desk review grants were a sample of total JSDF grants approved during the review period. Therefore, their thematic allocation may not be representative of wider approval trends.

encourages additional ideas by reducing the time and resources TTLs spend developing proposals JSDF may not pursue. In most years the JSDF Secretariat releases two calls for Idea Briefs. For an Idea Brief to reach the concept note stage, the Idea Brief Committee evaluates the proposal against specific criteria to determine its suitability. Once an Idea Brief is approved, the TTL can develop a more detailed proposal.

The Idea Brief is a relatively new mechanism intended to lower the effort associated with grant application submissions. Prior to April 2017, TTLs spent significant amounts of time and effort during the first project design phase to fully flesh out concept notes. They had little chance to sense check their ideas and often spent time on ineligible proposals. The high rejection rate was a pain point, given the resources TTLs dedicate to concept note development. The JSDF Secretariat introduced the Idea Brief stage to safeguard resources, improve concept note quality, and encourage more ideas.

While data is not available to completely compare the pre-FY2018 process and the current approach, a comparison of the time taken by GoJ for reviews and the total time taken to develop the appraisal package pre-and post- FY2018 indicates that the new approach is likely more efficient (see Figure 28). The efficiencies are likely a combination of the JSDF and TTLs being able to iterate at the Idea Brief stage and the JSDF and GoJ being able to prepare and dedicate team time during application periods.

Figure 28: Comparison application processes over time
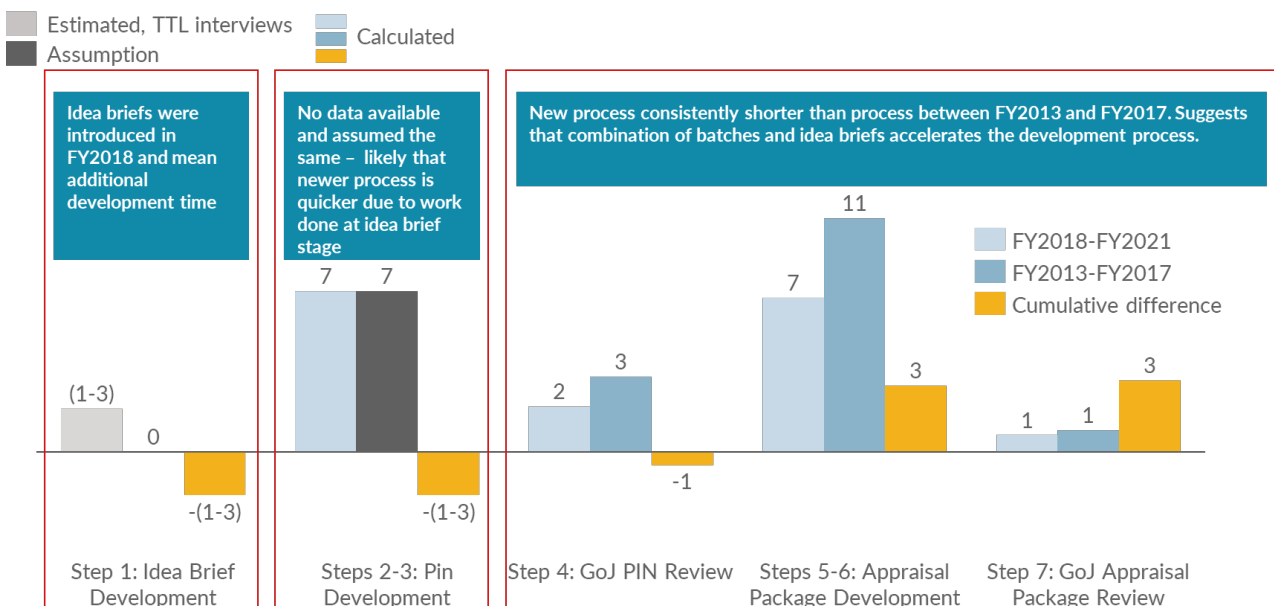
Despite demanding fewer resources than detailed proposals, the Idea Brief is still relatively resource intensive. TTLs must conduct due diligence to satisfy information requirements. For instance, the template requires them to name the implementing agency selected for the project and to "provide a rationale for its selection and experience in managing Bank investment operations." Uncovering the information necessary to select a relevant and experienced implementing agency can require ecosystem mapping, interviews, and a prioritization exercise. The template also states that TTLs should "explain how the targeted beneficiaries' views and concerns have been discussed and included in the formulation of this Idea Brief," a step that requires

beneficiary consultations. It was expressed that it takes TTLs 4–12 weeks to develop an Idea Brief. Overall, the time and effort involved in completing an Idea Brief may be a barrier to entry for TTLs. In fact, one TTL expressed that "the Idea Brief is more cumbersome than the second process."

JSDF Idea Briefs have a relatively low acceptance rate, which may increase the cost-benefit gap of JSDF among TTLs. Between 2017 and 2022, the average Idea Brief approval rate upon submission was approximately 11 percent and the average acceptance rate following some revisions was 27 percent. Figure 29 shows the annual number of submitted and approved Idea Briefs since inception. A low initial acceptance rate and the high proportion of proposals which required revisions prior to approval, signals to TTLs that they will likely be unsuccessful in progressing to project preparation, and resources they expend developing an Idea Brief will yield little results or require multiple rounds of revisions before securing an approval. This dynamic may discourage TTLs from responding to future calls for Idea Briefs.

According to the Idea Brief Committee, common reasons for the rejection of Idea Briefs include issues with project concept, implementation arrangements, and beneficiaries. The Committee undertakes a vetting process that strictly applies the evaluation criteria identified in its call for Idea Briefs. To increase transparency, Committee Decision Notes capture deliberation outcomes. In Idea Brief round two, for example, the Committee rejected 14 of the 21 Idea Briefs submitted. Among those applications, three presented unclear and improperly articulated project concepts. This made it difficult for the Committee to judge the proposed project's merits. Additionally, six out of 14 rejected Idea Briefs failed to sufficiently identify the proposed project location and number of beneficiaries. This challenge was often accompanied by a lack of beneficiary consultations, which are normally undertaken to understand the relevance of a proposed intervention. Lastly, five out of 14 rejected applications did not identify an appropriate implementing agency. These Idea Briefs often identified implementing agencies outside the eligible scope of grant recipients: local governments, local NGOs/CSOs, and international NGOs/CSOs. For example, some proposals included a central government as the implementing agency.

Overall, misalignment was often driven by proposed concepts taking a top-down approach instead of a community-centric, bottom-up approach suggesting that many TTLs likely submit Idea Briefs without an in-depth understanding of requirements. JSDF annually hosts two Idea Brief information sessions during the same period as its call for ideas. However, session attendance has historically been low. In each session the JSDF Secretariat walks through all sections of the Idea Brief and discusses what will improve submission quality. It also outlines eligibility requirements and evaluation criteria.

Figure 29. Outcome distribution of submitted Idea Briefs, 2017–2021[51]
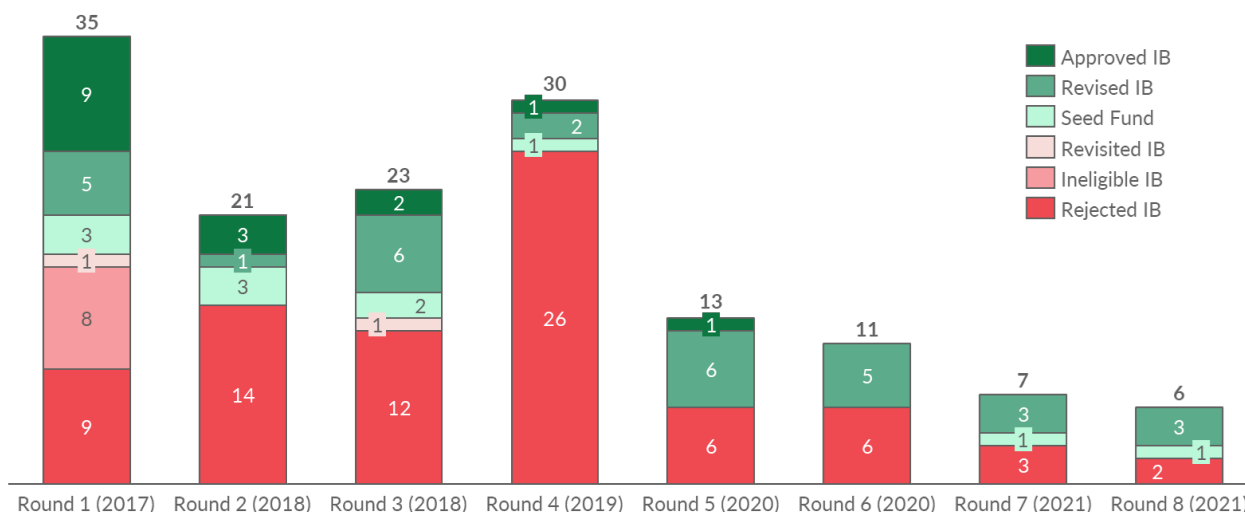
Project Preparation/Appraisal

Multiple levels of approval involving several stakeholders

World Bank guidelines on small RETF mandate that applications follow a two-tier review and approval process, the JSDF process includes three tiers – Idea Brief, Project Initiation Note (PIN) and Appraisal/Approval packages – for improved quality control. This does however contribute to additional complexity and longer timelines.

- Following the approval of the Idea Brief, at the PIN package stage, TTLs are required to conduct consultations with the Japanese Embassy/JICA to confirm the proposed project does not duplicate existing operations carried out by these stakeholders. In addition to the Japanese representatives, the TTL must conduct engagements with beneficiaries, implementing agencies, government actors, and Bank actors. Small grants procedures require that Global Practice Managers and peer reviewers provide guidance and feedback for quality control.

- The JSDF Secretariat reviews PIN packages using a checklist previously agreed with GOJ counterparts prior to submission to the GOJ. These additional steps serve as a preemptive quality control measure to facilitate GoJ review and feedback. Given that the Secretariat is well versed in GoJ-stipulated requirements, it conducts an initial review to ensure that proposals align with defined standards. When necessary, the Secretariat provides TTLs with feedback to strengthen applications. Once the Secretariat is satisfied with a proposal, the JSDF team submits the PIN package (AIS, Cost Table, and JSDF Annex) for review and approval by the GoJ.

- Following the PIN approval, the TTLs can develop the appraisal package. The JSDF Secretariat reviews the appraisal package (Project Appraisal Document, Cost Table and JSDF Annex) and submits the final

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[51] JSDF Portfolio Data, accessed September 2022.

version of the package to the GoJ for approval, prior to the decision of the Country Director and signing of the Grant Agreement. The completion of a Project Operations Manual acceptable to the Bank is a condition of effectiveness of all JSDF grants.

PIN package review typically takes longer than the appraisal package since the GoJ needs to conduct a thorough preliminary assessment to understand the proposed project. Despite commitments to keep the process to a month, between 2018 and 2021 it took an average of 2.1 months for GoJ review of PIN packages and an additional 0.78 months on average for review of appraisal packages.[52] It is noteworthy, that these times are an improvement on pre-2018 averages which were 3.4 months, and 1.01 months respectively. If a project idea does not significantly change between the two package submissions, the GoJ's appraisal package review can be faster. The GoJ reviews applications on a rolling basis to increase efficiency and ease backlogs, yet out of total appraisal packages submitted for review and approval between FY 2018 and 2021, 24 percent exceeded the 30-day time limit. The GoJ took an average of 64 days to complete its review of this set — more than twice the agreed-upon period. The data suggests that a streamlined GoJ review process could play an important role in limiting overall time required to prepare grants.

A majority (62 percent) of TTL survey respondents, highlighted that the process takes over ten months to complete. During interviews, one TTL expressed that "for me, the average time is two years, but I know from other colleagues it is even longer than that...." A review of a set of 25 JSDF projects between 2018 and 2021 indicates an average turnaround time of 17 months from Idea Brief submission to GoJ final approval. This excludes the time taken to develop the Idea Brief itself, which can be as long as three months. Within the set, project completion times varied from eight months to a full three years.

It was also highlighted that feedback from the JSDF Secretariat at times lacked local context and missed technical program elements. TTLs voiced that the JSDF Secretariat provides technical feedback on topics falling outside its experience. This leads to further delays as TTLs work to respond and justify their technical proposals. One interviewee stated that "we are facing irrelevant comments again and again with huge time delays." A Practice Manager described an instance where they backed up a TTL's technical assertions by writing an email to the Secretariat. This highlights that the JSDF Secretariat may not be best placed to enforce quality control on technical elements where TTLs typically have more expertise. To address the issue, it was proposed that JSDF leverage technical experts within the Bank to evaluate technical details of proposals through peer review.

In summary, TTLs highlight lengthy timeline and associated level of effort as a significant downside to considering whether to apply to JSDF, particularly for relatively small ticket sizes. Just 30 percent of survey respondents agreed or strongly agreed with the statement that JSDF grants are undertaken in a timely fashion. These sentiments were echoed strongly in interviews, with TTLs consistently highlighting the burdensome process and long timelines as undesirable.

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[52] The timelines highlighted only apply to the JSDF grants reviewed in this assessment.

Figure 30. Survey data on timeliness of application approvals[53]

Responses to: "Project approvals are undertaken in a timely fashion"
%, n=23

Just 30% of respondents agree that project approvals are undertaken in a timely fashion

4%	26%	26%	22%	13%	9%
Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't Know
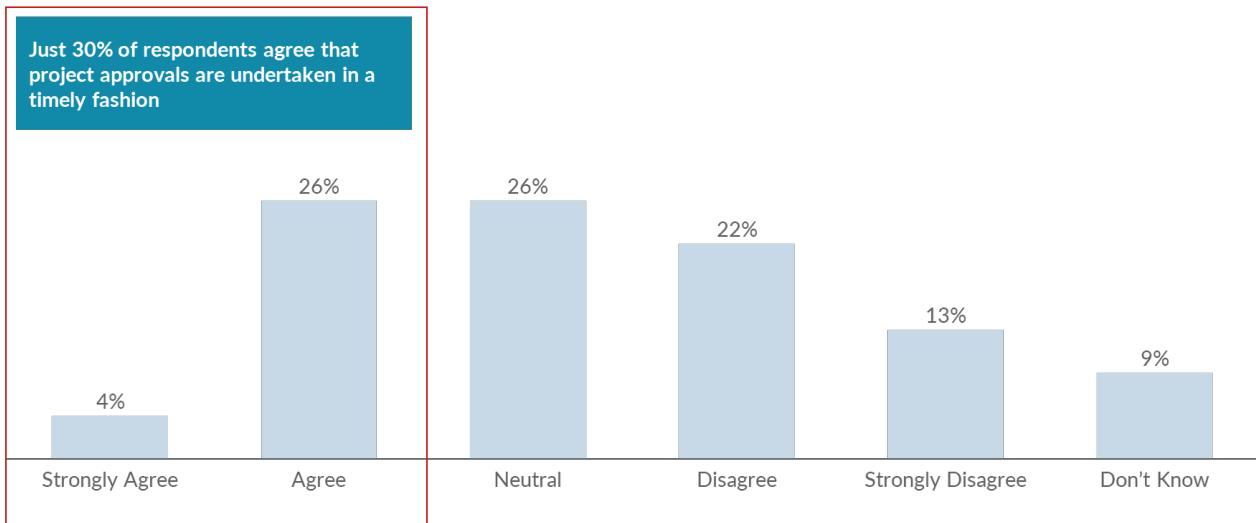
Figure 31. TTL quotes on the review process

[The key factors resulting in lengthy timelines are] "The JSDF unit time to review packages"

[The key factors resulting in lengthy timelines are] "Too many additional steps and excessive review of details during the conceptual stage and then again at the decision stage. So much time is spent awaiting for detailed reviews by the JSDF Unit in the Bank and the Donor in their HQ"

[The key factors resulting in lengthy timelines are] "Formal and informal review/clearance processes before submitted to GoJ to review"

"The technical team at the Secretariat is very kind to work with. However, they tend to pay too much attention to operational details that should be left to be dealt with by the task teams and the Bank's IPF guidelines and procedures, including the many ESF and fiduciary policies and norms that have to be followed - in any case - for the grant to be approved by Bank management."

Figure 32. TTL quotes on engaging with multiple stakeholders

"The preparation process should be simplified. There should be one-stop shop for review. Currently there are so many stakeholders involving in the review process."

[The key factors resulting in lengthy timelines are] "I think many internal actors in the Bank have a say in the process."

[The key factors resulting in lengthy timelines are] "Effective engagement of all the key stakeholders--- including the donor, the implementing agency (and relevant client country ministries, if different from the implementing agency), and project beneficiaries, as well as internal stakeholders (the JSDF secretariat, CMU, and GP)---in designing the project activities and defining their expected outcomes. ."

Additional documentation requirements

In addition to the common project initiation and appraisal packages, JSDF requires applicants to submit detailed supplemental documents that require additional effort. Grant proposal templates request information from TTLs that requires in-depth due diligence. For instance, as part of reviewing concept notes, JSDF requires TTLs to provide a Cost Table and JSDF Annex, including the summary of consultations with the Japanese Embassy and JICA. During interviews, TTLs reported that the Cost Table is particularly challenging to draft.

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[53] JSDF Evaluation, TTL Survey, 2022; n=24.

Interviewees explained that for a line item such as meeting costs, they must provide a narrative detailing "how many meetings, how many people joining, how many training courses and how many people per course." They expressed that such information is time-consuming to complete and relatively difficult to forecast for a project duration of three to four years. Moreover, as part of the concept review, a social development/social protection expert needs to be included among peer reviewers and needs to accomplish a Scoring Sheet to confirm the alignment with JSDF criteria.

Figure 33. TTL quotes on additional requirements
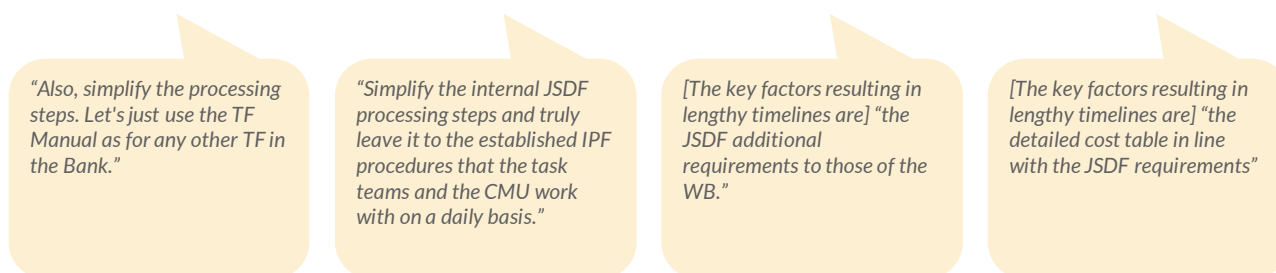
"Also, simplify the processing steps. Let's just use the TF Manual as for any other TF in the Bank."

"Simplify the internal JSDF processing steps and truly leave it to the established IPF procedures that the task teams and the CMU work with on a daily basis."

[The key factors resulting in lengthy timelines are] "the JSDF additional requirements to those of the WB."

[The key factors resulting in lengthy timelines are] "the detailed cost table in line with the JSDF requirements"

JSDF also has defined a set of rules on budget allocation and maximum envelopes for cost categories that can create additional challenges. On occasion, these rules conflict with those of Country Offices, which are informed by local legislation and context. For instance, one JSDF budget allocation rule states that no more than 20 percent of total project costs can be used for consultants. It was found that this requirement does not align with the Guatemala country context where projects are typically managed by a main implementing agency and two smaller local ones. For example, during one engagement the TTL was able to cover the cost of the main implementing agency but could not allocate funding to local implementing agencies unless they were categorized as consultants. The TTL struggled to work around an already maxed out consultancy allocation, expending significant time and effort liaising with JSDF to resolve the budget allocation issue.
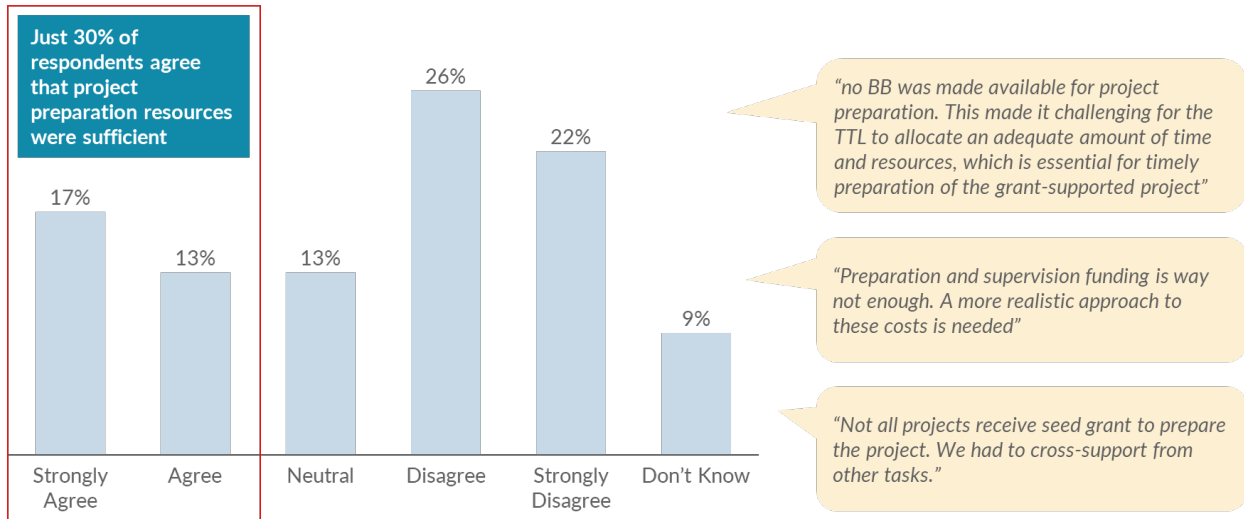
Lack of preparation finance to develop projects

Unavailability of project preparation funding to support TTLs in conducting in-depth due diligence and plans that align with proposal requirements is a major hindrance to demand for JSDF grants. JSDF only provides TTLs with funding resources for project implementation supervision support after the project has been declared effective. In other words, TTLs received no budget support from the JSDF for project identification and preparation until JSDF projects are approved and declared effective. This presents a constraint if CMUs do not extend budgets for project preparation either as TTLs need to cover the high transaction costs associated with serving underserved populations, conducting detailed due diligence, and navigating the relatively long design process. Although the JSDF Seed Fund can cover these costs, it is only an option for Idea Briefs that are seen as having high potential but are missing important details due to inadequate beneficiary consultations. In the TTL survey, 48 percent of respondents felt that project preparation resources were not sufficient, as Figure *34* illustrates. TTLs sometimes navigate this issue by aggregating and redistributing unused supervision budget from other projects to cover grant preparation costs. The process creates more work and inconvenience for TTLs. By contrast, other trust funds offer TTLs budgetary support during project design. In

one example, TTLs were provided project preparation resources once their proposals passed the initial approval process (the equivalent of the JSDF Idea Brief stage). In this way, a lack of sufficient project preparation support to cover due diligence and project details disincentives TTLs from pursuing JSDF grants. It may increase the likelihood of TTLs targeting other recipient-executed funds that have such a mechanism in place.

Figure 34. Survey data on sufficiency of project preparation resources for TTLs[54]

Responses to: "Resources for project preparation were sufficient"
%, n=23

Just 30% of respondents agree that project preparation resources were sufficient

17%   13%   13%   26%   22%   9%

Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree | Don't Know

"no BB was made available for project preparation. This made it challenging for the TTL to allocate an adequate amount of time and resources, which is essential for timely preparation of the grant-supported project"

"Preparation and supervision funding is way not enough. A more realistic approach to these costs is needed"

"Not all projects receive seed grant to prepare the project. We had to cross-support from other tasks."
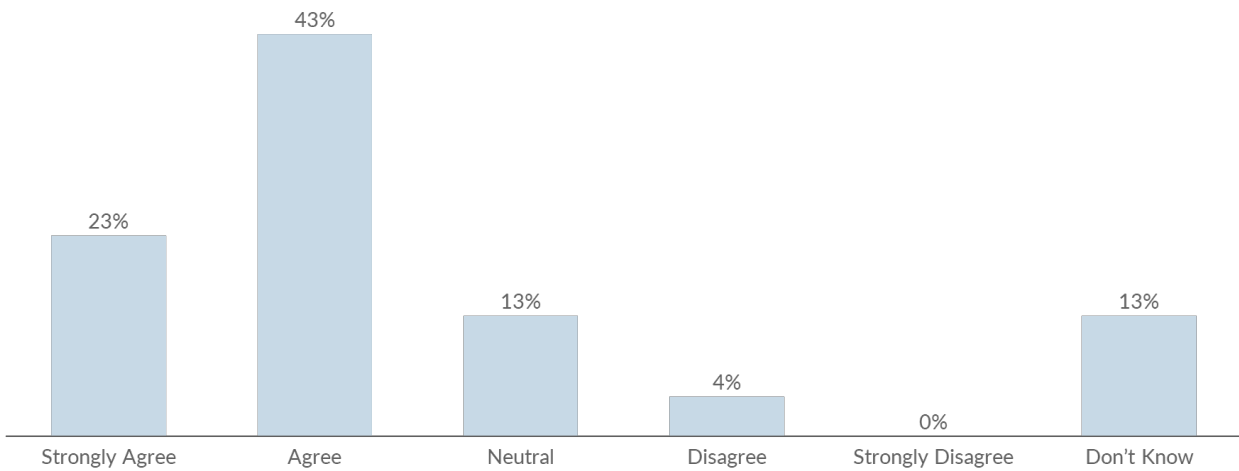
Despite these challenges, the JSDF Secretariat's responsiveness and flexibility in assisting TTLs to navigate complexities was consistently acknowledged and valued. Feedback indicated the Secretariat was cognizant of the key challenges TTLs face in setting up and implementing projects and demonstrated a high level of willingness to provide applicants with feedback, guidance, and input. Similarly, during implementation, parties requiring guidance on protocols or input on restructuring spoke highly of the flexibility and way the Secretariat engaged.

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[54] JSDF Evaluation, TTL Survey, 2022; n=24.

Figure 35. JSDF support for project preparation[55]

Responses to: "I felt supported by the JSDF Secretariat during project preparation"
%, n=23

Project implementation

Rigidity of expenditure categories

A major project implementation challenge TTLs highlighted is an inability to reallocate costs across project components and expenditure categories, which often results in restructuring. During the project design process, TTLs get to a project's total cost by identifying and mapping all execution cost items to specific project components and expenditure categories. However, TTLs often find discrepancies between estimated costs and on-the-ground implementation costs. This results in cases where total project costs align with the project's budget but costs split across components differ from the project proposal. The rigidity in JSDF cost allocations tends to lead to more frequent project restructuring. The desk review found that changes in funding categories was one of the most common reasons for project restructuring among the 46 projects. Overall, the lack of autonomy in effecting relatively small project changes has been reported to frustrate TTLs and delay project impact to beneficiaries.

Limited dissemination of knowledge and lessons learned

While replicability and scalability are key objectives for JSDF projects, there is a need to strengthen knowledge management and dissemination to promote project sustainability. The purpose of JSDF projects is to pilot innovative ideas on a small scale and establish a basis to expand project impact. JSDF recognizes that one way to achieve this to replicate or scale projects through the World Bank's larger operations. Sustainable practices can be fostered through a strong learning agenda that systematically builds evidence on best practices and promotes innovation. However, JSDF does not have an active learning agenda in place for internal World Bank stakeholders, which limits awareness on which projects can be replicated or scaled. This was evidenced

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[55] JSDF Evaluation, TTL Survey, 2022; n=24.

through interviews with many TTLs and CMUs who highlighted that they were unaware of JSDF projects they could replicate in their country of focus.

**In the absence of a strong JSDF learning agenda, Global Practice Leaders primarily drive project replication.** Global Practice Leaders play a key role in filling the knowledge gap as they regularly develop and disseminate knowledge materials from World Bank operations to the TTLs in their practice areas. This fosters an environment that makes TTLs aware of past JSDF projects in their practice area that can be replicated or built upon in another country. For instance, at least three SSI projects on women's empowerment primarily relied on the idea of training women and utilizing women's groups, but the projects built on each other in different ways. A Practice Manager outlined how the Nigeria for Women project leveraged the same women's group model used in the Rural Livelihoods project in India. An agriculture project in Uzbekistan looked to support women farmers and the task team took "this exact model and embedded it there." In this way "the Nigeria project informed the Uzbekistan project and the Nigeria project itself was informed by the India project." By testing new elements and applying them in new geographies, the projects were innovative even though they were based on an existing approach. The experimentation approach can yield powerful insights on best practices by comparing project learnings, effectiveness, and success rates. In turn, it could serve as a basis to increase demand for JSDF projects that replicate successful approaches in different contexts.

Macro-dynamics

World Bank institutional reforms

An organization-wide push to reduce fragmentation contributed to larger, more integrated projects at the World Bank. Senior management and the Operations Policy and Country Services (OPCS) department, in particular, promoted fewer, larger, and more strategic operations— usually funded by IBRD/IDA. The goal was to limit country portfolio fragmentation and focus limited budget and staff resources on operations which underpinned the pillars of the Country Partnership Framework. The push for consolidation is reflected in a growth in a significant growth in average project size over time, with an increase of close to 50 percent between 2017 and 2021.

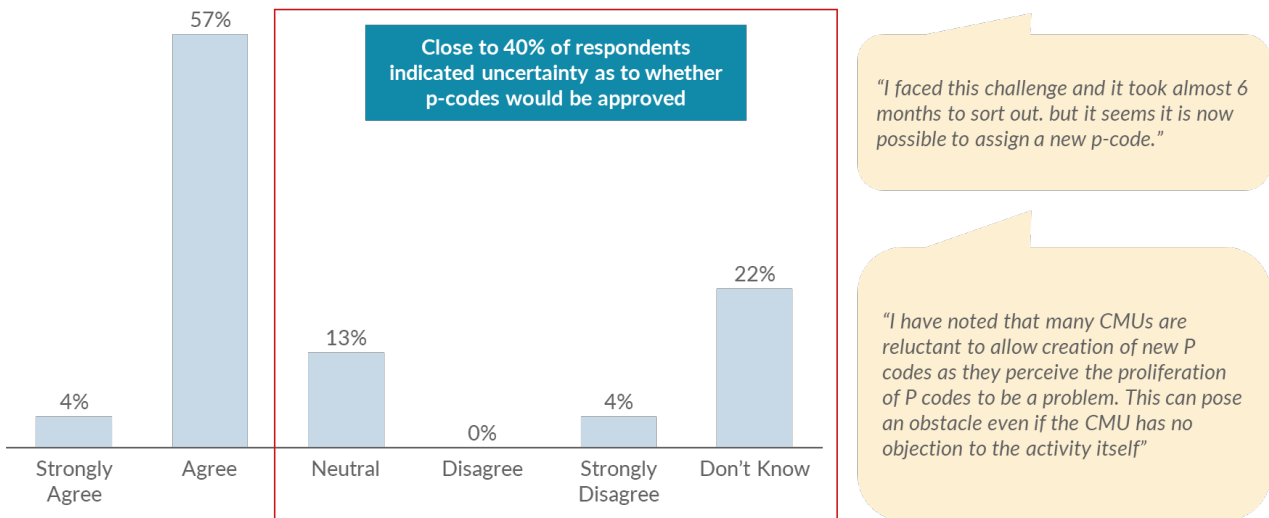Figure 36. Average World Bank project size, 2017–2021, US$ millions[56]
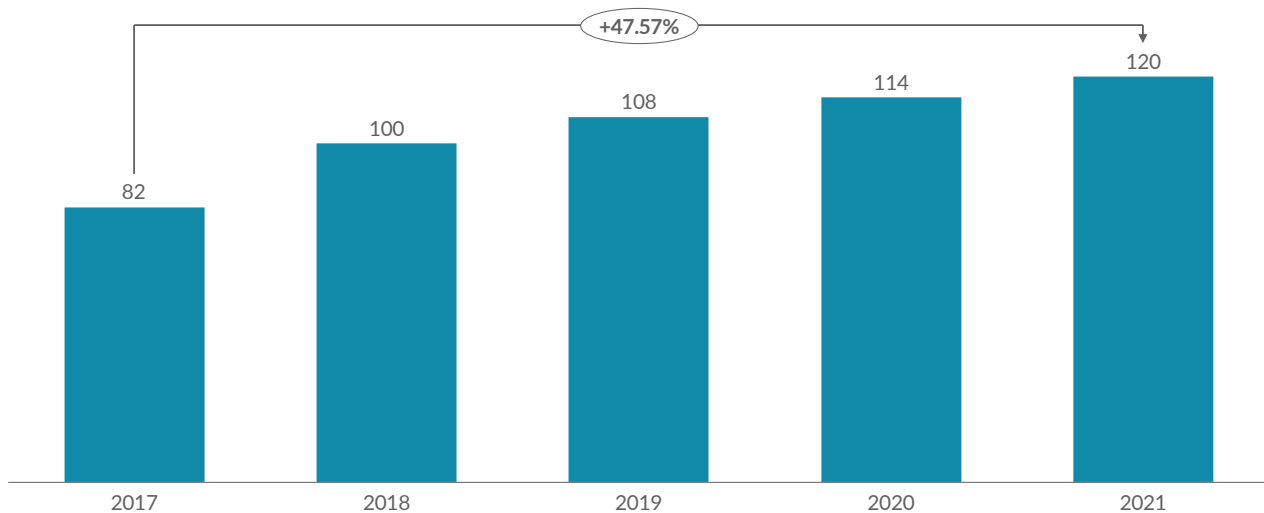
JSDF's mandate is to reach the most vulnerable and pilot innovative approaches, primarily through local NGOs and government bodies. IDA/ IBRD funded projects are typically run through central governments and focused on implementing large scale, national level projects. JSDF projects, on the other hand, are focused on piloting new innovative approaches and on reaching the most vulnerable, usually by working through local organizations. This disjuncture meant that a JSDF project has to be pursued as a standalone activity with its own P code, rather than using it to co-finance a subset of activities that align with the JSDF's mandate under an IDA/IBRD operation.

TTLs considering applying to the JSDF, in principle, need approval from their CMU to initiate a free-standing task/P code once the proposal is approved. The push for consolidation and demand from larger projects for administrative budget resources meant that, at times, this approval was slow to come, or did not come at all. JSDF projects cannot be pursued without CMU buy-in and support. The JSDF Secretariat's Idea Brief template verifies this step when it asks TTLs to confirm "whether the CMU has agreed to authorize the creation of a freestanding P code if the Idea Brief is cleared to move to the project initiation/concept stage." TTLs noted in interviews and in the survey that this approval was often either slow to come or was not approved at all. The rationale for these delays was that CMUs had informally rationed P codes in response to the centralized push for consolidation.

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[56] World Bank Projects and Operations Portal, accessed September 2022.

Figure 37. Implications of limiting P codes[57]

Responses to: "My current CMU is likely to clear a JSDF idea brief and assign a new p-code"
%, n=23

Close to 40% of respondents indicated uncertainty as to whether p-codes would be approved

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Don't Know
4%	57%	13%	0%	4%	22%

"I faced this challenge and it took almost 6 months to sort out. but it seems it is now possible to assign a new p-code."

"I have noted that many CMUs are reluctant to allow creation of new P codes as they perceive the proliferation of P codes to be a problem. This can pose an obstacle even if the CMU has no objection to the activity itself"

COVID-19 pandemic

Separately, beginning 2020, the COVID-19 pandemic caused a surge in World Bank operations to assist countries in crisis response. The value of IDA/IBRD commitments jumped by 65 percent between 2019 and 2020, with 200 additional tasks/P codes registered in 2020 compared to the prior year. The rapid increase in pandemic response efforts burdened TTLs with a significant workload as they prepared response activities. While the data is not available to parse the extent to which this shaped JSDF demand, World Bank staff feedback suggests the pandemic played a significant role in dampening non-pandemic-related project activity.

Figure 38. Total IDA/IBRD commitments approved by year, 2017-2021, US$ billion[58]

COVID-19 related surge in Bank operations

65%

2017	2018	2019	2020	2021
44	45	43	71	64

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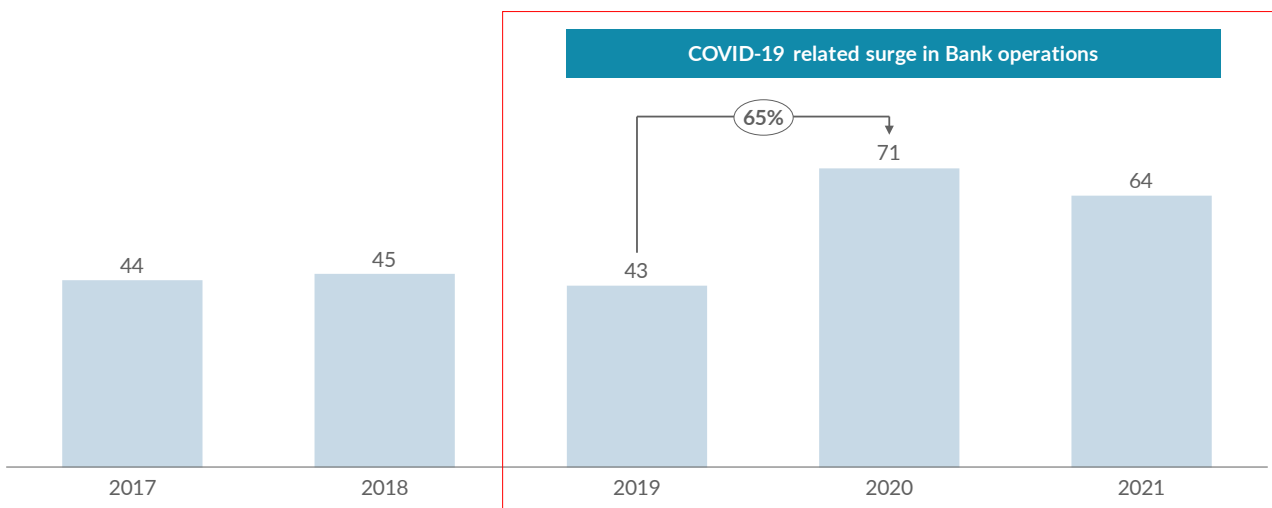
[57] JSDF Evaluation, TTL Survey, 2022; n=24.

[58] World Bank Projects and Operations Portal, accessed September 2022

In both the case of the institutional reforms and COVID-19, the dampening of demand for JSDF was because it is a small grant with high transaction costs to develop and implement. At US$ 3 million, JSDF grants' ticket sizes are significantly smaller than those of many other Trust Fund programs and of IDA/IBRD projects despite requiring at least as much effort to develop. Moreover, inflation has significantly eroded the buying power of the grant since three million was proposed as the ticket size. In FY 2009, JSDF raised grant ticket size from US$ 2 million to US$ 3 million. In 2022, a simple U.S. inflation adjustment would take that amount to US$ 4.1 million.[59] Interviewees and respondents consistently highlighted this feature as a drawback of the mechanism.

Figure 39: TTL quotes on grant size

[The grants will be more attractive if] "Increase their size and encourage their use for government-implemented projects. "

[The grants will be more attractive if] "Increase the grant amount to $5m"

[The grants will be more attractive if] "I think increase the size of grants"

Alternative funds eroding the JSDF's value proposition

A large pool of alternative trust funds may be an additional dynamic limiting demand for JSDF. Currently, 256 trust fund programs are active in the World Bank. Within that portfolio, 86 provide recipient-executed grants and apply the same World Bank procedures for standalone, recipient-executed trust funds. Trust fund scope varies by thematic focus, geographic coverage, financiers, and program type. Variables commonly overlap across funds (i.e., depending on focus area, TTLs may have several options to choose from when selecting activities).

Some TTLs noted that alternative available options made them less likely to turn to JSDF. TTLs reported they value funds with efficient design and approval processes, high funding ceilings, and project preparation funds. As discussed further below, some TTLs reported that other trust funds favorably compare on such dimensions, pushing them toward those options even if they do not offer the JSDF's same focus on local communities and innovation.

A comparison of two trust funds highlighted by TTLs as attractive supported the assertion of greater competition. TTLs highlighted the JSDF grant design and approval process as a pain point with its long timelines, multiple stakeholders, and additional requirements. The end-to-end design and approval process was often reported as a major constraint as it can take "18 months to more than two years." By comparison, TTL's expressed that a similar development partner's trust fund typically has faster timelines and takes six months to complete. Both JSDF and the similar fund had a maximum project cap of US$ 3 million. However, the similar

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[59] USA Inflation Calculator, Accessed August 2022

fund extends TTLs the option of follow-on grant requests up to US$ 750,000 prior to proposal submission.[60] A thematic-focused trust fund also offers a maximum funding cap of US$ 10 million for recipient-executed activities. Finally, TTLs that pursued JSDF projects lacked access to project preparation support funds. Although a JSDF Seed Fund was available to support due diligence at the design stage, it was only awarded in limited cases and took approximately a year to access. By contrast, TTLs reported the thematic-focused trust fund released budget once a proposed project passed the equivalent of the JSDF Idea Brief stage. Overall, without improving performance on these key attributes, JSDF risks losing grant opportunities to competitive funds.

Critically, data was not available to fully validate this perspective. The implications for JSDF remain the same, however, as those drawn from the micro assessment: to strengthen the JSDF's application process and raise ticket size.

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[60] World Bank, "Guidance Note FY22: Korea–World Bank Partnership Facility," 2022.

1.7 Recommendations

While the assessment's findings show that JSDF projects play a powerful role in enabling localized impact and innovation with clear pathways to sustainability, they also identify critical operational and strategic challenges that need to be addressed to ensure JSDF's long-term future. Recommendations anchor on four complementary strategic shifts: **maximizing impact, more flexible and efficient processes, increased collaboration and visibility, and enhanced relevance.**

Maximizing impact: Enhancing project sustainability and impact measurement

Findings related to the impact of JSDF projects highlight key achievements around project relevance and sustainability that the Secretariat should continue to emphasize as part of its review processes, as well as adjustments that can be made to facilitate impact measurement.

- **Continue to emphasize participatory design processes as part of project preparation.** The assessment highlighted that all projects reviewed included a participatory design process and that the majority of projects reviewed were considered relevant to a country's development priorities. Furthermore, the field visits validated how an inclusive design process enabled projects to respond directly to beneficiary needs. The JSDF Secretariat should continue to emphasize this component in project design.

- **Continue to encourage projects to consider optimal sustainability channels as part of project preparation and implementation.** The assessment found that JSDF projects were very successful in terms of sustainability; i.e. continuing to scale and/or transferring project approaches and lessons to other initiatives. more than 80 percent of projects with significant closeout documentation showed some form of project sustainability. These results indicate that JSDF planning processes manage discontinuation risk well. The assessment recommends that JSDF continues to emphasize this programming element.

- **Mandate high-level cross-portfolio JSDF indicators.** To strengthen JSDF portfolio level reporting, the assessment team recommends that the JSDF mandate that projects report on a small set of cross-cutting indicators. These should include, but are not limited to, direct and indirect beneficiaries from JSDF projects. Project proposals should include methodologies for calculating direct and indirect beneficiaries that are approved as part of the overall project approval process and are designed to ensure comparability across project types. Further, the JSDF should continue to emphasize that gender disaggregated data be collected in project indicators.

More Flexible, Effective and Efficient Processes: Increasing Support and Reducing Bottlenecks

To facilitate and encourage applications, the assessment team recommends that JSDF consider enabling easier and faster access to project preparation funds, flexibility in cost categories, strengthened tracking systems, and increased efficiencies in the application and review process. This includes:

- **Dedicated application support capacity.** JSDF projects require TTLs to work with actors they may be unfamiliar with, to serve the most difficult-to-reach populations, and to trial new, innovative approaches. The current process increases the burden on the applicant by, for example, requiring additional in-country consultations and expecting detailed cost tables at an early stage. These factors add up to enormous expectations for TTLs. For new applicants in particular, the availability of dedicated, easily accessible individuals familiar with the application process and requirements could play a critical role in prospective TTLs gaining informal feedback and guidance at the Idea Brief stage and throughout the project preparation phase. Experienced staff seconded from the Global Practices and short-term consultants engaged by the JSDF Secretariat could be made available to the task teams Idea Briefto help fulfill this role.

- **Easier and quicker access to project preparation funds.** While the Seed Fund provides TTLs with additional support to develop proposals, it is difficult to access and at times extends the application process by over a year. It generally is only undertaken in marginal cases where Idea Briefs need specific gaps filled. The Secretariat can consider a range of options to enable early access to project preparation funds, including:

  1) Redistributing a portion of project supervision budgets upstream to support project development for projects with successful Idea Briefs in line with the Bank's full cost recovery for trust funds;

  2) Ring-fencing separate funding pools for TTLs with successful Idea Brief applications to disburse from directly on behalf of the World Bank;

  3) Revising the Seed Fund process to streamline application and approval stages.

  In choosing between these and other options, a critical priority is to enable quick access to a pool of funding for prospective TTLs to use in supporting the recipient in grant design preparation and for project appraisal.

- **Reduce the JSDF application burden.** Lengthy, burdensome application processes are consistently highlighted as a major challenge for TTLs and a core reason they choose not to apply to JSDF. TTLs referenced common pain points including extensive required consultations, detailed cost tables required early in the process, multiple rounds of feedback, and two-phased package preparation and review processes. The assessment recommends that actions be taken to reduce time required and the burden on TTLs. Options to explore include reducing the required detail of cost tables, reducing in-country Japanese stakeholder consultation requirements, and limiting extensive GoJ review to a single stage.

- **Strengthen the grant tracking system.** For the JSDF Secretariat and GoJ to hold themselves accountable to specific turnaround times, the assessment team recommends tracking performance and timelines at each step of the grant application process as a measure of performance management. Tracking helps to identify and resolve challenges and bottlenecks in the system and holds stakeholders accountable.

- **More flexible cost allocations.** JSDF currently implements budget caps across important cost categories — including NGO/CSO salaries and consultants — and discourages moving funds across predefined cost categories during a project. These constraints can introduce challenges for implementing agencies. They sometimes result in implementing agencies subsidizing JSDF projects by covering the costs of their staff

and required technical expertise themselves, plus delays as additional approvals are sought. The assessment team recommends that JSDF allow cost category flexibility on a case-by-case basis, considering local context, the nature of a project, and the implementing agency's capacity and resource base — all while staying true to principles currently enforced by regulation (e.g., maximizing funding to vulnerable communities).

Increased Collaboration and Visibility: Formalizing and Leveraging Partnerships with Global Practices

The assessment team recommends the following actions as a critical path to increase awareness, leverage technical expertise, codify and share knowledge, streamline communications and outreach, and elevate JSDF's profile and visibility.

- **Identify and develop opportunities for formal partnerships with select Global Practices.** Global Practices are a critical medium for promoting applications, providing technical expertise, and disseminating knowledge. Several Global Practices have received few or no JSDF grants, including Poverty, Human Development, and Jobs and Development. This implies that the market — TTLs — is unaware of JSDF's focus and its offering. More broadly, greater dialogue with country leadership would communicate the JSDF value proposition and encourage feedback on how the JSDF can respond to country needs. Given the small JSDF Secretariat team, leveraging the current infrastructure and reach of Global Practices can be an efficient and effective way to increase JSDF awareness. To widen the thematic pool of active grants, JSDF can identify and develop formal partnerships with 4–5 Global Practices where JSDF has strong potential applicability, but relatively low JSDF use rates. These practices can, in turn, build awareness about JSDF grants among their respective TTLs by disseminating lessons learned from relevant JSDF projects and highlighting JSDF's value proposition. Through these partnerships, Global Practice Leaders can play a more active role in the grant design process via technical reviews to strengthen proposal development.

- **Codify and increase dissemination of lessons learned and insights from JSDF grants.** To increase awareness of JSDF in the long term, the JSDF Secretariat can strengthen its capacity to lead in collecting and disseminating JSDF project findings across its diverse geographic and sectoral portfolio. JSDF has an enormous opportunity to leverage its work in order to highlight JSDF's value and create project demand. In collaboration with Global Practices, JSDF can formalize its knowledge sharing and communication strategy. This can include co-investing in impact assessments and co-creating and jointly disseminating knowledge materials that leverage grant insights and align with practice learning and impact objectives. As a first step, the Secretariat can engage with relevant Global Practices to share experiences to date, identifying areas of complementarity, key learning questions grants may feed into, and appropriate fora and touchpoints to jointly disseminate findings and insights.

- **Undertake more targeted outreach and information sharing.** High Idea Brief rejection rates and extensive back-and-forth during the project development stage indicate that (especially new) applicants do not have a clear view of expectations associated with JSDF grants. Greater JSDF

Secretariat investment in communicating and supporting expectations at an early stage would pay dividends in strengthening the quality of submissions later. One powerful way to achieve this is by linking outreach to Global Practices. The Secretariat might consider piloting targeted calls for Idea Briefs through Global Practice communication channels. They would still be in line with the current timing of JSDF's biannual calls but require additional tailoring and customization to relevant audiences. This may include: (i) clear and widely shared guidelines on JSDF requirements and expectations; (ii) holding webinars and Q&A sessions and inviting TTLs from that practice who previously used JSDF to share their experience; (iii) tailoring communication materials to highlight how JSDF is relevant to the practice and project ideas TTLs may want to consider; and (iv) including members of the practice in the Idea Brief Committee.

Separately, JSDF can continuously extend bilateral outreach to regional and country leadership. These individuals may not be familiar with JSDF. Proactive communication would familiarize them with JSDF and promote its value proposition. Leadership can also provide feedback on how countries perceive JSDF and how JSDF can continue to evolve to become more relevant to country teams.

Enhanced Relevance: Maximizing the JSDF Value Proposition

To enhance its value proposition within the World Bank, the assessment team recommends that JSDF consider broadening its mandate to expand country eligibility, enable flexibility in co-financing IDA/IBRD projects, provide options to combine multiple grants into a single multisectoral project, and increase the grant ceiling amount. Specifically:

- **Broaden country eligibility.** To increase uptake and remain in line with its strategic objectives, JSDF can broaden the list of countries eligible for projects. Eligibility is currently based on income-level classification but excludes countries in fragile and conflict-affected situations (FCS) where development partners struggle to reach many of the world's poorest and most vulnerable groups. Broadening eligibility to invite applications from TTLs in the World Bank's list of FCS countries would amplify JSDF reach and further the GoJ's impact objectives.

- **Enable JSDF grants to align with larger, more strategic operations.** In response to the World Bank's desire to limit country portfolio fragmentation and focus resources on fewer, larger, and more strategic operations, JSDF can explore ways to position JSDF grants as complementary to other ongoing operations or as part of the design of new, larger-scale initiatives. One way to achieve this is to refine JSDF project requirements and Bank operational procedures, allowing teams to use JSDF grants to support the grant-financed component of planned IDA/IBRD loans or as additional financing to well performing ongoing operations. JSDF grants can still be ring-fenced to retain JSDF's vulnerable community focus and allow for specific component/innovation projects within the context of a broader initiative. For example:

1) JSDF financed project components in IDA/IBRD operations to test approaches for scale up later in subsequent phases of the same project;

2) Use JSDF projects to build a wide evidence base for later, similarly themed IDA projects, recognizing that many of these projects build on predecessors' work; and

3) JSDF projects to inform similar efforts in IDA projects in other geographies.

- **Revise grant ticket size to align with inflation.** The clearest reason to maintain a ceiling on grant size is JSDF's desire to work with local NGOs/CSOs, which often struggle to absorb larger grants. While it is important to invest in and strengthen local civil society, it is less clear the extent to which the World Bank is the best-placed actor to lead this initiative. The organization's core competence is to initiate and implement large-scale projects in partnership with central governments. Smaller recipient-executed grants require similar levels of time and effort. Already stretched TTLs then face significant pressure to identify partners that require limited additional effort to work with. This explains the high prevalence of INGOs in projects assessed. In this context, additional impact and uptake achieved through larger grants to INGOs, government agencies, or local governments needs to be assessed. Larger grants offer several benefits since project preparation and transaction costs do not linearly scale with grant size. Larger grants ultimately mean more funding toward localized impact. They also allow projects to be tested in a wider variety of contexts and better evidence that can (and should) be collected to validate overall effectiveness and impact. Larger grants are also an important signal to TTLs that the time and effort associated with setting up new a project is worth it. In FY 2009, JSDF raised grant ticket size from US$ 2 million to US$ 3 million. In 2022, a simple U.S. inflation adjustment would take that amount to US$ 4.1 million.[61] The assessment recommends that JSDF ticket size be increased to US$ 4.1 million at a minimum. Further, a benchmarking exercise across comparable funds would give a beneficial indication of the extent to which JSDF grants are competitive with other funds available to TTLs for similar activities.

The assessment shows that on the one hand, JSDF grants play a powerful role in enabling localized impact and innovation. As this report demonstrates, the pilot approach allows for testing new approaches and that working with NGOs/CSOs and local governments is critical to addressing development issues that meet beneficiary needs. In addition, the mechanism provides TTLs access to funding where lending programs cannot be leveraged. JSDF's impact is further highlighted by the fact that the majority of grants assessed were rated extremely effective and carried clear pathways to sustainability.

On the other hand, the assessment raises critical questions about JSDF's long-term future if it cannot address the pain points driving the steep fall in applications and the historically high unallocated fund balance. The recommendations listed above lay out strategies for JSDF and its partners to consider as JSDF evolves in response to ever-changing shifts in context and positions itself for further impact.

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[61] USA Inflation Calculator, Accessed August 2022