

# CATALYST FOR PROGRESS

## THE JAPAN POLICY AND HUMAN RESOURCES DEVELOPMENT FUND



## CREDITS

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The Word Express

A decorative pattern of overlapping, semi-transparent diamond shapes in various shades of red and pink, arranged in a grid-like fashion, located at the bottom of the page.

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THE JAPAN POLICY  
AND HUMAN RESOURCES DEVELOPMENT FUND



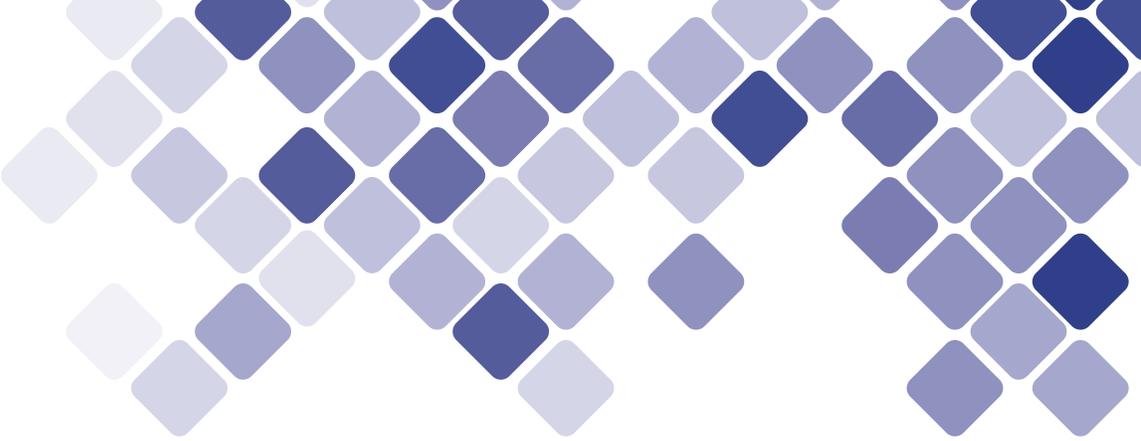
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# CONTENTS

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MESSAGE FROM THE GOVERNMENT OF JAPAN .....	v
FOREWORD .....	vii
<b>1. INTRODUCTION</b> .....	1
<b>2. BRIEF HISTORY OF THE POLICY AND HUMAN RESOURCES DEVELOPMENT FUND</b> .....	3
POLICY AND HUMAN RESOURCES DEVELOPMENT FUND TIMELINE .....	6
<b>3. LEADERSHIP, EARLY ACTION, AND RAPID RESPONSE</b> .....	9
RESPONDING TO CRISIS, CONFLICT, AND DISASTER .....	10
ADDRESSING CLIMATE CHANGE, PROTECTING ECOSYSTEMS .....	13
<b>4. PEOPLE, PARTNERSHIP, AND KNOWLEDGE</b> .....	17
CREATING OPPORTUNITY FOR THE POOR .....	17
PARTNERING FOR THE PUBLIC GOOD .....	19
NURTURING YOUNG MINDS .....	21
EDUCATING NEW GENERATIONS OF DEVELOPMENT LEADERS .....	23
<b>5. NEW CHALLENGES IN A CHANGING WORLD</b> .....	25
IMPROVING AGRICULTURAL PRODUCTIVITY IN AFRICA .....	26
REDUCING DISASTER RISKS .....	28
BREAKING DOWN BARRIERS FOR PEOPLE WITH DISABILITIES .....	30
<b>6. LOOKING AHEAD</b> .....	31





## MESSAGE FROM THE GOVERNMENT OF JAPAN

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The government of Japan initiated the Policy and Human Resources Fund nearly 25 years ago as a demonstration of its support for and commitment to help reduce poverty in countries around the globe in partnership with the World Bank Group. It was established to help developing nations build the skills, knowledge, and human resource capacity required to implement sound policies, projects, and actions that reduce poverty, protect the environment, and lead to sustainable improvements in people's lives.

Through the years, the fund has provided financial resources for eligible countries to access the expert guidance needed to properly plan and prepare complex projects—roads, irrigation networks, wastewater treatment plants, community facilities and the like. Backed by strong analysis, quality design and detailed implementation plans, these projects were subsequently able to qualify for funding from the World Bank. Projects supported by PHRD have created better transport and communication systems, helped businesses get their goods to market more rapidly, and improved access to clean water, better sanitation and basic health services for women and the poor. Other projects supported by the fund have provided children in remote corners of the globe with improved learning opportunities in modern school facilities.

A second facet of the PHRD approach has focused on giving professionals from developing countries access to best-in-class global knowledge—allowing them to work alongside international experts, obtain graduate degrees at leading universities, and share experiences and best practices in an electronically-enabled global network. They have been equipped to take the lead in designing future projects and development policies to benefit their countries.

The PHRD Fund reflects Japan's environmental, social, and educational priorities, by supporting initiatives that help developing countries address their challenges. It also reflects Japan's continued confidence in its partnership with the World Bank: while Japan is the single donor to this trust fund, the Bank has been the careful manager and steward of the resources, in accordance with its poverty alleviation and economic growth strategy.

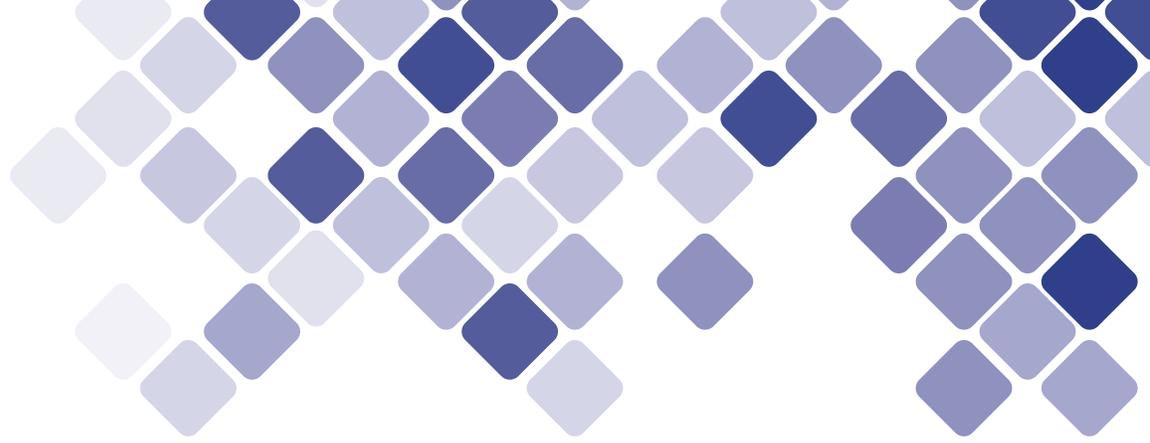
Currently, the fund is focused on several priorities based on the strategic alignment between the World Bank and Japanese government. These priorities include:

- Improving agricultural productivity in Africa to address food security and food price volatility
- Reducing disaster risks by improving disaster preparedness
- Breaking down barriers for people with disabilities so they are less isolated and more connected to their communities

As uncertainty and fiscal constraint continue to characterize the global financial environment, trust funds have become increasingly important vehicles for many countries to realize their development potential. Even as development needs change, and new challenges arise, the flexibility of the PHRD Fund will help ensure that it remains a lynchpin of the Bank's trust-funded activity.

On behalf of the government of Japan, I am honored to present this publication, which showcases the impact and lasting value of the PHRD Fund.

Hideaki Suzuki  
World Bank Executive Director for Japan  
October 2012



## FOREWORD

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The World Bank and Japan have a long, shared history of development cooperation. As one of the most important donors to trust funds managed by the Bank today, Japan has proven itself a steadfast partner, as well as a financial and intellectual backer of development solutions, committed to the joint fight against poverty.

Nearly 25 years ago, Japan stepped forward with a ground-breaking idea—to establish a flexible fund that would enable the World Bank to expand the reach and impact of its development work. This move came well before trust funds were common channels for donors to tackle poverty.

The Japan Policy and Human Resource Development (PHRD) Fund was created to help build the capacity of developing countries to meet development challenges by strengthening their ability to prepare projects and mobilize funding, to respond to crises by taking early action, and to educate a new generation of leaders.

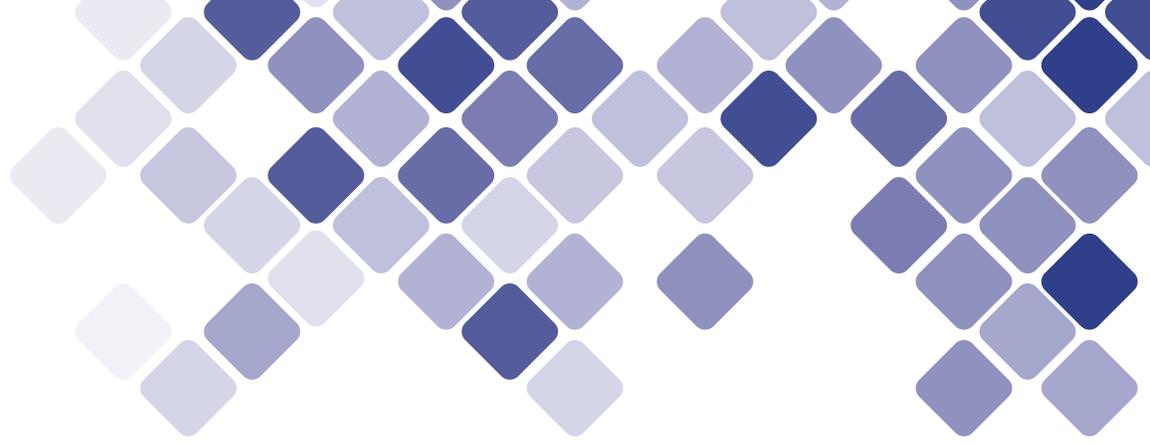
The fund's work extends to supporting countries' efforts to deal with climate change and diversify agriculture to reduce hunger and the impact of the rising food prices. It also extends to lending Japan's world-class expertise, academic leadership, and technical skills in the area of disaster preparedness to build a global knowledge base.

Through PHRD, Japan today continues to play a leadership role on the global and regional stage, providing technical assistance and strengthening institutions in more than 140 developing countries. The fund's flexibility has enabled it to evolve as issues change and new needs arise, giving it an enduring relevance, and making it an important instrument of support for the World Bank's quest to reduce poverty.

The World Bank gratefully acknowledges the contributions of Japan through its unwavering support of the PHRD Fund over the past 25 years.

Axel van Trotsenburg  
Vice President  
Concessional Finance and Global Partnerships  
World Bank





# 1. INTRODUCTION

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**T**he Policy and Human Resources Development Fund is a trust fund generously supported by the government of Japan and managed by the World Bank. It provides grants to pay for technical expertise, guidance, research, education, and assistance in support of the World Bank’s multi-faceted efforts to reduce poverty, improve lives, and spur economic growth in developing countries.

Established nearly 25 years ago to help developing countries strengthen human resources and institutional capacity, formulate sound development policies, and manage crises, this first-of-its-kind trust fund has enabled progress on multiple development fronts. It set a precedent that other donor nations have followed, as they, too, began to set up trust funds for poverty reduction efforts managed by the World Bank.

From the beginning, the PHRD Fund has represented quality in development operations. With its focus on funding technical assistance for World Bank borrower member nations so they can prepare strong projects and interventions aimed at addressing their critical needs, the fund has helped countries access billions in development finance from the World Bank and other institutions. In fact, by funding such assistance, the PHRD Fund has facilitated the financing of more than 30 percent of all World Bank-funded operations in developing countries in the years since its inception.

## THE PHRD FUND ENHANCES JAPAN’S LEADERSHIP ROLE ON THE GLOBAL AND REGIONAL STAGE

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### *Tokyo International Conference on African Development, 1993*

As part of efforts to reduce poverty and bring growth to Africa, Japan launched the TICAD as a forum for high-level policy dialogue every five years. Discussion in this forum in 1998 led to the creation of the PHRD Africa Agricultural Productivity Program.

### *UN Framework Convention on Climate Change and the Kyoto Protocol, 1997*

The PHRD Fund’s climate change program was launched in 2001, to encourage low- and middle-income nation participation in the protocol at a time when expectations for entry and adherence were at an all-time low.

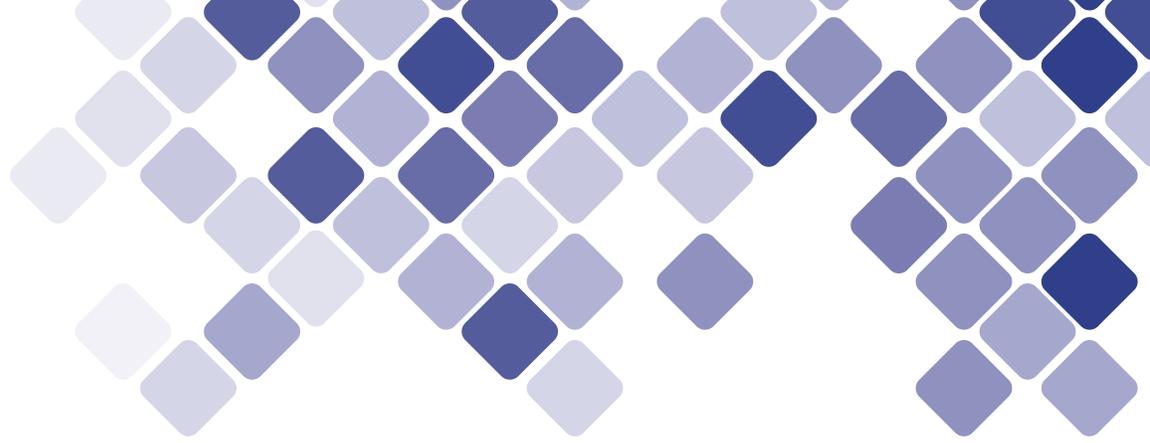
### *The Hyogo Framework for Action, 2005–2015*

This broad global framework to address disaster risk mitigation is supported by the PHRD Fund. It led to the establishment of the Global Fund for Disaster Risk and Recovery, a trust fund managed by the World Bank and supported by the PHRD Fund to address disaster vulnerabilities in Asian nations.

PHRD grants have strengthened World Bank-financed projects at entry and during implementation, and supported climate change initiatives and preservation of critical ecosystems. They have financed forward-looking research, contributed to the training of thousands of development professionals, helped disseminate data and learning across the globe, and

forged strong—and continuing—bonds between Japan and the World Bank.

While the PHRD Fund has evolved through the years, emphasis remains on partnership, setting examples and sharing knowledge, skills, tools, and best practices, so others can replicate what works.



## 2. BRIEF HISTORY OF THE POLICY AND HUMAN RESOURCES DEVELOPMENT FUND

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*“The PHRD Fund was a truly visionary idea; a pragmatic way to build capacity of the Bank’s borrowing member countries and the largest early experiment in World Bank management of donor-funded grant facilities. This fund—and the lessons learned during its early operational years—helped pave the way for the World Bank’s future trust fund arrangements.”*

Kenichi Ohashi, PHRD Fund’s first administrator and former World Bank Country Director for Ethiopia and Nepal

The idea for the PHRD Fund emerged in the late 1980s as the government of Japan saw that critical development needs in low and middle-income countries were going unmet. This was due to a lack of capacity to design and implement large-scale projects, particularly in areas such as infrastructure development—construction of new roads, bridges, irrigation, hospitals, schools, community centers and the like that contribute to lasting quality of life improvements for people in developing countries.

This represented a serious gap, because the ability to secure World Bank financing for such complex projects has always depended on the viability of the implementation plans, requiring proposals anchored by strong analytical design. But since many of the Bank’s low- and middle-income member nations did not have the human resources capabilities or the funding to bring in

outside experts to help with the detailed planning and preparation stages, some worthy projects were not moving forward.

### **‘A visionary idea’ with a novel, pragmatic approach**

To address the situation, Koji Kashiwaya, then-Deputy Director-General of the International Finance Bureau of Japan’s Ministry of Finance, proposed a novel arrangement: a trust fund financed by the government of Japan that would provide grants to support quality project preparation, implementation and other knowledge services. The fund also would enable training for development personnel in countries so they could build up their technical and management skills, and provide funding to educate the next generation of development leaders, through a graduate scholarship program.

“This was a truly visionary idea at the time,” recalls Kenichi Ohashi, the PHRD Fund’s first administrator and former World Bank Country Director for Ethiopia and Nepal. The notion of grant funding to support technical assistance that would not be tied to a specific theme, region, or project was new—there were no other such funding facilities in place.

Ohashi, who was involved in the details of setting up the PHRD Fund, says that the Bank’s leadership realized the strong potential benefit such an arrangement could bring: by supporting quality preparation of complex and far-reaching projects, it could enable tangible progress on some of the world’s most difficult development challenges.

### Projects start strong with quality preparation

The rationale behind the focus on project preparation was clear: If projects aren’t designed well, implementation will be problematic and the desired objectives will not be achieved.

This support has proved critical. The technical assistance provided through project preparation grants has helped countries access Bank funding for projects across the development spectrum—health, education, economic empowerment, infrastructure, social protection, climate change, environment and technology, among others.

A look at the numbers quantifies the fund’s impact. More than 30 percent of Bank-funded projects around the world started out as proposals prepared with technical assistance paid for through PHRD preparation grants, with an average value of \$650,000 per grant.

Through the years, these grants have strengthened the quality of development operations in more than 140 countries, resulting in deeper development impact and stronger results, while helping to build

## EXPANDING ACCESS TO FINANCE IN VIETNAM

### *PHRD grants fund preparation of bank modernization project*

For Hanoi resident Nguyen Guoc Cuong, doing business is a lot easier today, thanks to an extensive modernization of Vietnam’s banking system.

“Now it is very easy for me to transfer money to my business partner within a day or receive money from them in 15 to 30 minutes,” he says.

The recently completed \$112 million World Bank-financed project, involving complex technology upgrades as well as structural changes to the nation’s banking system, was made possible through the support of the PHRD Fund. The PHRD project preparation grant enabled the technical assistance needed to design this IT-heavy project in a country with limited capacity to handle such technology-driven efforts.

the skills of local project teams and government agencies. This multiplier effect means that the countries themselves can design strong projects that can leverage other funding sources, in addition to the World Bank.

Examples of the more than 3,000 projects—across the regions, sectors, and country-led priorities—enabled by PHRD project preparation grants include:

- **Andhra Pradesh Drought Adaptation Initiative:** The project helped mitigate devastating effects of drought in this region of India that is home to 35 million mostly poor people.
- **Chad Urban Development Project:** A PHRD project preparation grant resulted in a \$15 million World Bank grant to improve living conditions for the urban poor in N’Djamena, Moundou, Sarh and Abéché.

- **Health Modernization Project in Armenia:** Now, nearly 2.5 million citizens have better access to modernized facilities and quality health care provided by retrained physicians and nurses.
- **Tajikistan Post-Conflict Emergency Reconstruction Project:** Following the breakup of the former Soviet Union, this targeted program of physical and social infrastructure reconstruction and emergency support for farmers helped reintegrate local citizens into a stabilizing national economy.

With little precedent on which to base the effort, the government of Japan and the World Bank learned by doing, altering the approach along the way based on lessons learned.

### Flexibility allows rapid action and response to crisis

The PHRD Fund's structure has proven a significant advantage in addressing critical global issues that arise, often without warning. "The PHRD Fund was designed as a very flexible instrument, so it also could support free-standing technical assistance not connected to any other project funding," explains Sajjad Shah, the fund's administrator from 1999–2004. "This was a remarkable feature," enabling first-mover support for pressing issues and crises of the day, he says.

Case-in-point: in the aftermath of the mid-1990s conflict that shattered lives, shuttered businesses, and decimated economies following the breakup of the former Yugoslavia, the PHRD Fund was

#### Through the PHRD Fund, Japan was among the first to fund:

- Post-conflict reconstruction and development in Bosnia
- Asian financial crisis response
- Response to avian and human influenza pandemics

among the first with a financial response. "For years, the PHRD Fund was the only such fund providing support as the conflict in Bosnia wound down, making available critical funding for large projects," Shah notes.

As other issues emerged on the world stage, the PHRD Fund continued this role, becoming one of the earliest supporters of efforts to address climate change.

Meanwhile, the fund continued to refine its approach to enhance effectiveness. For instance, enhancements in the late 1990s increased governance and control, with strengthened procurement and financial management, standardization of the grant funding process, and introduction of independent review and evaluation.

### Enduring relevance as needs change

Over time, development needs and priorities have changed. Today, the PHRD Fund has phased out the funding of preparation grants, due in part to its own success—the prioritized focus on capacity building has given more developing country borrowers the skills needed to take the lead in preparing quality projects. In addition, the lessons learned and knowledge shared through the years of the fund's experience have set the course for new Bank partnerships and trust funds, disbursing some \$4 billion per year currently.

Today, the PHRD Fund focuses on addressing several emerging development priorities, including:

- Food security in Africa
- Research on rice productivity enhancement
- Disaster preparedness and risk insurance financing
- Critical ecosystems protection
- Reduction of deforestation and forest degradation
- Inclusionary development for people with disabilities
- Research on HIV/AIDS vaccines

The fund also supports other important development and growth-related initiatives, as determined collaboratively by the government of Japan and the World Bank.

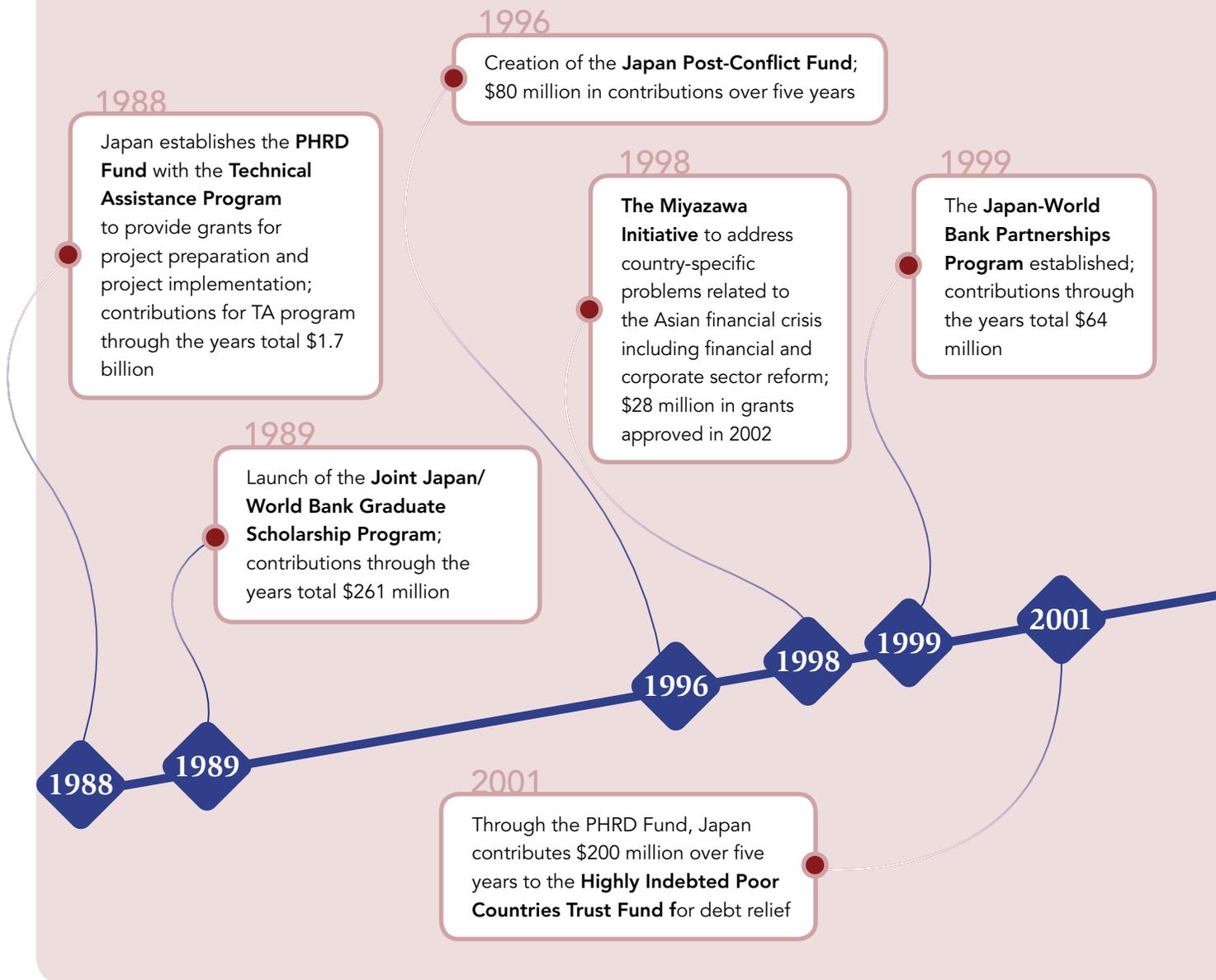
**Heart of the PHRD Fund: people and partnership**

In addition to the thematic focus, the fund provides direct support for capacity building initiatives—from

supporting governments as they structure transparent and effective public financial management systems to empowering local communities to identify their own development priorities. These initiatives also complement the World Bank’s country development strategies.

On-going contributions in the people realm—including building local skills and capacity and educating new

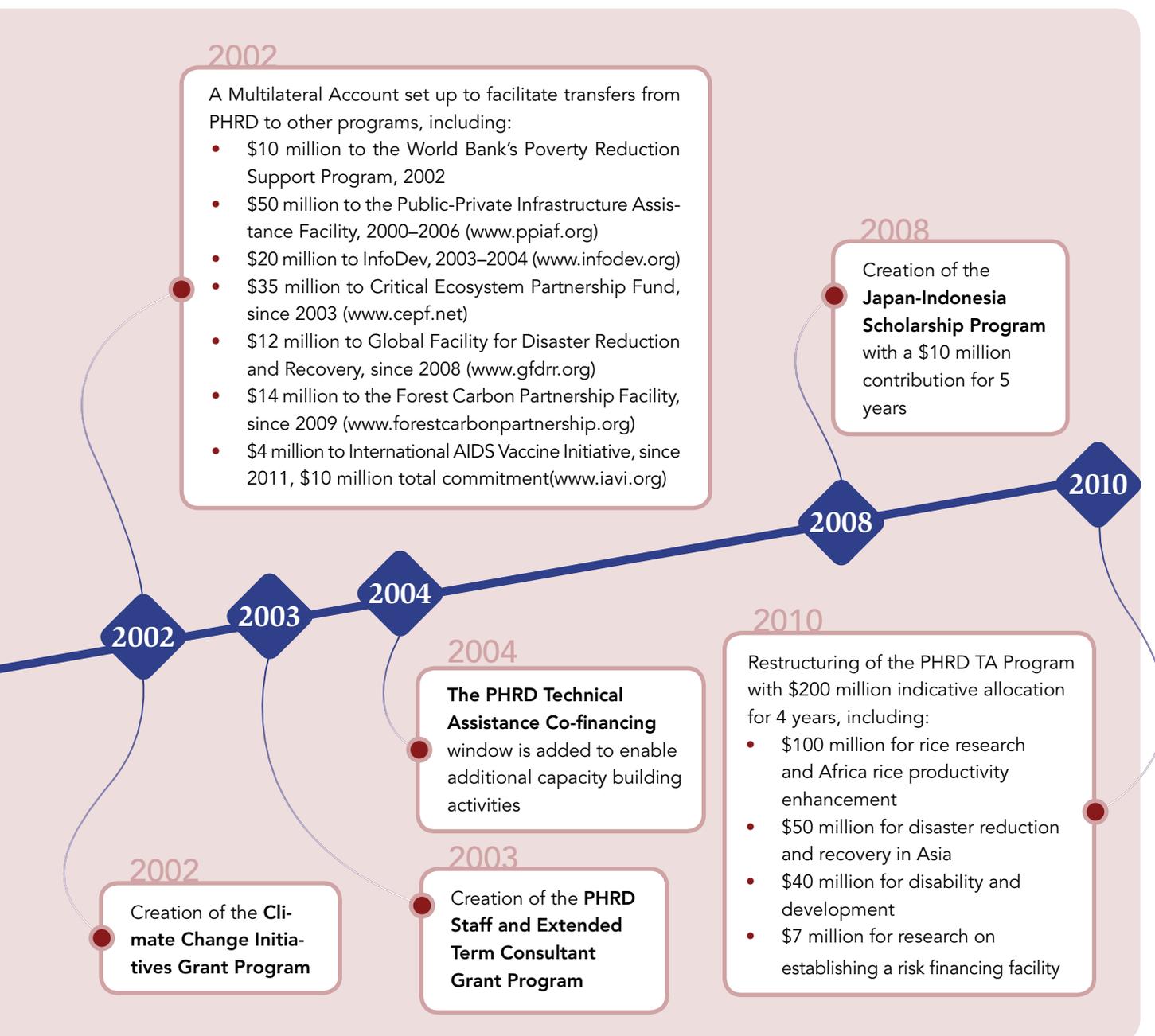
**POLICY AND HUMAN RESOURCES DEVELOPMENT FUND TIMELINE**



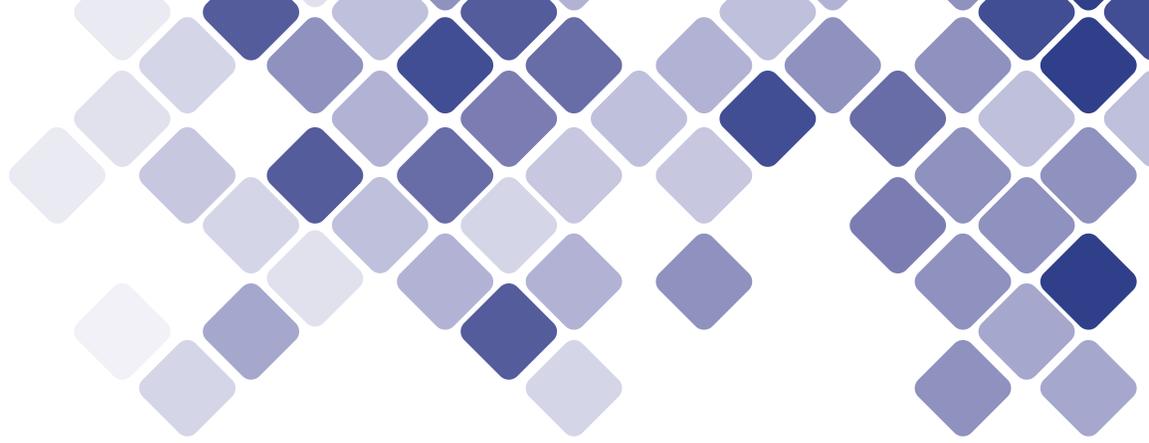
generations of visionary development leaders through the Joint Japan/World Bank Graduate Scholarship Program—are paying dividends in countless ways.

Through the years, the fund’s emphasis on collaboration has created strong partnerships in development, extending to other global organizations and Japanese institutions as the fund supports efforts that promote progress and public welfare.

Indeed, a look at recent efforts makes it clear that the PHRD Fund’s original objective—flexible, appropriate and timely responses to help developing countries strengthen capacity, develop sound development policies and manage crises—remains as relevant today as it was nearly 25 years ago.







### 3. LEADERSHIP, EARLY ACTION, AND RAPID RESPONSE

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**A**s one of the World Bank's major sources of grant funding for country-executed technical assistance and capacity building initiatives, the PHRD Fund's efforts have wide-reaching and enduring impact. Project preparation grants have been a strategic instrument for providing technical assistance to improve the quality of development projects, with one-third of these grants going to projects in low-income countries.

For the first 20 years of the PHRD Fund's existence, its technical assistance program served as the only source of un-tied grant funding for preparation and implementation planning of important development projects. This program helped more than 140 nations leverage billions in World Bank funding to move forward with critical operations that have led to sustainable improvements in the quality of people's lives:

- Infrastructure: schools, roads, bridges, water and sewer, power
- Social services delivery: health, education, social protection for the poor
- Public administration: public financial management, public policy, governance
- Access to credit, electricity, and technology
- Agricultural productivity, natural resources management, and agri-business
- Environment, bio-diversity, and climate change

The fund's capacity building grants have helped countries build institutional capabilities and improve

the management and technical skills of government officials and other development professionals. This has enhanced country engagement in development projects, and helped elevate the importance of creating national development policies in countries such as Ethiopia, India, Indonesia, and Vietnam.

And in times of trouble, the PHRD Fund has stepped up, providing concessional finance for countries in crisis. Over the years, approximately \$163 million in PHRD grants has gone towards crisis, conflict, and disaster response, helping developing countries to access nearly \$4 billion in World Bank financing for recovery and crisis management efforts.

As a reflection of Japan's long tradition of leadership on issues relating to the environment, PHRD climate change grants offer direct access to best-in-class Japanese technology in the field of climate modeling and adaptation science. The grants fund analytical preparation work and implementation of pilot projects, leading to broader projects with deeper impacts. For example, PHRD-funded work on forest plantation models in Moldova, Albania and Honduras has led to the creation of a reforestation methodology that has been replicated in other developing countries.

The multiplier effects of this work are evident, contributing to the global knowledge base and supporting the mainstreaming of bio-diversity preservation and climate change-related issues into the world's development agenda.

## RESPONDING TO CRISIS, CONFLICT, AND DISASTER

Japan has faced its own share of challenges in the wake of crisis and disaster, from rebuilding a physically and emotionally devastated nation in the aftermath of World War II, to recovery from the Asian financial crisis of the 1990s and—most recently—the 2011 Sendai earthquake and tsunami. As a member of the world community, Japan brings to bear its first-hand experiences in facing tough situations, and a strong commitment to helping other nations in similar need.



### THE PHRD FUND'S CRISIS RESPONSE

The PHRD Fund has contributed directly to work on the ground in countries struggling to address crisis, conflict or disaster, having contributed approximately:

- \$45.02 million for post-conflict response and emergency reconstruction
- \$69.8 million for natural disaster response and preparedness
- \$35.8 million to address global health threats like HIV/AIDS and avian and human influenza
- \$106.3 million for food crisis response

The PHRD Fund's technical assistance program financed activities that helped countries leverage additional funding for projects to address crisis, conflict, and disaster:

- More than 100 technical assistance grants
- Provided over \$107 million for project preparation, implementation and analytical studies
- Catalyzing over \$3.9 billion in World Bank project financing:
  - Disaster preparedness and mitigation
  - Earthquake recovery
  - Drought relief
  - Post-conflict reconstruction
  - Economic and social stabilization
  - Pandemic outbreak

### Fund contributes to post-conflict recovery

While the world's trouble spots may be troubled for different reasons, they share similarly complex challenges as they start to recover: severe lack of financial and human resources, destroyed physical and institutional infrastructure, shortages of food, fuel, housing and other critical building blocks of society, among others.

Through the PHRD Fund, Japan has supported a range of efforts aimed at helping countries recover. In addition to providing direct crisis response, the PHRD Fund has contributed more than \$108 million in technical assistance crisis response, which includes \$80 million to the Japan Post-Conflict Fund, established in 1996. Among the supported activities: needs assessments for countries in the aftermath of war so they can identify priorities to enable stabilization and a return to normalcy. These assessments have helped the World Bank strategically target its assistance to the most critical needs of the affected country.

Post-conflict nations bolstered by this support include Bosnia and Herzegovina, Cambodia, Tajikistan, Rwanda, Timor Leste, Liberia, and Iraq, among others.

### THE PHRD FUND'S POST-CONFLICT SUPPORT HELPED REBUILD COUNTRIES AND LIVES

- In Bosnia and Herzegovina, grants helped create 65,000 jobs, support 20,000 micro-entrepreneurs, rebuild homes for 9,400 displaced people, and co-finance reconstruction of transport system following a brutal, three-year ethnic conflict ending in 1995 that left an estimated 200,000 dead. Support also contributed to creation of micro-credit framework and built capacity of investment guarantee agency, while enabling reintegration of former combatants into a newly peaceful society.
- In Liberia, grant funding contributed to the revitalization of this highly impoverished country—one of the world's poorest—which ended years of civil war in the early 2000s and democratically elected a government in 2005.
- In Rwanda, funding contributed to refugee resettlement and helped get power restored and clean water flowing again, in the aftermath of a devastating civil war during the mid-1990s that took the lives of an estimated 800,000 people and shattered the country; additional project preparation funding helped prepare education and health projects that later received World Bank financing.
- In Timor Leste, the fund partnered with the World Bank's Trust Fund for Timor Leste, providing \$23.9 million over two years in block grants to local communities to rehabilitate and build basic infrastructure and restart economic activities, following a lengthy struggle for independence that displaced thousands and destroyed most of the newly sovereign state's infrastructure. Efforts also supported the creation of democratically elected village councils to build accountable and participatory local institutions.
- In Iraq, PHRD's technical assistance program helped leverage \$124.5 million in World Bank support for reconstruction efforts following the war.

### PHRD Fund helps address global health crises; natural disaster risks

PHRD grants also support efforts on other crisis-related fronts, including containing the spread of epidemics and mitigating the impact of natural disaster. Specifically, the fund has helped countries to mobilize World Bank project funding and to catalyze partnerships, such as with the Global Fund for Disaster Risk and Recovery. It also has contributed toward building local, national, and regional capacity to improve preparedness and mitigate risks.

In Burundi, Rwanda, and the Democratic Republic of Congo, for example, PHRD grants enabled focused efforts to combat the spread of HIV/AIDS. In places such as Armenia, Honduras, Nicaragua, and Turkey, where there is significant risk of natural disaster, grant funding supports recovery, reconstruction and mitigation. The PHRD Fund also contributes to disaster preparedness activities in Pacific Island nations that have limited capacity

to reduce the risk of severe impacts, particularly on poor populations.

### PHRD Fund project preparation support helps Turkey access \$400 million for Istanbul recovery and readiness

Turkey is one of the world's most seismically active countries. More than 95 percent of the country is at risk of earthquakes, with 70 percent of the population and 75 percent of industrial facilities in earthquake-prone areas. Within this high-risk context, Istanbul is situated in one of the most vulnerable areas. The 1999 Marmara earthquake that affected the city measured 7.4 on the Richter scale, causing 17,000 deaths and destroying the homes of 200,000 people. The direct economic blow to Turkey was massive; costing nearly \$5 billion, or around 2.5 percent of the nation's gross national product.

In the aftermath of this earthquake, attention turned toward ways to reduce the city's earthquake

## EARLY ACTION TO CONTAIN AVIAN FLU

H5N1—highly pathogenic avian influenza, also known as bird flu—has killed thousands of birds and caused serious economic losses in countries such as Thailand since it began to appear on the scene in the early 2000s. There is a growing concern among global public health officials that a mutation of this virus could become a deadly human pandemic in the future.

The PHRD Fund has been an early mover in support of initiatives to control this significant global public health threat. In 2006, as fear of a widespread outbreak mounted, and before a multi-donor facility could be arranged, the fund set up a special provision for avian flu co-financing grants to help address this emerging problem in nations such as Georgia, Kyrgyz Republic, Armenia, Albania, Lao PDR, and Vietnam.

### PHRD Fund role and results

- \$24.7 million in funding before other multi-donor efforts could be mobilized
- Multiple grants for public health initiatives in East Asia, Pacific, Europe and Central Asia, including:
  - Albania: creation of the National Veterinary Epidemiological Unit, establishment of a legal and regulatory disease control framework, and major investments in hospital intensive care units and virology labs reducing the threat of human pandemic
  - Georgia: training for staff of food safety, border control, and veterinary agencies; enhanced surveillance, emergency response and communication leading to improved control and limited disease spread
  - Kyrgyz Republic: technical assistance and training to address animal health, human health and public awareness resulting in improved readiness, better prevention and control, and increased government focus on bio-security

vulnerabilities. The PHRD Fund provided early funding for feasibility studies on specific ways to enhance Istanbul's ability to withstand earthquakes, including creating a city-wide emergency communications system, mitigating the vulnerability of public buildings, and establishing a financial management system that would support disaster preparation and recovery.

These initial feasibility studies led to the Istanbul Seismic Risk Mitigation and Emergency Preparedness project, which is helping transform Istanbul into a city resilient to major earthquakes. ISMEP focuses on enhancing institutional and technical capacity for disaster management and emergency response, strengthening critical public facilities for earthquake resistance, and supporting measures for better enforcement of building codes and land use plans. The lessons drawn from this experience are being shared with other seismically active regions.

Results and impact from this project include:

- \$400 million World Bank funding for the landmark ISMEP project
- Nearly 500 buildings retrofitted, reconstructed or strengthened to withstand earthquakes
- More than 100 schools rebuilt or retrofitted, serving 1 million students
- Modernization of hospitals treating more than 25,000 patients a day
- Disaster management communications center up and running
- Training on building standards and codes

### PHRD Fund supports recovery from Asian financial crisis

In the 1990s, PHRD funding helped Asian countries emerge from the devastating effects of economic turmoil. The Financial Sector Advisory Services Program, supported by PHRD funds, was an early response to the crisis in the Republic of Korea, Indonesia, the Philippines, Thailand, Vietnam and

other Asia countries. The PHRD Fund-supported Miyazawa Initiative followed on this program with a focus on internal restructuring and reforms to tackle underlying causes of the crisis, protecting low-income groups from the social impacts of the crisis and ensuring that they share in the recovery, and revitalizing international capital flows by restoring investor confidence.

The lessons learned from these efforts have extended through the years to help address financial turmoil in other parts of the world, as more recently the global economic downturn threatened to derail significant economic progress in these nations.

### ADDRESSING CLIMATE CHANGE, PROTECTING ECOSYSTEMS

Climate change, deforestation and loss of biodiversity have implications for societies around the world and for people across the income spectrum. Scientists suggest that climate change contributes to the marked uptick in intensity and frequency of natural disasters, causing massive damage. Glacial retreat is impacting the availability of water, which, in turn, affects farm output and leads to rising food prices, threatening to send millions more people into poverty and food insecurity.

Cycles of severe drought add to this problem: In Africa alone, farmers rely on rainfall to water more than 95 percent of their crops. Estimates suggest that in some African countries, yields from rain-fed agriculture could be reduced by up to 50 percent by 2020, because of climate change impacts.

Overlooking climate change as part of the global development agenda is not an option, because it affects nearly all aspects of the effort to reduce poverty, impeding progress in achieving the Millennium Development Goals. Since 2012, the PHRD Climate Change Initiative Grant Program has contributed to the broad range of cross-cutting work aimed at



addressing climate change. From new financing mechanisms such as carbon credits and catastrophe risk mitigation and insurance to harnessing renewable power sources, from reforestation to biodiversity protection, PHRD grants are supporting projects to meet the vast array of climate-related challenges around the world.

Through the PHRD Fund, Japan also supports important work to preserve the most biologically significant and threatened areas of the world.

Recent grants support:

- Carbon capture and development of environment markets in Costa Rica's indigenous cocoa agro-forestry systems; strengthening skills and understanding of carbon systems for indigenous peoples' organizations, enabling one group to negotiate carbon sale contracts and identifying another indigenous group to manage potential carbon capture projects.
- Study of barriers to geothermal utilization; government planning to promote the use of geothermal energy and reduce greenhouse gas emissions in Bulgaria.
- Methodology to assess and quantify economic and physical impacts from intensified hurricanes along the coast of the Gulf of Mexico and an economic analysis of climate change impacts on Mexico's national water resources in partnership with JAXA, the Japan Aerospace

Exploration Agency; work is being replicated in other countries with coastal ecosystems.

### The Multiplier Effect: PHRD grants build Brazil's knowledge base in forestry; Brazil shares best practices with Africa's forested nations

At 5.5 million square kilometers in size, the famed Amazon is the world's largest rainforest. Nearly 60 percent of its land mass lies in Brazil. As host of this unique ecosystem, Brazil faces opportunities and challenges: preservation, economic development, and social protections for indigenous peoples who call the forest home.

In the 1990s, it experienced one of the highest rates of deforestation in the world. But with many studies suggesting that global deforestation contributes significantly to climate change and global warming, causing 20 percent of the world's carbon emissions, Brazil began to intensify its focus on sustainable forestry, preservation, plantation and reforestation. These efforts have led to a considerably slower rate

Through the PHRD Fund, Japan plays a catalytic role in helping developing countries address climate change and preserve forests and critical ecosystems.

- About \$83 million in funding for projects covering in some 40 countries
- Essential and unique source of funding for countries to mainstream climate change into development policies and programs
- Funds to prepare projects for financing from the World Bank and the Global Environment Facility, without which many projects would not have moved forward
- Support for developing countries' entry into the global carbon market
- Funding for innovative research to benefit recipient countries

of loss, according to the United Nations' Food and Agriculture Organization. In the meantime, the nation has emerged as a global leader in sustainable forestry.

Africa is home to massive forest resources as well. The Congo Basin rainforests are second only to the Amazon in combined size, and support the livelihoods of some 60 million people. But Africa also struggles with deforestation, losing forests at an alarming rate of 3.4 million hectares each year between 2000 and 2010.

Now, African officials are addressing the issues and looking at ways to take advantage of opportunities to create positive lasting economic and climate impacts, through carbon sequestration and biodiversity conservation. They are getting guidance and advice from a country that understands the issues, opportunities and challenges well: Brazil.

Brazil's forest experts are sharing their knowledge, best practices and lessons of experience with their African counterparts. One recent knowledge event brought teams from five Congo Basin nations and Madagascar to Brazil, to learn more about the United Nations' Reduced Emissions from Deforestation and Forest Degradation program—REDD—and the financial potential associated with reducing carbon emissions.

In addition, a new regional initiative in collaboration with the Brazilian National Institute for Space is providing support for the Congo Basin countries as they improve their national monitoring capacity to estimate forest cover and forest cover changes and measure the amount of carbon stocks contained in forests in the region.

### PHRD Fund role

Through the years, the PHRD Fund has supported Brazil's focus on sustainable forestry, providing funding for efforts that have helped Brazil address its climate change challenges and built its sustainable forestry expertise, including:

- Technical assistance grants for a variety of forest-related projects in Brazil:
  - agricultural technology
  - water resource management
  - forest conservation
  - sustainable use of forest resources
  - environmental education
- Partnering with the Global Environment Facility to support Brazil's efforts to build sustainable forestry practices and gain biodiversity expertise
- Building Brazil's capacity to participate in the global carbon market
- Funding for knowledge exchanges between Brazil and Congo Basin nations

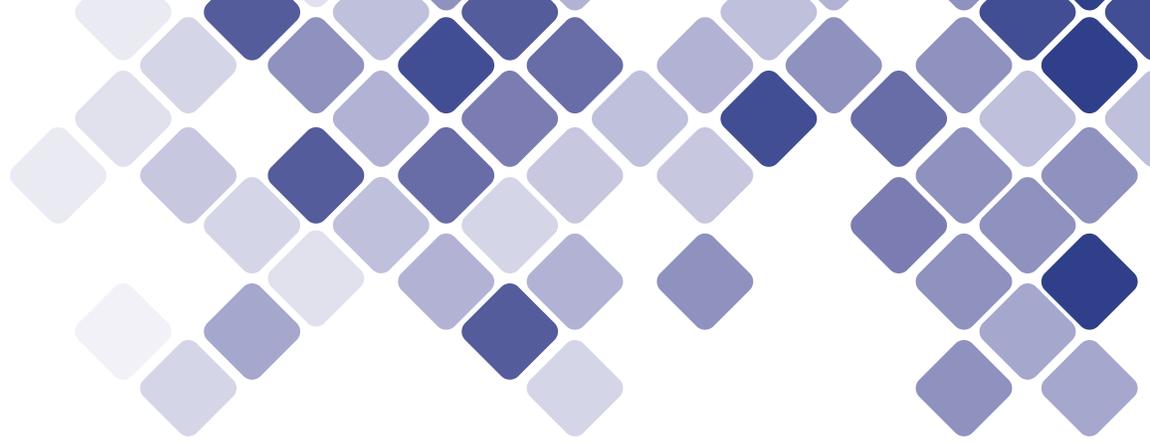
## PHRD FUND PARTNERS TO SUPPORT CARBON FINANCE CAPACITY BUILDING

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The World Bank's Carbon Finance Assist program—CF-Assist—is giving developing countries the skills and expertise they need to actively participate in the global carbon market through focused capacity building. Activities include institutional strengthening at the country and regional levels, capacity building on carbon finance project development for multiple stakeholders, facilitating market development through global and regional events, and knowledge management and outreach.

The PHRD Fund has contributed more than \$6 million to this effort through the years, with strong results:

- Enabled developing country participation at Carbon Expo, the premier international carbon market event, and at regional events
- Sponsored training programs and events that educate thousands of professionals on participation in the carbon market
- Provided capacity building activities in more than 45 developing countries plus regional market development activities in South and West Africa
- Facilitated the development of innovative financing mechanisms: Mexican Carbon Facility, Brazil auctioning platform, among others



## 4. PEOPLE, PARTNERSHIP, AND KNOWLEDGE

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### CREATING OPPORTUNITY FOR THE POOR

According to recent development indicators, the world is making some progress on reducing poverty and improving the quality of life in developing countries. Yet, significant challenges remain, particularly for the poorest of the poor, for women, and for the disenfranchised, such as disabled people.

Through the years, the PHRD Fund has provided \$10 million to low-income countries so they can prepare their formal poverty reduction strategy

papers. These important documents are used by the World Bank and the International Monetary Fund as the basis of concessional assistance for low-income countries that have received debt relief under the enhanced Highly Indebted Poor Countries Initiative. This allows them to continue to receive aid despite their debt load.

In addition to this strategic assistance for low-income countries, the PHRD Fund supports the World Bank's broader efforts to reach the poor in developing countries, with an emphasis on:

- Physical infrastructure: building bridges, roads, water lines, modern communications networks
- Empowerment: connecting poor micro-entrepreneurs with financing and resources to help them build their businesses
- Economic growth: developing legal and regulatory frameworks, improving public financial management, enhancing industry productivity



Photo credit: Curt Carnemark

## WHERE ARE THE POOR? WHAT DOES POVERTY LOOK LIKE?

### Mapping project allows for better development planning

A recently developed series of maps details in depth, spatially referenced data on hunger, infant mortality, income poverty and other related indicators at the global, regional, national and local scales. They provide an array of geo-referenced poverty estimates at very high levels of spatial resolution.

The PHRD Fund co-financed this joint initiative of the Center for International Earth Science Information Network and the World Bank in 2007 to increase awareness of the scope and extent of poverty around the world.

“These collections make possible radically new approaches in poverty reduction strategies, in aid evaluation, and in the general understanding of the geographic drivers of development,” notes a news brief on the project from Columbia University’s Earth Institute.

## TAPPING INTO GEORGIA'S POTENTIAL AS AN AGRICULTURAL EXPORTER

Agriculture employs a lot of people in Georgia. It is often the only job opportunity available in rural communities. It also represents significant potential for the country, which has the climate and soil resources needed to become a net exporter.

Yet, the country is struggling to produce the quality and quantity needed to gain a foothold in export markets. Small farmers are constrained because of limited access to working capital, strong seed varieties and new technologies. They lack an organized infrastructure to market their products. And the inefficiency of many Georgian agro-processors means that they can’t offer favorable prices, technology, quality control or credit to farmers.

PHRD funding helped to prepare a strong and viable project design for a wide-ranging agricultural development initiative here. The initiative is aimed at improving agricultural production and expanding access to markets for smaller farming operations by increasing the competitiveness of selected supply chains and strengthening financial intermediaries.

The project has made a difference already, giving farmers and agro-processors increased access to credit to support process improvements that will increase efficiency, product quality and farm productivity, so that Georgia can compete for its share in the global agricultural export market.

One such beneficiary is microfinance institution Finagro, which has started to provide affordable lines of microcredit to farmers as a result of the favorable terms it received through the project.

“Microfinance organizations do not have the luxury of getting good loan conditions,” explains Giorgi Chonishvili, head of Finagro’s supervisory board. “Other donors and commercial banks give us credit under worse conditions, with higher interest rates. The conditions offered under this project are truly acceptable for us, and accordingly, we offer farmers an opportunity to get loans with good interest rates.”

Since PHRD's inception, preparation grants have contributed to deepened development impact and stronger results for World Bank projects that attack poverty on multiple fronts. Positive results of such early round efforts include:

- Construction of a water pipeline that provides 4.5 million people with clean drinking water in five regions in Kerala, India
- Community development activities in Madagascar, such as generating income for poor citizens and enrolling malnourished children in schools that provide food
- National urban sewer, sanitation and drainage strategy and action plan in the Philippines and identification of priority infrastructure projects in five cities

## PARTNERING FOR THE PUBLIC GOOD

When the issues are so critical and the impacts are so far-reaching—HIV/AIDS; hunger and food insecurity; the increase in number and intensity of natural disasters; impacts of global warming on livelihoods, to name a few—leveraging the power of partnership and collaboration offers the best hope for enduring solutions.

Since its inception, the PHRD Fund has emphasized partnership in addressing World Bank strategic priorities. This partnership approach means that the fund contributes to efforts that receive financing from other sources and to work being done by other organizations.

The fund also contributes to other World Bank-managed global and regional trust funds. In the process, Japan has developed strong working relationships with other donors in addressing critical



challenges, leading to sustainable improvements for people across the income spectrum.

Partnering support for on-going work at the World Bank includes specific issues that transcend borders and incomes. Among recent PHRD Fund grants for such analytical work:

- Universal health coverage: joint analytical studies, consultations, and public awareness activities to strengthen health systems in developing countries, as part of the effort to meet the Millennium Development Goals.
- Learning from mega disasters: a program of knowledge sharing and exchange between the World Bank and Japan. Following the March 2011 disaster in Japan, the World Bank and Japan began a joint project to develop a collaborative framework on disaster risk management and reconstruction.

The Japan-World Bank Partnership Program, supported by the PHRD Fund, is aimed at building and sharing knowledge between the World Bank and Japanese research organizations.

- Partnership grant to strengthen Asian economies: promoting collaborative research among major Asian think-tanks and academics on regional and financial issues through the Japan-World Bank Partnership Program.

### STUDY ASSESSES AFRICA'S MANUFACTURING OPPORTUNITIES

#### Can Africa become a location of choice for global manufacturing?

A recent study, funded by PHRD in partnership with the Bank-Netherlands Partnership Program, draws on innovative analytical research to show that Sub-Saharan Africa could become competitive in light manufacturing and create millions of productive jobs in the process.

Comparisons are made with Asian countries to benchmark Africa's potential. A focused and pragmatic policy agenda is proposed for Ethiopia, with additional insights for Tanzania and Zambia in this extensive, four-volume study, the first of its kind.

### PHRD FUND IN PARTNERSHIP

The PHRD Fund supports ground-breaking work on issues of global importance being done by leading global and Japanese organizations. Here are a few of the PHRD Fund's partners.



**Consortium** CGIAR, a global agricultural research initiative, aims to make supplies of basic foods in

developing countries dependable by improving the productivity and the quality of the crops farmers grow and the ways they grow them.



The international AIDS Vaccine Initiative—a multi-donor funded non-profit—is researching and developing safe, effective, accessible,

preventive HIV vaccines for use throughout the world. The PHRD Fund participates in this initiative.



JAXA satellites collect observations on the changes in the earth's crust, enhancing prediction capabilities for earthquakes and other natural disasters

and expanding the knowledge base about the effects of global warming. JAXA's DAICHI satellite provided data on the impact of global warming on the geography of a number of Latin American countries through PHRD grant funding.

## NURTURING YOUNG MINDS

Japan places high emphasis on educating its young people. This emphasis is reflected in the PHRD Fund's focus on education, training, skill building, and knowledge transfer. In fact, knowledge lies at the core of all the work supported by the fund.

The fund has financed technical assistance to developing countries for design of education projects that subsequently receive funding by the World Bank. These projects give school children access to twenty-first century learning opportunities so they can make their way in a world that is increasingly reliant on technology and innovation. PHRD funds have supported projects to address the range of issues that get in the way of student achievement in developing countries, from hunger and high dropout rates—particularly for girls—to insufficient teacher training and lack of modern text books.

For example, a PHRD co-financing grant supporting access to universal quality education in Senegal enabled detailed data collection on student achievement, which was used to develop pilot interventions

### TRAINING TEACHERS FOR SUCCESS IN GAMBIA

In Gambia, teachers are better prepared and having more success in the classroom as a result of training and skills-building activities, part of a wide-ranging education project co-financed through PHRD grants.

The effort has reduced teacher attrition and improved educational outcomes, leading to lower dropout rates, and increased enrollment—particularly for girls who are most at risk of leaving school before graduation. Funding also contributed to facilities improvements that have helped improve health and hygiene, including through upgraded toilets and clean drinking water.



to boost test scores. And in Romania, a higher education project prepared with support from PHRD's technical assistance program has resulted in policy reforms that have improved the country's higher education and research system, efforts that are being replicated across the region.

### PHRD funding connects distance learners with Japanese centers of excellence

Another initiative supported by the PHRD Fund is the Japan/World Bank Distance Learning Partnership project. This project is providing distance learners with access to Japanese and regional development-related content through distance learning centers affiliated with the Global Development Learning Network in East Asia and the Pacific.

The initiative is a partnership with the Tokyo Distance Learning Center, a world-class distance learning center with state-of-the-art facilities for videoconferencing and multimedia production, and highly capable staff.

Of note, the project enables:

- Enhanced access by developing countries to the knowledge resources and development expertise of Japanese institutions

- Enhanced opportunity for Japanese institutions to undertake outreach and forge partnerships with countries and institutions of other regions
- Successful adoption of a network-oriented, regional approach to knowledge sharing and capacity building

The learning network has become a well-functioning regional association, serving as a platform to support the knowledge-sharing and learning programs of the World Bank and other development partners.

## EDUCATING NEW GENERATIONS OF DEVELOPMENT LEADERS

Knowledge is a foundation for development. This is the underlying premise of the Joint Japan/World Bank Graduate Scholarship Program. For more than two decades, this unique program, funded by the PHRD Fund and administered by the World Bank Institute, has provided officials and development personnel in developing countries access to graduate degree studies from outstanding academic institutions. Japan is unique in sponsoring such an extensive, targeted education and knowledge initiative, aimed at building local capacity so that countries can cultivate their own cadre of well-educated, highly skilled professionals to create and advance their development agendas.

The educational opportunities afforded by this program are producing new generations of visionary, passionate leaders who learn from world-class academics, exchange knowledge with each other and bring their knowledge back home to put it toward institution-building and development in their own nations. This knowledge exchange extends to the global stage as well, as they share their knowledge with the greater community of development professionals and provide new insight to the universities where they studied.

### By the Numbers: Joint Japan-World Bank Graduate Scholarship Program

- 5,000 plus alumni
- 99 percent complete studies
- 50 percent women
- 83 percent return to home country
- 95 percent employed
- 80 percent of graduates work directly on development-related issues
- 32 percent work in central government agencies



## How the Joint Japan/World Bank Graduate Scholarship Program works

The program—also known by its acronym, JJ/WBGSP—sponsors scholars from central banks, ministries and civil service departments and institutions, including universities and schools, who actively participate in the development process in their countries. Partnership programs with world-class universities in Japan and other countries enable scholars to receive specialized training in key areas of development, such as economic policy management or infrastructure management, leading to advanced degrees. In addition to using what they have learned for the benefit of their own countries, cohorts of young scholars contribute to the global knowledge base about development through their own research.

The JJ/WBGSP provides educational opportunities at three levels:

- Graduate studies scholarships for qualified candidates in development-related fields at universities in Japan and other countries
- Access to global knowledge and international networking while scholars are earning their degrees, by way of knowledge-sharing forums and other learning activities
- Life-long learning opportunities after degree completion through alumni activities such as alumni study tours in Japan.

## IN THEIR OWN WORDS

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JJ/WBSP scholars talk about bringing their knowledge back home and making a difference where it counts.

*"I have returned to Uganda to assume a leadership position at the Central Bank. As a result of my studies, I am taking a pro-active role in the quantitative formulation of monetary and financial policies that will in turn translate into sustainable development for my country."*

Caroline B. Ntumwa  
Financial Analyst  
Central Bank, Uganda

*"For me, the program was very helpful to improve my skills and it truly benefited my country because I brought these skills to my role as finance minister."*

Luis Carlo Jemio  
Former Minister of Finance  
Bolivia

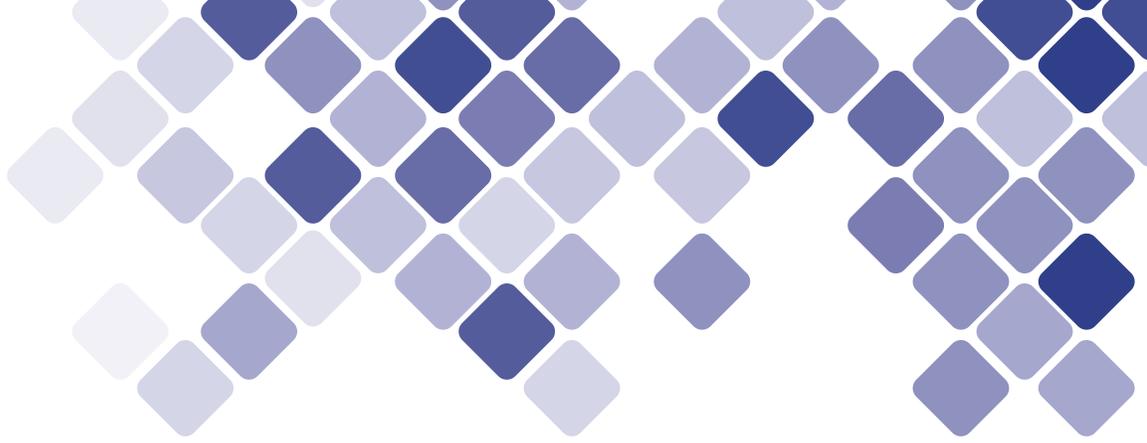
*"The lessons learned through my JJ/WBGSP- supported graduate studies and through an alumni study tour of Japan have broadened my professional exposure and contributed to my skills and knowledge in the economics of development, so I can continue my work to improve Kenya's economy."*

Peter Kibet Biwott  
Development Economist  
Ministry of Trade, Kenya

*"One of the pressing challenges currently facing Bhutan is the need to accelerate economic growth so that the national objective of reducing poverty and promoting balanced and equitable development throughout the country can be achieved effectively. At the same time, the Bhutanese government wants to ensure that the environment is well protected and that the country's cultural and traditional heritage continues to flourish."*

*Understanding and incorporating certain elements of the Japanese way—things I observed on my study tour in Japan such as investment in building up human capacity through education and skills-building—would definitely benefit my country."*

Tashi Choden  
Senior Researcher  
Centre for Bhutan Studies, Royal Government of Bhutan



## 5. NEW CHALLENGES IN A CHANGING WORLD

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**B**uilding on its track record of experience, today's PHRD Fund is nimble and responsive, helping the World Bank to address newly emerging challenges in a changing world. Its flexible structure allows continued alignment with World Bank strategic priorities, and addresses Japan's strong interest in partnering with the Bank on these priorities.

Meanwhile, the fund remains true to its origins with a continued focus on enhancing human resources capacity in developing countries. As issues evolve and change, government officials and development professionals alike will need new tools, skills and knowledge to address them. Through its grant

funding, PHRD makes this happen. Recent allocations include:

- \$100 million to improve rice productivity in Africa to address food insecurity and malnutrition
- \$50 million to enhance disaster risk management capabilities in South Asia and in Pacific Island countries that are highly vulnerable to natural hazards
- \$40 million to overcome economic, social, and cultural barriers for people with disabilities in five nations
- \$10 million to support pandemic virus prevention research

*“...Disaster risk reduction and increasing resilience to all types of natural hazards..in developing countries.. can have multiplier effects and accelerate achievement of the Millennium Development Goals...”*

*“...Policies and actions must focus on the poor and those living in the most vulnerable situations, including persons with disabilities, so that they may benefit from progress towards achieving the Millennium Development Goals...”*

*“... We commit ourselves to... increasing the rate of agricultural productivity growth in developing countries ... and supporting agricultural research and innovation, extension services and agricultural education in developing countries...”*

—Excerpts from Resolution by the United Nations General Assembly on Keeping the Promise to Achieve the Millennium Development Goals



Photo credit: Scott Wallace

## IMPROVING AGRICULTURAL PRODUCTIVITY IN AFRICA

Global price volatility for food staples has meant that it is more expensive for people all over the world to feed their families. Cost increases impact citizens across the income spectrum, leaving more families to wonder where their next meal is coming from. This food security crisis threatens to undo progress achieved on the Millennium Development Goal to reduce by half the number of people living in poverty by 2015.

“Rice research in Africa provides a strong case for investment.”

Peter Matlon,  
Chair of the Board of Trustees of  
AfricaRice, a consortium of African  
governments

It is a growing concern with complex root causes and multiple implications: infant mortality, hunger, malnutrition, political unrest and civil disturbance, to name but a few. And it requires innovation, intervention and action on many fronts.

The PHRD Fund has long supported projects to address food price volatility in low- and middle-income countries. More recently, the fund has targeted efforts to enhance agricultural productivity in Africa as a way to stabilize the cost of food and increase the food supply. In 2011–12 alone, the PHRD Fund committed \$20 million for agricultural research and \$80 million in support of new agricultural approaches. Specifically, the focus is on tapping into Africa’s potential as an agricultural center for rice production.

Why rice? This long-time staple of the Asian diet offers tremendous potential as a weapon in the fight against hunger in Africa. The climate and geography in parts of the continent make it ideal as a center for rice production. And Africa’s appetite for rice is growing. The volume of rice imports into Africa has increased astronomically in recent years. In Liberia in 2008, for example, import volume soared to 225,000 metric tons, valued at an estimated \$200 million, according to Liberian newspaper *The New Dawn Liberia*—a cost the struggling post-war government could ill afford.

Many African nations have yet to take advantage of the opportunities that could come with expanded rice production—increasing the availability of locally-produced, lower-cost, and high quality food staples; diversifying agricultural production to mitigate business risk; and creating a new source of regional trade. Now this is beginning to change, as governments, agricultural authorities, economic development officials, and farmers alike understand more about the value of expanding rice production and focus on researching ways to develop rice varieties that can flourish in African soil. Notes Peter

Matlon, Chair of the Board of Trustees of AfricaRice, a consortium of African governments, “Rice research in Africa provides a strong case for investment.”

### About the Africa Rice Development Program

In acknowledging the enormous potential rice holds for Africa, a new organization—the Coalition for African Rice Development—was created to oversee efforts to expand agricultural production of rice in Africa. Launched in 2008 alongside the Fourth Tokyo International Conference on African Development, the coalition is a collaborative effort that includes the Japan International Cooperation Agency, the Alliance for a Green Revolution in Africa and the New Partnership for African Development.

The work is aimed at reducing Africa’s reliance on higher-priced rice imports and improving food security while building a thriving agricultural industry that can contribute to broader economic improvements.

With a strategy that encompasses research on heartier rice varieties that can thrive in African soil and withstand disease, as well as knowledge sharing and training for rice farmers on ways to improve crop yield, the program is starting to yield results. For example, at an August 2012 conference, Madagascar’s agriculture minister Roland

Ravatomanga said that his country is on track to cut its rice imports by half—from 20 percent to 10 percent of their rice consumption—in the next year. And rice is now a major livelihood option for farmers in Ethiopia, who are using new stress-tolerant and climate-resilient rice production technologies to improve farm productivity.

### PHRD Fund role

PHRD Fund contributions to the Africa Rice Development Program include:

- \$20 million to support rice coalition partner CGIAR’s research on rice productivity
- \$35 million grant to support participation of Cote d’Ivoire, Guinea, Liberia and Sierra Leone in the West Africa region’s Rice Research and Productivity Development Program
- \$14.25 million grant to boost Tanzania’s rice production, connect farmers to markets, and increase use of technology for agribusinesses in Morogoro, Kilimanjaro, Meyer, Tabor, Centre and Kwanza
- \$15 million for sustainable irrigation funding in Mozambique

As the work moves forward in Africa, the research, knowledge and experience gained can be shared with other regions as they confront this global challenge.

## REDUCING DISASTER RISKS

Close to home, Japan and the PHRD Fund are improving disaster preparedness in Asia and the Pacific Islands. As a nation, Japan understands all too well the depth and breadth of destruction caused by natural disaster. The Great East Japan Earthquake and Tsunami of 2011 is only the most recent example of Japan's experience with such catastrophic events.

Out of these national traumas have risen world class expertise, academic leadership and technical skills in the area of disaster preparedness, which are contributing to building the global knowledge base on how to prepare and respond when disaster strikes.

PHRD grants are funding several projects aimed at helping vulnerable nations such as Mongolia, Lao PDR, Bangladesh and Nepal, as well as other countries in the Asia-Pacific region, to understand more about actions they can take to reduce the damage and loss of life caused by such events.

### About the Pacific Catastrophic Risk Assessment and Financing Initiative

The southern portion of the Pacific "Ring of Fire" is where continental plates in the earth's crust collide. It is one of the most disaster-prone regions on earth, and the devastation can be catastrophic: some countries here face losses from a single event that are equivalent to their entire annual gross domestic product. Average annual direct losses caused by natural disasters in the South Pacific region are estimated at \$284 million. The consequences of these natural disasters are especially dire for the poor, who tend to live in higher-risk areas, and typically have fewer options in terms of protection or risk mitigation.



Photo credit: Curt Carnemark

### ASSESSING THE VULNERABILITY OF PACIFIC ISLAND NATIONS

The Pacific Risk Assessment and Financing Initiative addresses disaster risks in these vulnerable nations:

- Cook Islands
- Federated States of Micronesia
- Fiji
- Kiribati
- Marshall Islands
- Nauru
- Niue
- Palau
- Papua New Guinea
- Samoa
- Solomon Islands
- Timor Leste
- Tonga
- Tuvalu
- Vanuatu

Now, an ambitious effort is underway, aimed at creating disaster risk assessment tools and practical technical and financial applications to reduce and mitigate the vulnerability of low-lying Pacific Island countries to natural disasters.

The Pacific Catastrophic Risk Assessment and Financing Initiative is a multi-pronged effort, part of a broader agenda to address the impacts of climate change in the region. The joint initiative between the World Bank, Asian Development Bank and South Pacific Applied Geoscience Commission is co-funded by Japan through the PHRD Fund and the Global Facility for Disaster Reduction and Recovery.

Already, the project has generated:

- State-of-the-art catastrophe risk models
- Country disaster risk profiles
- Disaster and climate risk financing and insurance models

In addition, a massive database provides a detailed look at the landmass of 15 Pacific island nations. The database represents the most comprehensive exposure dataset for this part of the world to date, and includes information on major cash crops, ground cover, topological maps and population. Also provided is a complete set of hazard maps for the region and simulated risk and loss maps at a level of precision that can be used for planning purposes.

An important aspect of the effort involves improving post-disaster analysis and future disaster risk reduction planning. The initiative is providing funding for guidance and advice to officials in the Pacific Island nations on ways to reduce fiscal shocks through catastrophe financing such as budget reserves, contingency facilities, or catastrophe insurance and by establishing new building codes and rapid post-disaster assessments.

## BREAKING DOWN BARRIERS FOR PEOPLE WITH DISABILITIES

The disabled often are among the most isolated and disconnected people in their communities, regardless of where they live. Given the lengthy list of development priorities facing many emerging market nations, they may neglect the issues facing the disabled as they conduct development policy dialogue and implement projects.

But with more than one billion of the world's population living with disabilities, governments cannot afford to overlook them. In fact, the World Report on Disability 2011, a joint report by the World Bank and the World Health Organization, reveals that people with disabilities have generally poorer health, lower education achievements, fewer economic opportunities and higher rates of poverty than people without disabilities. This is largely due to the lack of services available to them and the many obstacles they face in their everyday lives.

The PHRD Fund supports activities aligned with the recommendations provided in the report, such as ways to overcome barriers to health care, rehabilitation, education, employment, and support services, and to create the environments which will enable people with disabilities to flourish.

Priority areas include:

- Capacity building for government organizations, civil society organizations, and private sector to mainstream disability in service delivery systems, including improving access to education and job skills training, and increasing entry into the job world
- Introducing innovative approaches to improve the well-being of the disabled
- Strengthening disabled people's voice in the development dialogue by building up capacity of disabled people's organizations in emerging markets



Photo credit: Masaru Goto

### EMPOWERING THE DISABLED

Disabled people in five developing countries will soon have new opportunity as a result of PHRD-funded projects that will break down barriers preventing them from being a part of broader society.

- In Romania, law-makers will have more reliable data and information so they can develop policies in support of disabled people.
- In Morocco, people with limited mobility will have better access to public institutions and facilities.
- In India's Tamil Nadu province, people with mental impairment will have fuller participation in community activities and job training.
- In Lima, Peru, the municipality is increasing its accessibility for people with limited mobility by expanding the pedestrian grid and enhancing public transportation.
- In Guinea, school officials and teachers will receive training and tools so that children with mild disabilities can learn with other children in regular classroom settings.



## 6. LOOKING AHEAD

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**W**ith its vast experience at home and abroad, Japan will no doubt play a key leadership role in addressing existing and new development challenges that emerge in the coming years. Through the PHRD Fund, the strong partnership between Japan and the World Bank will contribute greatly to these efforts.

Knowledge is an important component of any effort to help developing countries tackle their economic, social, and environmental challenges. Japan's continued unwavering support of the PHRD Fund will help to expand and enhance the global

knowledge base on development-related issues, and allow for broader opportunities to share this knowledge. In this way, developing countries will have increased access to education, research, and knowledge so they can build the skill sets and human resources capacity to address the complex issues they face.

In looking forward to a shared future, the partnership between Japan and the World Bank builds on the PHRD Fund's proud legacy—spanning nearly 25 years—of commitment to reducing poverty and improving people's lives.





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[www.worldbank.org/cfp](http://www.worldbank.org/cfp)

## PHRD FUND AT A GLANCE

Established nearly 25 years ago by the government of Japan in collaboration with the World Bank

First-of-its-kind, flexible grant fund for technical assistance for developing member countries of the World Bank

Successful approach has built institutional and human resources capacity so countries can access billions in support of development priorities

Technical assistance funded through PHRD laid the foundation for more than 30 percent of all World Bank-financed operations in developing countries

By example, paved the way for other World Bank-managed trust funds disbursing some \$4 billion currently

Emphasis on people: education, knowledge sharing, capacity building, research, and access to technology

Focus on crisis response and preparedness, climate change and environment, and disability

Expanded reach and impact through partnership