

ADB

# Development Effectiveness review 2010

REPORT



Asian Development Bank

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ADB

Development  
**Effectiveness**  
review  
**2010**

REPORT

Asian Development Bank

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# Abbreviations

ADB	– Asian Development Bank
ADF	– Asian Development Fund
CAPE	– country assistance program evaluation
CAREC	– Central Asia Regional Economic Cooperation
PRC	– People’s Republic of China
CO <sub>2</sub>	– carbon dioxide
CPS	– country partnership strategy
CSO	– civil society organization
DEfR	– development effectiveness review
DMC	– developing member country
DMF	– design and monitoring framework
DVA	– direct value-added
GAP III	– Third Gender Action Program
GDP	– gross domestic product
IAE	– internal administrative expenses
IED	– Independent Evaluation Department
km	– kilometer
Lao PDR	– Lao People’s Democratic Republic
m <sup>3</sup>	– cubic meter
MAKE	– most admired knowledge enterprise
MDG	– Millennium Development Goal
MfDR	– managing for development results
NGO	– nongovernment organization
OCR	– ordinary capital resources
PBA	– program-based approach
PCR	– project completion report
PPER	– project performance evaluation report
PPP	– public–private partnership
PPR	– project performance report
RRP	– report and recommendation of the President
SAPE	– sector assessment program evaluation
SMEs	– small and medium-sized enterprises
TA	– technical assistance
XARR	– extended annual review report
UNDP	– United Nations Development Programme
UNESCAP	– United Nations Economic and Social Commission for Asia and the Pacific



# Executive Summary

The 2010 Development Effectiveness Review (DEfR) found that the Asian Development Bank (ADB) continued to improve many aspects of its operational and organizational effectiveness, successfully removing recurrent weaknesses, and was on track to deliver planned operational outputs. However, it also confirmed a declining trend in the delivery of development outcomes from recently completed operations. Given the gravity of this finding, ADB Management is identifying the causes so that it can apply the lessons immediately to improve the quality of new and ongoing operations.

The 2010 DEfR evaluated ADB's progress in implementing Strategy 2020 against its results framework, and highlighted performance trends and needed actions. The DEfR reviewed progress in Asia and the Pacific toward key development objectives (level 1). Against this backdrop, it assessed ADB's performance in delivering core sector outputs and outcomes (level 2), and in improving operational and organizational effectiveness (levels 3 and 4). The summary of overall performance of ADB as a whole, and the Asian Development fund (ADF) as a subset, is presented in the table below.

## Summary Performance Scorecard 2010

	ADB	ADF
<b>Asia and Pacific Development Outcomes (Level 1)</b>		
Poverty and Human Development	mixed	poor ↓
Other Development Outcomes	good	good
<b>ADB Performance</b>		
<b>Core Outputs and Outcomes (Level 2)</b>		
Outputs	good	good
Outcomes	poor ↓	poor ↓
<b>Operational Effectiveness (Level 3)</b>		
Quality of Completed Operations	mixed	poor
Quality at Entry and Portfolio Performance	good	good
Finance Transfer and Mobilization	good	mixed
Financing for Strategy 2020 Core Operational Areas	good	good
Gender Mainstreaming	poor	mixed ↑
Knowledge Management	good	good
Partnerships	good	good
<b>Organizational Effectiveness (Level 4)</b>		
Human Resources	good ↑	good ↑
Budget Adequacy	poor	poor
Business Processes and Practices	good	good

ADB = Asian Development Bank, ADF = Asian Development Fund.

**Good:** Two-thirds or more of key performance indicators (KPIs) in the group are on track or above target.

**Mixed:** Less than two-thirds but more than half of KPIs in the group are on track or above target.

**Poor:** Half or less than half of KPIs in the group are on track or above target.

Exception: If half of KPIs are off track (red) and the other half exceed desired progress or are above target (green), a composite rating of amber, rather than red, is given.

Notes: Arrows show color changes from the 2009 summary performance scorecard. Gender mainstreaming is a KPI within the composite indicator "Financing for Strategy 2020 Core Operational Areas."

Source: ADB Strategy and Policy Department.



In 2010, the region continued to reduce poverty, improve gender equality, and achieve other development outcomes—economic growth, regional integration, basic infrastructure, and governance (level 1: Asia and Pacific development outcomes). However, progress in many non-income poverty indicators remained insufficient. The region is unlikely to meet 6 of the 12 Millennium Development Goal targets for 2015 which are included in the Strategy 2020 results framework. While Asia and the Pacific coped with the global economic crisis relatively well, the recent food price inflation poses another challenge to the region's development and progress in combating poverty.

Assessment of ADB performance at level 2 (outputs and outcomes) relies primarily on evaluation reports of completed operations. ADB remained generally on track to achieve its 2009–2012 output targets (aggregate intended outputs from projects approved in 2003–2006) specified in the results framework for the core sectors—infrastructure (energy, transport, and water); education; and finance. However, ADB performed poorly in delivering core sector development outcomes. More than one-third of recently completed core sovereign and nonsovereign operations (approved on average in 2002) fell short of delivering their intended outcomes. Operations in the water and finance sectors performed particularly poorly. The reasons performance was weaker than expected included complex designs, which often targeted multiple sector outcomes; inadequate supervision; and implementation shortcomings.

The evaluation reports of completed operations also found that only two-thirds of recently completed sovereign operations were *successful* in achieving their objectives (level 3: operational effectiveness). This correlates with the level 2 findings on poor outcome achievement. The level 3 assessment, which examines all ADB operations in core and other sectors, uses a composite rating based on the criteria of relevance, effectiveness, efficiency, and sustainability. The results varied significantly by country. Seventy-five percent of recently completed technical assistance projects were

rated *successful*. ADB performed well in recently completed nonsovereign operations, with 80% rated *successful*. ADB also successfully implemented its country programs in Bhutan and the Lao People's Democratic Republic, according to the two studies undertaken by the Independent Evaluation Department in 2010.

Indications of the quality of current operations are more positive, and also suggest a high degree of alignment with Strategy 2020. The 2010 quality-at-entry assessment confirmed that the design quality of ADB's country partnership strategies and sovereign projects approved in 2008–2009 had improved. All country partnership strategies and about 90% of sovereign projects met the design standards. However, the assessment rated only 57% of nonsovereign projects *satisfactory*, highlighting feasibility analysis, risk assessment, and risk management as weaknesses.

ADB's portfolio performance rating under the new portfolio performance rating system indicates that 25% of ongoing projects are facing implementation challenges and are *at risk* of not meeting their objectives. Effective project implementation is essential to enabling well-designed projects to achieve their intended objectives, and reversing the downward trend in outcome achievement measured at level 2.

ADB continued to perform satisfactorily in mobilizing finance for its developing member countries. It disbursed funds rapidly for sovereign and nonsovereign operations, and further expanded cofinancing operations. Although improved, the level of cofinancing for ADF operations remained low.

Almost all of ADB's new investment operations supported Strategy 2020 priorities, with 92% targeting its core areas of operations: infrastructure, environment, regional cooperation and integration, finance sector development, and education. Operations supporting education expanded. ADB performance in promoting environmental sustainability, private sector development, and regional cooperation and integration continued to meet or exceed targets.

To enable accurate recording of its support for these themes, ADB is reviewing its approach to thematic classification. Support for gender mainstreaming in new ADB operations continued to grow, but progress was insufficient for the ADB 3-year average to be rated *on track*. Progress was more rapid for ADF operations, and the 2010 *DEfR* rated this indicator *on track* for the first time.

The 2010 *DEfR* confirmed the improving trends in ADB's knowledge management and partnerships. An independent survey found that the proportion of staff members who held positive perceptions of knowledge management at ADB had increased. Another survey by development partners also found that ADB performs well in managing knowledge, particularly presenting performance information, monitoring results, and disseminating lessons learned and best practices. ADB undertook communication and outreach initiatives to improve dissemination of its knowledge products using the media and websites. ADB also expanded its work with development partners, including civil society organizations.

ADB's organizational effectiveness (level 4) improved notably in 2010. Supported by a larger budget for 2010, ADB allocated more staff to operations, including in its field offices. The level of staff engagement—job satisfaction, working relationships, internal communication, goals and objectives, physical work environment, employment security—increased. The gender balance at ADB improved, although it still requires considerable efforts by ADB Management to achieve the target. The introduction of the streamlined business processes in 2010 and continued empowerment of field offices enabled ADB to respond more rapidly to clients. ADB expanded efficiency measures to deliver and implement quality projects within its budget.

ADB has continued to transform itself into a results-based organization. It refined and institutionalized its results management system further, and upgraded its tools for managing and reporting results of country operations.

ADB cascaded the Strategy 2020 priorities to department, division, and staff work plans to align their performance with corporate results and strengthen staff accountability. Studies by the international development community recognized ADB as a leading institution on managing for development results.

While noting improved performance in many areas, ADB Management is very concerned about the poor scores reported by the 2010 *DEfR* on outcome achievement and quality of completed operations. Management will investigate the causes by conducting a thorough review of country and sector strategies; project selection, design, and supervision; and use of staff resources and budget. Operations departments will lead this exercise, working closely with the sector and thematic communities of practice. Based on their findings, Management will decide on corrective actions and drive their implementation. This is essential to ensure that ADB's progress on many indicators—including strategic focus, project quality at entry, and efficiency—results in the delivery of effective development outcomes.

Management will ensure expeditious implementation of all ADB initiatives to increase operational effectiveness. More specifically, ADB will

- implement the initiatives defined by the project implementation working group in 2010, targeting (i) total project readiness; (ii) effective project implementation; and (iii) improved organization, staff skills, and incentives;
- mainstream the new portfolio performance rating system for new and ongoing projects to highlight implementation problems early on and drive timely remedial actions;
- develop more rigorous sector assessments and road maps, and improve project performance by incorporating lessons from outcome monitoring and assessment;

- adopt and implement a new water sector operational framework and a new finance sector operational plan, complementing plans already in use for other core sectors;
- strengthen supervision of technical assistance projects through greater selectivity and prudent management of the size of the technical assistance portfolio;
- continue to improve the quality at entry of nonsovereign operations through rigorous risk assessment and management, and sharper focus on development effectiveness;
- promote strategic alliances with development partners to enable early identification of cofinancing opportunities for ADF-funded operations; and
- continue to train staff to better incorporate gender mainstreaming in project design and implementation.

To reinforce improved organizational effectiveness, ADB will

- continue to strengthen ADB staff capacity through effective recruitment and other ongoing initiatives under ADB's new human resources strategy—Our People Strategy, approved in 2010—to improve staff skills, productivity, and motivation;
- intensify efforts to achieve the targets on gender equality at ADB under the Third Gender Action Program (2008–2010), now extended to 2012; and
- expand efficiency measures to deliver and implement quality operations within the given budget.

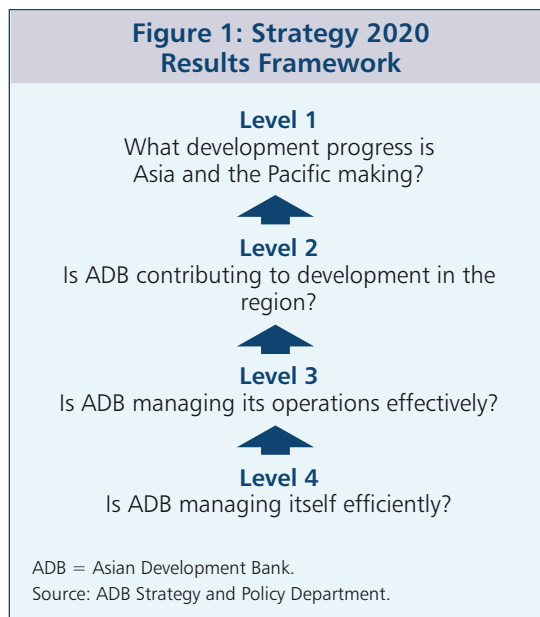
The *2010 DEF*R, ADB's fourth annual corporate performance report, continued to inform Management on ADB's progress and challenges in achieving the goals of Strategy 2020. ADB Management will use this information to analyze the issues further, define corrective actions, and steer their implementation.

# Introduction

The *2010 Development Effectiveness Review (DEFr)* is the fourth annual corporate performance report of the Asian Development Bank (ADB). It assessed the progress ADB made in 2010 toward implementing Strategy 2020.<sup>1</sup> Progress was evaluated against the performance indicators and targets set out in the Strategy 2020 results framework (Figure 1).<sup>2</sup>

The *2010 DEFr* drew on the four review periods since the baseline year to assess the performance of ADB as a whole and the Asian Development Fund (ADF), as required in the results framework. The 4-year perspective provides a clearer picture of ADB's performance trends, challenges, and directions to improve its effectiveness in assisting its developing member countries (DMCs). The comprehensive ADB performance scorecard for 2010 is in Appendix 1.<sup>3</sup>

The *2010 DEFr* revised its assessment process in two ways, consistent with Management's commitment to improving ADB's results management system.<sup>4</sup> First, it used ADB's refined results framework approved by the Board of Directors in January 2011. Appendix 3 provides details on these refinements. Management will review the results framework



more comprehensively in 2012 when existing targets expire and new targets need to be adopted.

Second, the *2010 DEFr* applied an improved performance scorecard system, which provides more objective and timely information to Management.<sup>5</sup> The new system enables the

<sup>1</sup> ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

<sup>2</sup> ADB. 2008. *ADB Results Framework*. Manila. The list of performance indicators, their definitions, and methodology used to compile data are available at <http://www.adb.org/Documents/Policies/ADB-Results-Framework/Results-Framework-Indicators.pdf>

<sup>3</sup> The assessment of ADB generally covers (i) for level 1, progress in all of ADB's DMCs; and (ii) for levels 2 to 4, ADB operations funded by ordinary capital resources (OCR) and the ADF. The assessment of ADF generally covers (i) for level 1, progress in ADF countries (a subgroup of ADB DMCs that have access to ADF, including blend countries with access to both OCR and the ADF); and (ii) for levels 2 to 4, ADF-funded operations. Lists of DMCs by country category are in Appendix 2. Progress assessments generally exclude operations financed from ADB's Countercyclical Support Facility, established in 2009 to help DMCs respond to the global economic crisis, because these operations were outside ADB's regular operations.











<sup>4</sup> ADB. 2010. *Refinements to ADB's Results Framework*. Manila.

<sup>5</sup> For more details, refer also to Supplementary Appendix A for the technical note on the *Development Effectiveness Review* rating system.

traffic signals to capture the likelihood of attaining the targets of key performance indicators, in addition to showing annual change, as in previous *DEFRs* (Table 1). As ADB approaches the target year of the results framework, incorporating target attainability

into its scorecard is essential. The *2010 DEFR* also used an improved methodology for aggregating individual performance indicators in the summary performance scorecard. Appendix 4 provides details on these refinements.

**Table 1: Key Performance Indicator Signals**

Progress (toward achieving target)	Signal	Direction of Annual Change <sup>a</sup>	Actions <sup>b</sup>
<b>At or above target</b>			Monitor or reconsider target
<b>On track</b> (exceeded desired progress to attain target)		Improved	Monitor
		Stable	Monitor
		Deteriorated	Monitor more frequently
<b>On track but watch</b> (met desired progress to attain target, but requires close monitoring)		Improved	Monitor more frequently
		Stagnated	Reinforce actions
		Deteriorated	Reinforce actions
<b>Off track</b> (fell short of desired progress to attain target)		Improved	Reinforce actions and consider new measures
		Stagnated	Decisive action needed
		Deteriorated	Decisive action needed

<sup>a</sup> Improved or deteriorated if annual change is at least 3%; stable or stagnated if change is less than 3%.

<sup>b</sup> Actions depend on the specific situation. Refer to Appendix 4 and Supplementary Appendix A for more information.

Source: Asian Development Bank Strategy and Policy Department.

# Level 1: Asia and Pacific Development Outcomes

Consistent with Strategy 2020, ADB monitors development outcomes in Asia and the Pacific to track progress toward achieving inclusive, environmentally sustainable growth and regional integration. Indicators reflecting these priorities are assessed in this section to monitor the region's progress on these development outcomes and to inform ADB's operational strategy in the region. ADB's performance in support of these outcomes is discussed in levels 2 to 4 of the report.

Before the global economic crisis began in 2008, the region had experienced sustained growth. Rapid growth in the pre-crisis period helped reduce poverty substantially, but progress on other measures of human development in the region was mixed and slower in the weaker ADF countries, particularly the ADF-only countries. However, the trend of widening inequalities seen in recent years may reduce the effectiveness of the region's growth in fostering poverty reduction and human development if growth is not made more inclusive. New and revised data presented in this review, which reflect the pre-crisis situation, do not materially change the picture.

The crisis slowed growth and made poverty reduction and human development harder. The impact of the crisis on poverty and human development outcomes is unclear as data from the crisis years are not yet available. However, the close historical relationship between economic growth and poverty reduction in Asia and the Pacific suggests that the pace of poverty reduction and human development may have slowed.<sup>6</sup> With the upswing in the growth forecast for 2010, the rate of poverty reduction

might have risen again had food price inflation not reemerged in the region.

In January 2011, the global food price index of the Food and Agriculture Organization of the United Nations topped the June 2008 peak reached during the food crisis of 2007–2008. While the price of rice—Asia's major staple—has increased, food price inflation in the region has been confined mainly to non-cereal items such as vegetables, sugar, and cooking oil. Nevertheless, rising international prices of rice and wheat (the other key staple produced and consumed in developing Asia), together with increases in other food items, translated into average regional domestic food price inflation of about 10% annually in January 2011.<sup>7</sup>

If the reemerging food price inflation does not abate, it could undermine the gains of the economic recovery in reducing hunger and poverty in the region. Food comprises a large share (about 60%) of the total expenditures of Asia's poor, and as many as 1.2 billion people in the region are vulnerable to rising food prices. A 10% rise in domestic food prices in developing Asia—home to 3.3 billion people—could push an additional 64.4 million people into poverty, or lead to a 1.9 percentage point increase in the poverty incidence based on the \$1.25-a-day poverty line. Higher expenditures on food may also reduce spending on health and education, making other Millennium Development Goals (MDGs) more difficult to achieve.<sup>8</sup>

With less than 5 years remaining to achieve the MDGs, renewed national initiatives and regional and international cooperation efforts are

<sup>6</sup> ADB. 2010. *Development Effectiveness Review 2009*. Manila.

<sup>7</sup> From June 2010 to February 2011, the international price of rice (Thai 100% B) rose 16.8% from \$474.60 per ton to \$554.33 per ton, while the international price of wheat (US Gulf No. 2 hard red winter) almost doubled from \$181.40 per ton to \$362.00 per ton. ADB. 2011. *Global Food Price Inflation and Developing Asia*. Manila.

<sup>8</sup> ADB. 2008. *Soaring Food Prices: Response to the Crisis*. Manila.

imperative. In September 2010, global leaders met at the United Nations Summit on the MDGs in New York and pledged to accelerate progress in the time remaining. Regional leaders and stakeholders also met in Jakarta in August 2010 to discuss ways to improve the region's performance on achieving MDGs by strengthening inclusive growth and providing better basic services and infrastructure.

### ► Poverty and Human Development Outcomes ADB mixed ADF poor

In 2010, ADB's DMCs as a group (henceforth referred to as "ADB countries") continued to reduce income poverty and improve key human development outcomes, but not fast enough to achieve the associated MDGs by 2015 (Table 2 and Appendix 5, Table A5).<sup>9</sup>

Averages conceal considerable disparities in the achievement of the MDG targets. While East and Southeast Asia fared better than the regional average, other subregions are unlikely to meet the targets for more than half of the 12 indicators of poverty and human development outcomes (Appendix 5, Figure A5.1).

With only 6 of the 12 key performance indicators for poverty and human development outcomes on track or above target, the score for the region is *mixed* (amber). In the ADF group, only 4 of the 12 indicators are on track or above the MDG targets, therefore progress is rated *poor* (red). While ADF-only countries have improved, their achievements were generally poorer than ADF countries as a whole and significantly below the regional average.

#### ▪ Income Poverty ADB ADF

ADB countries reached the MDG target of halving the proportion of people in extreme

poverty (less than \$1.25 per day) by 2015. Strong economic growth in the decade before the crisis lowered the regional poverty incidence to 25% in 2008. However, of the 22 developing countries with available data, as many as 8 (36%) are unlikely to reach the target, underlining the wide disparity in performance. Much of the progress in the region is attributable to East Asia, mainly the People's Republic of China (PRC), where poverty declined substantially both in terms of incidence and absolute numbers.

Moreover, the region still has more than 900 million poor, representing about two-thirds of the world total. About 60% of the region's poor live in South Asia (Appendix 5, Figure A5.2). Sustained and rapid economic growth from 2003 until the global economic downturn in 2008 brought a steady decline in poverty incidence in the subregion, but the absolute number of poor remained unchanged at about 560 million.

ADF countries also achieved the income poverty target. However, their weaker growth performance compared with the region as a whole led to a higher incidence of poverty (28% in 2008). The situation was worse in ADF-only countries, where 34% of their populations remained in poverty despite some improvements.

#### ▪ Quality of Primary Education

ADB  off track ADF  off track

Enrollment in primary education in ADB countries in 2009 was higher at 94% than in all the developing regions of the world combined (89%).<sup>10</sup> As a group, ADB countries are likely to meet the target of near-universal enrollment in primary education. However, the full benefit of primary education is realized only if children complete the last grade of primary school.

<sup>9</sup> The data in this section were prepared by the staff of ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) as part of the partnership between ADB, UNESCAP, and the United Nations Development Programme (UNDP) on the MDGs. A fuller analysis of progress on the MDGs can be found in the partnership's joint annual report: ADB, UNESCAP, and UNDP. 2010. *Paths to 2015: MDG Priorities in Asia and the Pacific*. <http://www.adb.org/Documents/Reports/Asia-Pacific-MDG-2010/mdg-paths-to-2015.pdf>

<sup>10</sup> United Nations. 2010. *The Millennium Development Goals Report 2010*. New York. The developing regions comprise Northern Africa, sub-Saharan Africa, Latin America and the Caribbean, Eastern Asia, Southern Asia, South-Eastern Asia, Western Asia, and Oceania.



**Table 2: Poverty and Human Development in Asia and the Pacific (Level 1)**

Indicator	Asian Development Bank Countries			Asian Development Fund Countries			Asian Development Fund-Only Countries		
	2005	Latest 2008	Target 2015	2005	Latest 2008	Target 2015	2005	Latest 2008	Target 2015
Population living on less than \$1.25 (PPP) per day (%)	27.6	25.0	27.5	33.1	28.4	30.2	38.8	33.9	31.5
Primary education completion rate, both sexes (%)	88.8	90.7 <sup>a</sup>	100.0	79.1	75.9	100.0	69.7	70.2 <sup>a</sup>	95.0
Ratio of girls to boys in:									
Primary education	0.97	1.01 <sup>a</sup>	1.00	0.92	0.95 <sup>a</sup>	1.00	0.82	0.85 <sup>a</sup>	0.95
Secondary education	0.93	0.99 <sup>a</sup>	1.00	0.92	0.96 <sup>a</sup>	1.00	0.71	0.80 <sup>a</sup>	0.95
Tertiary education	0.81	0.91 <sup>a</sup>	1.00	0.70	0.76 <sup>a</sup>	1.00	0.49	0.52 <sup>a</sup>	0.95
Women in nonagricultural wage employment (%)	30.0	30.9	Increase	26.4	27.1	Increase	27.9	27.7	Increase
Under-5 child mortality (per 1,000 live births)	60.7	54.6	29.8	76.2	70.8	38.3	146.7	144.4	54.6
Women (aged 15 and above) living with HIV (number, million)	1.31 <sup>b</sup>	1.72 <sup>a</sup>	Halt or reverse	0.14 <sup>b</sup>	0.30 <sup>a</sup>	Halt or reverse	0.072 <sup>b</sup>	0.065 <sup>a</sup>	Halt or reverse
Population with sustainable access to improved water source (%):									
Urban	95.2	95.5	96.7	90.8	90.8	95.3	82.0	86.1	84.1
Rural	79.1	82.1	81.1	76.1	78.1	82.7	59.6	63.3	71.7
Population with sustainable access to improved sanitation (%):									
Urban	62.2	62.5	77.6	69.8	70.7	82.7	65.4	68.2	79.0
Rural	38.7	41.0	63.3	42.6	46.1	62.8	33.3	35.7	61.3

PPP = purchasing power parity.

Note: Asian Development Bank (ADB) countries include all of its developing member countries. Asian Development Fund (ADF) countries are a subset of ADB countries that have access to the ADF (including blend countries with access to both ordinary capital resources and the ADF). ADF-only countries are a subset of ADB countries that have access only to the ADF. ADB, ADF, and ADF-only country lists are based on country classification during the eighth replenishment of the ADF (Appendix 2).

<sup>a</sup> 2009 data.

<sup>b</sup> 2001 data used for baseline.

Sources: Regional aggregates are jointly prepared by staff from ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division as part of the partnership between ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals. Estimates use a weighted average of actual country values or imputed country values wherever data are missing for the year required; population data are obtained from the United Nations Population Division. *World Population Prospects: The 2008 Revision*. Population Database. <http://esa.un.org/unpp/>; and HIV indicator data are from the Joint United Nations Programme on HIV/AIDS (UNAIDS). 2010. *Report on the Global AIDS Epidemic 2010*. Geneva.



In 2009, the primary education completion rate for ADB countries was 91%, and neither ADB nor ADF countries are likely to meet the 2015 target of ensuring that all children complete a full course of primary education.

Among the subregions, the Pacific lagged farthest behind (greatly influenced by Papua New Guinea) with a primary education completion rate of 58% in 2009; followed by Central and West Asia (pulled down particularly by Afghanistan and Pakistan) with 66%.<sup>11</sup> Between 2005 and 2009, South Asia, particularly Bhutan and India, improved most rapidly. The situation is especially challenging in ADF countries, where the primary completion rate fell from 79% in 2005 to 76% in 2009. Bangladesh, where the completion rate declined from 61% to 55%, figured prominently in this group. The reasons students in Bangladesh are not completing primary school are representative of other ADF countries: rising enrollment without a corresponding improvement in facilities, continued poverty, and excessive distances to school. These factors combine to reduce the benefits of schooling compared with working to supplement household incomes.<sup>12</sup>

- **Gender Equality—Ratio of Girls to Boys in**  
**Primary Education** ADB ADF
- Secondary Education** ADB ADF
- Tertiary Education** ADB on track ADF off track

In 2009, 35 of the 40 ADB countries reached gender parity at the primary and secondary school levels, including several countries in the Pacific, improving the chances of reaching the

target of gender parity in tertiary education by 2015. Despite making good progress, Central and West Asia remained behind the regional average (particularly Afghanistan). The Pacific as a whole lagged, pulled down by the performance of more populous Papua New Guinea.<sup>13</sup> ADF countries were slightly below the regional average for primary and secondary education, and the disparity was larger in tertiary education.

- **Women in Nonagricultural Wage Employment** ADB on track ADF on track

Women's participation in nonagricultural wage employment made progress in both ADB and ADF countries. However, progress continued to be constrained by sociocultural factors and inadequate opportunities for women, including the continued lack of gender parity in tertiary education. Among the subregions, South Asia was the weakest, with only 20% of women in nonagricultural wage employment, followed by Central and West Asia (heavily influenced by Afghanistan and Pakistan) with 23%.<sup>14</sup>

- **Access to Health—Under-5 Child Mortality** ADB off track ADF off track

Meeting health-related MDGs remains a steep challenge for ADB countries. Although under-5 child mortality fell from 61 deaths per 1,000 live births in 2005 to 55 per 1,000 in 2008, progress has been too slow to meet the target of reducing the overall under-5 mortality rate by two-thirds by 2015. Child mortality in ADF countries declined from 76 deaths per 1,000 live births to 71 per 1,000 in the same period, but remained nearly 30% higher than in ADB

<sup>11</sup> Excluding Papua New Guinea, the completion rate for the Pacific was 83%. Excluding Afghanistan and the more populous Pakistan, the completion rate for Central and West Asia was 98%. This report follows ADB's subregion groupings which include Afghanistan and Pakistan in the Central and West Asia subregion.

<sup>12</sup> Government of the People's Republic of Bangladesh, General Economics Division, Planning Commission, and UNDP Bangladesh. 2010. *A Situation Analysis Report on Education (MDG 2) Bangladesh: A Baseline for Needs Assessment and Costing*. [http://www.undp.org.bd/projects/prodocs/PRS\\_MDG/Situation%20analysis\\_education.pdf](http://www.undp.org.bd/projects/prodocs/PRS_MDG/Situation%20analysis_education.pdf) (accessed 24 February 2011).

<sup>13</sup> In Central and West Asia, the gender parity ratios were lower in Pakistan and especially Afghanistan. Without these two countries, the subregional average would improve in primary (from 0.84 to 0.98), secondary (from 0.84 to 0.97), and tertiary education (from 0.84 to 0.95). Gender parity in the Pacific, excluding Papua New Guinea, would rise in primary (from 0.88 to 0.97), secondary (from 0.76 to 1.05), and tertiary education (from 0.66 to 0.93).

<sup>14</sup> Excluding Afghanistan and the more populous Pakistan, the percentage of women in nonagricultural employment for the subregion was 43.8% in 2008.

countries. ADF-only countries have made little progress since 2005 in reducing child deaths, and the average mortality rate is almost three times that of ADB countries overall. More than half of child deaths are in South Asia. In the region, 30 of the 40 ADB countries are off track for this indicator.

▪ **Women Living with HIV**

ADB  off track ADF  off track

The number of women living with HIV in the region rose from 1.3 million in 2001 to 1.7 million in 2009, making the target of halting the spread of HIV elusive. However, more than half of this increase resulted from the inclusion for the first time of data for the PRC, where 230,000 women were living with HIV. No data were available for the PRC in 2001, the baseline year. The infection rate in ADF countries has increased more rapidly than in ADB countries overall, more than doubling from 140,000 in 2001 to 300,000 in 2009. HIV cases rose particularly steeply in Indonesia (from 3,200 to 88,000) and Viet Nam (from 39,000 to 81,000), highlighting the deteriorating situation in those two countries.

▪ **Sustainable Access to an Improved Water Source**

Urban Population ADB  off track ADF  off track

Rural Population ADB  on track ADF  off track

Clean water supply coverage in urban areas rose slowly from 95.2% in 2005 to 95.5% in 2008 and is unlikely to reach the target of 96.7% by 2015. Growing urbanization outpaced service provision, leaving 61 million of the region's urban dwellers without access to an improved water source in 2008. For ADF countries, coverage among the urban population remained static at 90.8%.

Efforts to provide rural dwellers with access to clean water are on track for the region as a whole. The proportion of the rural population with sustainable access to an improved water source rose by 3 percentage points between 2005 and 2008 to 82%, exceeding the 2015 target of 81%. About 65 million more people in rural areas were provided with clean water.

Drinking water coverage in rural areas of ADF countries also increased, but at a slower rate than ADB countries as a whole, putting the target of 83% out of reach. Between 2005 and 2008, the number of people without access to clean water in ADF countries fell by only 4% compared with 12% for the region as a whole.

Progress was most rapid in East Asia, where the number of people without clean water access (both urban and rural) fell by 18.7% between 2005 and 2008. All regions saw an improvement except the Pacific, where the number of people without coverage grew from 3 million in 1990 to 5 million in 2008.

▪ **Sustainable Access to Improved Sanitation**

Urban Population ADB  off track ADF  off track

Rural Population ADB  off track ADF  off track

The targets for access to improved sanitation appear well out of reach for both urban and rural areas. Almost half of the population in ADB countries lacked access to improved sanitation in 2008. Although the proportion of the population covered rose, the actual number of people in the region without access to improved sanitation was unchanged from 1990 at 1.8 billion. The shortage is most severe in South Asia, home to more than half of the region's population without access to improved sanitation.

► **Other Development Outcomes**

ADB  good ADF  good

Indicators of other development outcomes mostly showed considerable advances. The region achieved moderate per capita growth in gross domestic product (GDP), although the global economic downturn slightly dampened ADB countries' intraregional trade. Finance sector development and basic infrastructure provision continued, and starting a business became easier. With all but one key performance indicator showing appreciable progress, the score for ADB and ADF is rated *good* (green) (Table 3).

**Table 3: Growth, Regional Cooperation and Integration, Infrastructure, Finance, Governance, and Environment in Asia and the Pacific (Level 1)**

Indicator	Baseline Values				Latest Values			
	Year	ADB	ADF	ADF-Only	Year	ADB	ADF	ADF-Only
<b>Gross domestic product per capita</b>								
Gross domestic product per capita (at constant 2000 prices, \$)	2006	1,124	693	364	2009	1,400	783	405
<b>Regional cooperation and integration</b>								
Intraregional trade in total Asia and the Pacific trade (%)	2005	51	58	59	2009	50	60	66
<b>Access to basic infrastructure</b>								
Telecommunications: fixed lines and mobile telephone subscribers (per 1,000 people)	2006	398	275	138	2009	670	687	482
Roads: paved roads for every 10,000 people (km)	2005	12	9	6	2007	13	10	7
Electricity: household electrification rate (%)	2002	68	47	18	2009	78	60	32
<b>Finance</b>								
Banking assets to gross domestic product (%)	2005	78	57	59	2008	81	61	64
<b>Governance</b>								
Cost to start business (% of gross national income per capita)	2006	42	49	66	2010	26	27	30
Time to start business (days)	2006	43	45	52	2010	34	34	38
Governance and public sector management assessment from country performance assessments	2006		3.3	3.3	2010		3.5	3.5
<b>Environment</b>								
Carbon dioxide emissions (tons per capita)	2005	2.5	1.1	0.4	2007	2.8	1.2	0.4

ADB = Asian Development Bank, ADF = Asian Development Fund, km = kilometer.

Notes:

1. ADB countries include all of ADB's developing member countries. ADF countries are a subset of ADB countries that have access to the ADF (including blend countries with access to both ordinary capital resources and the ADF). ADF-only countries are a subset of ADB countries that have access only to the ADF. ADB, ADF, and ADF-only country lists are based on country classification during the eighth replenishment of the ADF (Appendix 2).
2. Intraregional trade as a share of total trade in Asia and the Pacific is computed as the ratio of the total trade of the country grouping with Asia and the Pacific to the country grouping's total trade with the world. The higher the share, the more integrated the country grouping is with Asia and the Pacific. Total trade is the sum of exports and imports.

Sources: World Bank, World Development Indicators Online database for gross domestic product per capita, access to telecommunications, paved roads, and carbon dioxide emissions; World Bank, Doing Business Online database for cost and time to start business; International Monetary Fund, Direction of Trade Statistics CD-ROM (issued in January 2011) for intraregional trade; United Nations, *World Population Prospects: The 2008 Revision for Population*; Organisation for Economic Co-operation and Development; and International Energy Agency, *World Energy Outlook 2010*. Paris for electrification; ADB Office of Regional Economic Integration for finance; and ADB *Country Performance Assessment Ratings 2010* for governance and public sector management assessment.

## ▪ Per Capita Gross Domestic Product

ADB  on track ADF  on track

Despite the slowdown in external demand that began in 2008 as a result of the global economic crisis, the economies of developing Asia avoided overall economic contraction. Average per capita GDP for ADB countries grew by 6.1% in 2009, supported by strong growth in the PRC and India, even as other economies across the region decelerated because of the credit contraction and sharp decline in exports.

The robust economic expansion in the third quarter of 2010 provides more evidence that the region is leading the world out of the economic downturn. As a result of strong growth in the PRC and India, as well as a more upbeat outlook for most other economies, the average per capita GDP of ADB countries was expected to grow at 7.5% in 2010. However, rising global food prices, if protracted, could trim growth expectations for 2011 (footnote 7).

The sharp difference in development between ADF countries and ADB countries is reflected in the significantly lower levels of per capita GDP and growth rates in ADF countries. The average GDP per capita of ADF countries is about half that of ADB countries, while the average for ADF-only countries is less than a third of the ADB average.

## ▪ Regional Cooperation and Integration

ADB  watch ADF  on track

The share of ADB countries' total trade with the region declined from 51% in 2005 to a low of 49% in 2008 before rebounding to 50% in 2009. The lack of growth in intraregional trade during the crisis may be because a large share of intraregional trade in Asia and the Pacific consists of production-sharing arrangements for the export of final goods to the developed


countries.<sup>15</sup> Thus, trade integration within the region is closely linked to global integration, and the 23% loss in global trade in 2009 led to an 18% contraction in total trade in Asia and the Pacific.

Rising intraregional trade is more likely for ADF and ADF-only countries that trade mostly with close neighbors because of their less-developed production capacities and trade infrastructure. The combined share of trade of ADF countries with the region rose from 58% in 2005 to 60% in 2009 (after reaching a high of 61% in 2008). ADF-only countries realized a more substantial increase. Intraregional trade in Asia and the Pacific is comparable to the European Union, where 50% of trade is intraregional, and significantly higher than Latin America and the Caribbean (20%) and sub-Saharan Africa (13%).

## ▪ Access to Basic Infrastructure

### Telecommunications

ADB  on track ADF  on track

Roads ADB  on track ADF  on track

Electricity ADB  on track ADF  on track

Achieving the MDGs in the region requires building more extensive basic infrastructure, particularly telecommunications, roads, and electricity. The region significantly improved access to basic infrastructure in 2005–2008, but ADF countries lagged overall in such improvements. Telecommunications expanded especially rapidly, particularly in ADF countries, which overtook the region as a whole in telecommunications provision in 2009. ADF countries also gained in household electrification, which grew at 26% during 2002–2009 compared with 14% for ADB countries.

Paved roads per 10,000 people<sup>16</sup> increased on average only 1 kilometer (km) across the region

<sup>15</sup> According to estimates of the ADB's Office of Regional Economic Integration, using data in the last 5 years from the United Nations Commodity Trade Statistics Database, downloaded 2 December 2010, close to half of East Asian exports were intraregional and about 70% of these were intermediate goods that were reexported as final goods. S.Y. Chia. 2010. *Trade and Investment Policies and Regional Economic Integration in East Asia*. ADB Institute Working Paper 210. Tokyo: Asian Development Bank Institute. <http://www.adbi.org/files/2010.04.05.wp210.trade.investment.policies.east.asia.pdf>

<sup>16</sup> This new indicator replaces "access of rural population to an all-season road (%)." The World Bank, which was the source of the superseded indicator, has discontinued reporting this data in its *World Development Indicators* (WDI). The new indicator is derived from two other indicators in the WDI: (i) paved roads (% of total roads), and (ii) total road network (km), and is supported by much more reliable data collection.

in 2007 from the baseline figure of 12 km in 2005. The expansion was fastest in the PRC at 28.6%. Afghanistan saw a threefold expansion in the road network from 1.4 km per 10,000 in 2003 to 4.9 km per 10,000 people in 2007.

- **Finance** ADB  on track ADF  on track

The share of banking assets to GDP, which is associated closely with the overall level of financial development in a country, is a new indicator of development outcomes in the results framework. Banking is an essential component of financial development with a key role in the intermediation of savings in the economy. In 2008, ADB countries improved 3 percentage points above the 2005 baseline of 78%, while ADF countries rose 4 percentage points above the baseline of 57%. More than half the region's households lack access to the formal financial system.<sup>17</sup>


- **Governance**

**Cost to Start Business**

ADB  on track ADF  on track

**Time to Start Business**

ADB  on track ADF  on track

**Governance and Public Sector Management Assessment** ADF  on track

The region continued to improve its enabling environment for private sector participation. In

2010, the average cost of starting a business in ADB countries declined to 26% of gross national income per capita from 31% in 2009.<sup>18</sup> Similarly, the average time needed to start a business decreased to 34 days from 37 days in 2009.<sup>19</sup> ADF and ADF-only countries now mirror the region for these indicators. They have also improved their governance and public sector management assessment rating.

- **Environment**

Average emissions of carbon dioxide (CO<sub>2</sub>) by ADB countries reached 2.8 tons per capita in 2007, a 12% increase from 2.5 tons per capita in 2005. This is substantially lower than the 12.2 tons per capita average for the developed world and is comparable to Latin America and the Caribbean.<sup>20</sup> Average emissions for ADF countries rose more slowly than for the region, increasing by 0.1 tons per capita (9%) from 2007 to 2009. Per capita emissions were highest in East Asia at 5.0 tons of CO<sub>2</sub> per capita, compared with 2.2 tons per capita in Central and West Asia, 1.2 tons per capita in South Asia, and 0.6 tons per capita in the Pacific. Because of CO<sub>2</sub>'s impact on climate change and environmental sustainability, monitoring emissions is critical. However, as the quantum of justifiable emissions for economic growth has not been established, this indicator is not rated.<sup>21</sup>

<sup>17</sup> ADB Institute. 2009. *Promoting Financial Inclusion through Innovative Policies*. <http://www.adbi.org/event/2878.financial.inclusion.innovative.policies/>

<sup>18</sup> In the Republic of Korea, the figure was 15%; in Singapore, it was less than 1%.

<sup>19</sup> In the Republic of Korea, the average was 14 days; in Singapore, it was 3 days.

<sup>20</sup> Average CO<sub>2</sub> emissions per capita were 8.2 tons for Europe and 19.3 tons for the United States in 2007.

<sup>21</sup> De-linking CO<sub>2</sub> emissions from economic growth has only been possible in developed economies through structural changes (a greater share of economic activity taken up by the service and knowledge sectors, and improved technology). Developing economies that strive for inclusive growth by establishing physical and social infrastructure will be unable to lower CO<sub>2</sub> emissions while maintaining rapid economic growth. The United Nations Framework Convention on Climate Change recognizes this limitation, but there are no details yet on the type of support to be provided by the Annex 1 countries (i.e., the list of industrialized countries in the Kyoto Protocol), and in turn the quantum of CO<sub>2</sub> emissions that is justifiable for continued economic growth. Without this information, there is little basis for evaluating progress of the CO<sub>2</sub> emissions indicator.

# Level 2: Core Outputs and Outcomes

This section examines two aspects of ADB operations: (i) status of achievement of the results framework core sector outputs targeted for 2009–2012, and (ii) contribution of recently completed operations (both sovereign and nonsovereign operations) to their intended sector outcomes.<sup>22</sup> Progress on these two aspects determines the aggregate scores for level 2.<sup>23</sup> The *2010 DEF* assesses ADB’s contribution to development outcomes at the corporate level; development effectiveness country briefs illustrate ADB’s contribution to outcomes in individual countries.<sup>24</sup> This section also examines ADB’s performance in promoting the Strategy 2020 priority themes of gender equality, governance and capacity development, private sector development, environmental sustainability, and regional integration.<sup>25</sup> Performance of recently completed technical assistance (TA) projects is also discussed.

## ► ADB’s Core Sector Outputs

ADB ● good ADF ● good

The *2010 DEF* shows that ADB is generally on track to achieve the output targets set by the results framework, both for total ADB operations and ADF operations. Therefore, the review rates the performance in this area *good* (green) for ADB and ADF.

## ▪ Progress in Achieving ADB Output Targets for 2009–2012 ADB on track

ADB approved 298 sovereign and nonsovereign operations in 2003–2006, of which 65% included one or more types of programmed outputs reflected in the results framework.<sup>26</sup> For ADF, 53% of operations included outputs reflected in the results framework. These ADB operations included program loans (15%) and equity investments (2%), which generally do not include outputs in the results framework. Another 18% produced outputs that are not measured by the results framework.

ADB delivered, or is expected to deliver, 15% more outputs in the core sectors than originally targeted (Table 4 and Appendix 1, Table A1.3). Of the total output targets, 61% were delivered by the 47% of operations completed in or before 2010. In addition, 9% are expected to be delivered after 2012, an increase from 8% in 2009, suggesting a minor slippage. Of the 19 indicators, 11 showed 100% or more delivery. ADB operations facilitated the connection of many more households to electricity than originally estimated, and provided more loans to small and medium-sized enterprises (SMEs).

<sup>22</sup> In this report “operations” is used as a collective term for the various types of ADB development assistance, guaranteed or not by the government of the recipient country, financed from ADB’s OCR or ADF resources, excluding assistance funded by technical assistance grants. The latter are referred to as “technical assistance projects” in this report. A “sovereign” operation is an operation financed in part or in whole by one or more loans or grants financed from OCR and ADF resources extended to or guaranteed by the government. A “nonsovereign” operation is any loan, guarantee, equity investment, or other financing arrangement that (i) is not guaranteed by a government; or (ii) is guaranteed by a government under terms that do not allow ADB, upon default of the guarantor, to accelerate, suspend, or cancel any other loan or guarantee between ADB and the related sovereign.

<sup>23</sup> Level 2 also discusses general trends in core sector outputs already delivered through ADB’s completed operations, as well as those programmed through newly approved operations. These trends are not rated, as the majority of these outputs belong to operations preceding Strategy 2020.

<sup>24</sup> ADB has completed 11 development effectiveness briefs in 2010. As ADB improves its outcome and output monitoring at the country level, it will have a stronger basis to analyze and report on ADB’s contribution to specific country outcomes through the briefs.

<sup>25</sup> These are viewed as thematic results areas, or intermediate outcomes, which are helpful in reaching a higher-level sector outcome or a poverty reduction or growth impact.

<sup>26</sup> This refers to outputs programmed in reports and recommendations of the President approved during 2003–2006.



**Table 4: Progress in Achieving ADB Output Targets for 2009–2012 (Level 2)**

Sectors and Core Sector Outputs	Outputs Programmed for 2009–2012 <sup>a</sup>	Delivered in or before 2010 (%)	Expected to Be Delivered (%)		Outputs Delivered and Expected (%)
			2011– 2012	After 2012	
<b>Education</b>					<b>99</b>
Classrooms built or upgraded (number)	76,100	26	62	1	90
Teachers trained (number)	1,518,000	2	80	14	95
Students benefiting from school improvement programs or direct support (number)	22,515,000	36	74	0	111
<b>Energy</b>					<b>123</b>
Installed energy generation capacity (MW equivalent)	13,200	44	50	1	95
Transmission lines installed or upgraded (km)	6,800	47	43	3	92
Distribution lines installed or upgraded (km)	55,200	106	4	0	109
New households connected to electricity (number)	447,500	170	38	21	230 <sup>b</sup>
Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)	11,747,000	53	34	0	87
<b>Finance</b>					<b>157</b>
Microfinance accounts opened or end borrowers reached (number)	2,563,000	77	14	0	91
SME loan accounts opened or end borrowers reached (number)	213,900	117	106	1	223 <sup>c</sup>
<b>Transport</b>					<b>110</b>
Expressways built or upgraded (km)	1,300	51	48	5	104
National highways and provincial, district, and rural roads built or upgraded (km) <sup>d</sup>	48,000	54	47	2	103
Railways constructed and/or upgraded (km)	2,800	43	25	34	102
Beneficiaries from road projects (number) <sup>d</sup>	222,164,000	93	35	2	130
<b>Water</b>					<b>103</b>
Water supply pipe installed or upgraded/length of network (km)	14,800	69	33	9	111
New households served with water supply (number)	4,823,000	64	31	3	98
Wastewater treatment capacity added (m <sup>3</sup> /day)	4,566,000	47	53	0	100
New households served with sanitation (number)	9,393,000	58	39	1	98
Land improved through irrigation services, drainage, and flood management (hectare)	2,682,000	3	33	73	109
<b>Average % of output delivery</b>		<b>61</b>	<b>45</b>	<b>9</b>	<b>115</b>

ADB = Asian Development Bank, km = kilometer, m<sup>3</sup> = cubic meter, MW = megawatt, SMEs = small and medium-sized enterprises, tCO<sub>2</sub>-equiv/yr = tons of carbon dioxide equivalent per year.

<sup>a</sup> ADB financed about 43% of the total cost of operations that programmed these outputs. Nonsovereign operations included delivery of six energy and finance outputs reflected in the results framework. They constituted 81% installed energy generation capacity, 18% of transmission lines, 66% of distribution lines, 6% of greenhouse gas reduction, 13% of microfinance accounts opened and 0.4% of SME loans opened.

<sup>b</sup> The large increase is due to the Assam Power Sector Development Project in India enabling the connection to about seven times more households than originally envisaged (from 83,000 to 600,000).

<sup>c</sup> The large increase is due to the Small and Medium Enterprise Sector Development Program in Pakistan which helped open 218,000 loan accounts against an original target of 30,000.

<sup>d</sup> Of the total target (48,000 km), 27,000 km (56%) represents the distance to be covered by rural roads. About 30% of the total number of anticipated beneficiaries is expected from rural roads.

Source: ADB reports and recommendations of the President approved in 2003–2006 for programmed outputs, project completion reports approved in 2009–2010 for outputs delivered in or before 2010, and staff estimates.

## ■ Progress in Achieving ADF Output Targets for 2009–2012 ADF on track

For ADF operations, ADB delivered or is expected to deliver 106% of programmed core sector outputs, although 13% are not expected to be delivered until after 2012 (the same as the 2009 estimate) because of delays (Appendix 1, Table A1.4). Of the 19 indicators, 11 showed 100% or more delivery. The output achievement rate was below target for education (95%) and water (94%). Four indicators—transmission lines; households connected to electricity; households served with sanitation; and land improved through irrigation services, drainage, and flood management—are expected to achieve 90% or less of their original output targets. This could be attributable to unrealistic targets, scope change and cancellations, and implementation problems.

### Achievement rates of completed operations.

For the 79 ADB operations with results framework outputs completed in or before 2010 (approved in 2003–2006), achievement levels equaled or exceeded the original targets for 10 output indicators and showed mostly small decreases for 9 output indicators. For the 40 completed ADF operations with output targets in or before 2010, 12 of the 19 indicators registered higher outputs, 5 showed mostly minor decreases, and 2 indicators (reduced or avoided greenhouse gas emissions, and expressways) had no targets set (Appendix 6, Table A6.1). The simple average of the achievement of the outputs as a group was 130% for ADB and 104% for ADF.

### Trends in Outputs Delivered in 2007–2010 and Programmed for 2013–2016

**ADB outputs delivered.** The ADB operations that delivered the core sector outputs reported in 2004–2010 were approved mostly before the adoption of Strategy 2020 in 2008 (i.e., in the late 1990s to 2003). Compared with the delivered outputs reported in 2006–2009 and detailed in the *2009 DEF*, delivered outputs in 2007–2010 increased appreciably, particularly in

- education: classrooms built or upgraded, and students benefiting from education;
- water: land area improved by irrigation services, drainage and flood management, and new households served with water supply; and
- energy: distribution lines installed or upgraded, and households connected to electricity.

Delivered outputs dropped for railways, water supply pipes, and households with access to sanitation (Appendix 6, Tables A6.2 and A6.3).

**ADB outputs programmed.** An assessment of outputs programmed for 2013–2016 showed a notable increase over the previous period (2012–2015) in

- energy: installed energy generation capacity, transmission lines installed or upgraded, households connected to electricity, and greenhouse gas emission reduction;
- finance: SME accounts opened;
- transport: expressways built or upgraded; and
- water: wastewater treatment capacity added.

At the same time, fewer outputs were programmed in education, distribution lines, microfinance accounts, railways, and land improved through water-related services.

### ADF outputs delivered and programmed.

For ADF operations, delivered outputs and beneficiaries reported as delivered in 2007–2010 grew for 13 of the 19 indicators, especially in the energy and water sectors. Only two indicators (railways and road beneficiaries) saw a notable decline compared with the previous period (2006–2009).<sup>27</sup> For outputs programmed for 2013–2016, all energy sector outputs rose considerably, as did outputs in microfinance, wastewater treatment, and access to sanitation. Planned outputs in education and transport outputs declined significantly (Appendix 6, Table A6.4).

<sup>27</sup> ADF amounts allocated to loan and grant operations started to increase in 2007, but rose more significantly from 2009 onward, corresponding to the beginning of the ninth replenishment of the ADF.



**Rural versus urban.** An analysis of the geographical focus of ADB's recently approved ADB operations showed that those covering nationwide activities continued to dominate (68%), while the proportions of rural (17%) and urban (15%) operations were slowly converging (Appendix 7, Table A7.1). A larger proportion of ADF operations are rural (23%), although this too has been slowly declining as urban operations increased (from 12% in 2009 to 13% in 2010). Only 5% of completed operations reviewed in PCRs of 2007–2010 had a regional scope in their core sector activities. However, this is changing rapidly: of operations approved in 2007–2010, 16% had a regional orientation; for ADF operations, the equivalent figure was 20%.

### **New Output Indicators in Energy, Transport, and Education Sectors**

ADB's communities of practice for energy, transport, and education have begun collecting data to establish baselines for the new indicators presented in the recommendation paper *Refinements to ADB's Results Framework* (footnote 4). The data are expected to be reflected in a new results framework to be proposed in 2012.

**Energy.** ADB is considering adding two new energy sector indicators to reflect the 2009 Energy Policy's emphasis on renewable energy and energy efficiency:<sup>28</sup>

- additional installed capacity using renewable energy (megawatts), and
- electricity saved (gigawatt-hours equivalent).

New energy outputs programmed in 2007–2010 included (i) 4,281 megawatts of additional capacity installed by 33 projects

using renewable energy (\$3.1 billion), and (ii) 118 terawatt-hours equivalent per year of energy saved through 63 projects (\$7.0 billion), of which 38 were in the energy sector and 25 in other sectors. The renewable energy capacity added through ADB operations grew rapidly in 2007–2010, and spiked in 2008 because of one large project.<sup>29</sup>

**Transport.** To replace the existing transport indicator (beneficiaries from road projects) and improve sector outcome measures, ADB proposes three new indicators:

- movement of people and goods on roads built or upgraded (average daily vehicle-km),
- movement of people and goods on railways built or upgraded (average daily converted ton-km), and
- urban rail- and bus-based mass transit systems built or upgraded (km).

Thirty-four project completion reports (PCRs) with road outputs issued in 2009–2010 and 120 reports and recommendations of the President (RRPs) approved in 2007–2010 were investigated. For most of the roads built as part of multisector or agriculture projects, no information was available. About 89% of the 19 PCRs for transport sector operations and 75% of the RRP's had sufficient information to construct baselines. The aggregate average daily vehicle-km in the first full year of operation reported in PCRs (2009–2010) was estimated at 13 million vehicle-km per day; and 105 million vehicle-km per day are estimated to be delivered in the future from the RRP's approved in 2007–2010.<sup>30</sup> For railways, 4,400 km were planned in the RRP's, mainly in the PRC, with an estimated 51.6 billion average daily converted ton-km in the first full year of operation. This

<sup>28</sup> ADB. 2009. *Energy Policy*. Manila.

<sup>29</sup> Calculations are based on the report ADB. 2010. *Indicators for ADB's Energy Sector Operations (2005–2009)*. Manila. The energy saved is a result of a large nonsovereign project in the PRC approved in 2008. This project saves primary energy, mainly coal, by replacing or retrofitting existing inefficient municipal district heating systems. The amount of fuel saved from this project was converted to electricity equivalent for accounting purposes, expressed as 60.5 terawatt-hours equivalent per year. The same approach is used in five other non-energy projects in 2009.

<sup>30</sup> The difference between the two numbers is largely a result of the sizeable increase in ADB financing allocations to transport sector projects since the early 2000s. ADB allocated \$4.4 billion in 2000–2002 to transport sector projects, and \$8.6 billion in 2008–2010. The cost of creating additional vehicle-km changed little. The 17 road projects with PCRs delivered 1 million vehicle-km at an average of \$92 million. The 72 road projects approved in 2007–2010 anticipate spending an average of \$96 million per 1 million vehicle-km per day.

is expected to cost \$1.3 billion, or \$25 million for each 1 billion ton-km per day.<sup>31</sup> A total of 26 km is estimated for urban mass transit systems through three projects (in the PRC, Georgia, and Viet Nam) at a combined cost of \$310 million.

**Education.** To reflect the sector directions set out in ADB's 2009 Education Sector Operations Plan, ADB is refining the education sector indicators in the results framework. The refinements may include

- replacing the infrastructure-based indicator with a more people-focused indicator: number of students and teachers benefiting from improved infrastructure and educational resources;
- applying minimum qualification standards in measuring the number of teachers trained; and
- introducing additional quality indicators: (i) number of students benefiting from improved curriculum, learning standards, and assessment; and (ii) number of education institutions with quality standards.

To establish baselines, ADB is collecting data from the RRP approved in 2007–2010 and expects to complete the process in 2011.

### ► ADB's Contribution to Development Outcomes ADB ●<sub>poor</sub> ADF ●<sub>poor</sub>

The 2010 *DEFR* continues to assess ADB's contribution to its strategic agendas—inclusive economic growth, environmentally sustainable growth, and regional integration—by measuring achievements of related sector and thematic outcomes of individual operations. The contribution to inclusive growth is

monitored through a review of recently completed core sector operations with one or more sector components<sup>32</sup> in infrastructure (energy, transport, and water), education, and finance. Progress on the environment and regional integration agendas is examined by assessing ADB's recently completed operations that intended to achieve results in these areas.

The analysis in this section primarily draws on PCRs issued in 2010 (Appendix 7, Table A7.2). Considering the significant annual fluctuations in sector outcome ratings (often resulting from a small annual number of completed operations per sector), the analysis also compares the 2010 annual ratings with the 3-year averages (2008–2010). The analysis integrates evaluation studies by the Independent Evaluation Department (IED). This section discusses outcomes and results mainly for ADB overall. Outcomes and results for ADF operations are similar and are detailed in Appendix 7 (Tables A7.1, A7.2, A7.9, and A7.10) and Appendix 8 (Table A8.2).

The score for this category is based solely on ADB's performance in achieving intended core sector outcomes. The methodology for assessing thematic results<sup>33</sup> is still evolving. In 2010, ADB's achievement of core sector outcomes was 61% and ADF's was 59%—far below the target of 80%. The 2010 figures compare with the 3-year averages (2008–2010) of 72% for ADB and 70% for ADF. Performance in this category is rated *poor* (red).

### Inclusive Economic Growth

In 2010, ADB issued 84 PCRs<sup>34</sup> covering 81 sovereign and 6 nonsovereign operations. These included 67 operations that had one sector component and 20 that had more than one sector component. As a result, the

<sup>31</sup> The unit of measurement aggregates freight and passenger volumes per day by expressing both in terms of converted ton-km, assuming 1 converted ton-km = 1 ton-km = 1 passenger-km.

<sup>32</sup> "Sector component" refers to an operation in one sector or a component of an operation with components in more than one sector. An operation may have one or more sector components, especially in the case of multisector operations and operations in agriculture and natural resources, and water and other municipal infrastructure services.

<sup>33</sup> Thematic results are outputs or outcomes in ADB's priority areas: capacity development, environment, gender, governance, private sector development, and regional cooperation and integration.

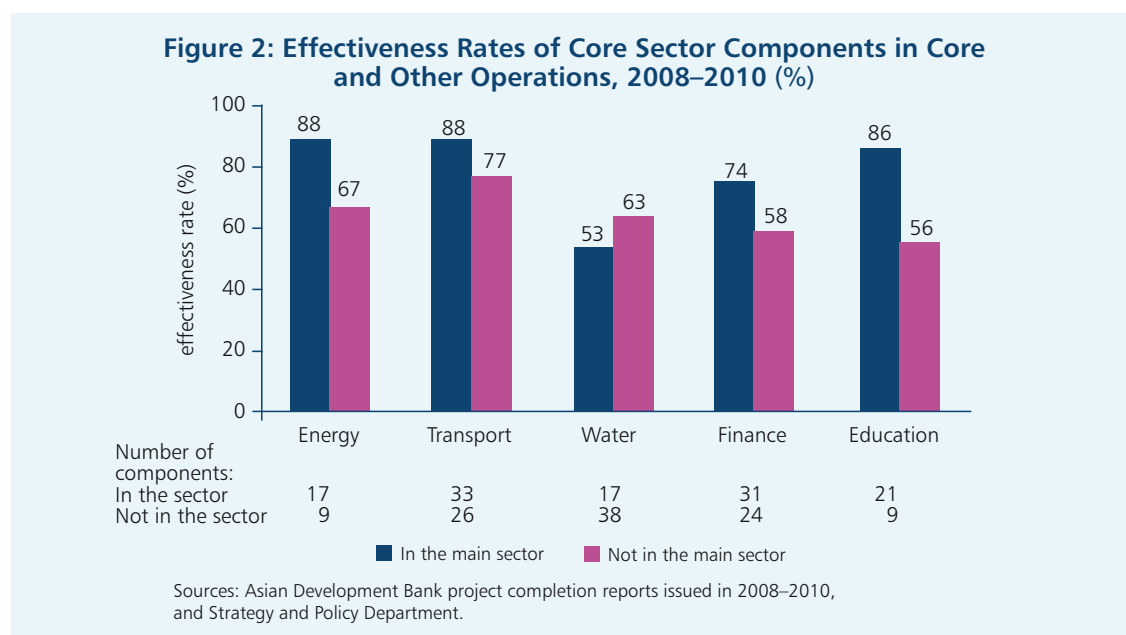
<sup>34</sup> The figure for PCRs includes six extended annual review reports (XARRs), which are the PCR equivalent for nonsovereign operations. XARRs are prepared by operations departments for each nonsovereign operation once it has reached early operating maturity. See ADB. 2008. Extended Annual Review Reports for Nonsovereign Operations. *Project Administration Instructions*. PAI 6.07B. Manila.

2010 *DEfR* assessed the effectiveness of a total of 119 core and other sector components in delivering their targeted sector outcomes.<sup>35</sup> The 61% effectiveness rate<sup>36</sup> for core sector operations (infrastructure, finance sector development, and education) with PCRs in 2010 compares with 72% in 2008–2010. For other sectors (agriculture, health, trade and industry, disaster and emergency assistance, and public sector management), 72% of operations were rated *effective*—compared with 66% in 2008–2010.<sup>37</sup> For the two categories jointly, the effectiveness rates were 65% in 2010 (71% for 2008–2010), and for ADF operations 64% in 2010 (67% in 2008–2010). The remaining operations were rated either *less effective* or *ineffective*.

ADB prepared 138 TA project<sup>38</sup> completion reports in 2010, of which 108 (78%) were

rated *successful*. Similar to operations, the success rates of advisory and regional TA projects (138 in total) were lower in 2010 for core sectors (71%) than in 2009 (76%) (Appendix 9, Table A9.2). The success rates of TA projects in other sectors were higher in 2010 (86%) than in 2009 (75%). The performance of recently completed TA projects is assessed in level 3. Supplementary Appendix B provides additional information on sector outcomes and thematic results achieved by these TA projects.

Operations with a single sector component performed better than those with multiple components, except for water operations (Figure 2). Single component operations in the transport, energy, finance, and education



<sup>35</sup> Sector outcomes in infrastructure and services can be classified into four types: (i) expanded access and coverage, (ii) increased quality of infrastructure and services, (iii) cost efficiency of infrastructure and services, and (iv) sustainability of infrastructure and services. Types of outcomes targeted and achieved are discussed in Supplementary Appendix B.

<sup>36</sup> As in previous years, this *DEfR* assesses outcome achievement using PCR ratings on effectiveness in achieving outcomes. ADB’s PCRs rate projects against four criteria: (i) relevance, (ii) effectiveness in achieving outcomes, (iii) efficiency in achieving outcomes and outputs, and (iv) preliminary assessment of sustainability. At level 3, ADB examines the overall project success rate at the level of ADB and ADF. Given that some multisector and other projects target the delivery of more than one sector outcome, the 2010 *DEfR* counts the effectiveness rating of each sector outcome. The rating can be *highly effective*, *effective*, *less effective*, or *ineffective*. The *DEfR* takes the first two as broadly effective. This is why the effectiveness rate reported in level 2 could differ from PCR success rates reported in level 3.

<sup>37</sup> Outcomes related to water and rural infrastructure in agriculture and natural resources operations are included as core sector outcomes.

<sup>38</sup> A TA project is an operation financing and facilitating policy, research, advisory, capacity development, or regionally oriented services. TA is usually provided in the form of a grant.

sectors were more effective (79%) than water components when classified in another sector (65%) (Appendix 7, Table A7.3.)

The completed portfolio operations reviewed in Pakistan dragged down the effectiveness rate in 2008–2010. They lowered the overall average effectiveness rate from 79% (without Pakistan) to 71% (with Pakistan). This resulted from the restructuring of the project portfolio, which closed many poorly performing operations in recent years (p. 34). Pakistan had the most sector components reviewed in 2008–2010 (17% of the total—double that of Indonesia, which had the next largest number) and had the lowest effectiveness rate (29%).

Of the 30 core sector components rated less effective or ineffective in ADB PCRs of 2010, 47% cited delayed implementation as the main reason for not achieving intended outcomes. Other frequently cited factors included (i) inappropriate project design and high costs of inputs (30%); (ii) inadequate technical and management capacity of implementing agencies (27%); (iii) inadequate policies, markets, and regulations (23%); and (iv) problems with institutional arrangements (17%) (Supplementary Appendix C).

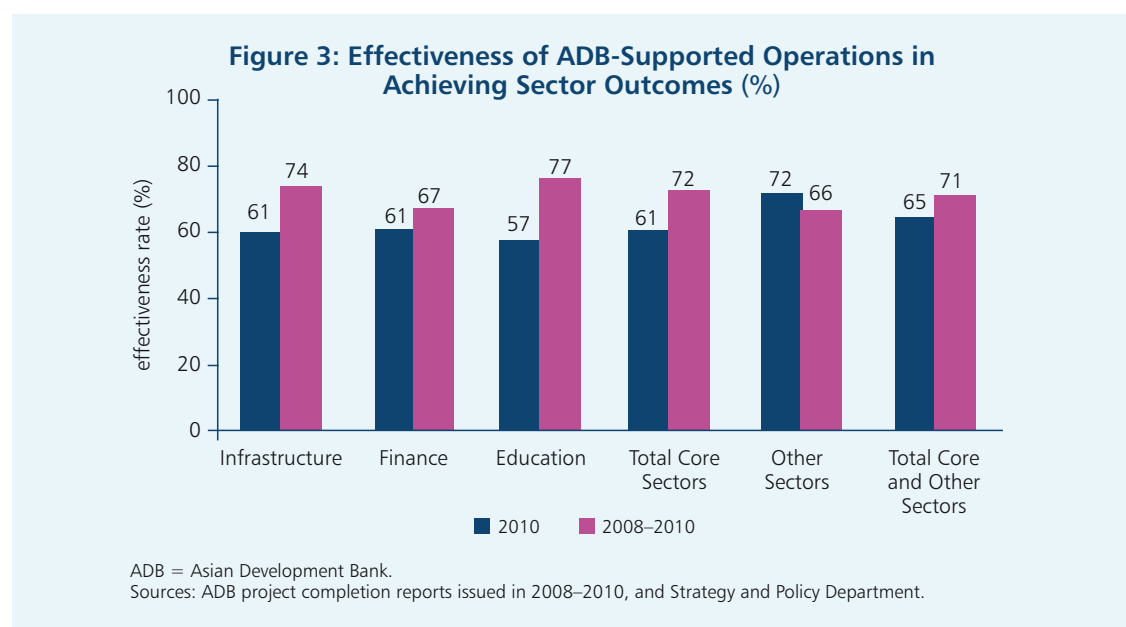
### Achievement of outcomes and outputs.

The effectiveness rate for core sector outcomes was lower than the core sector output achievement ratio for operations approved in 2003–2006 discussed on page 15. This is largely because the set of operations assessed in this subsection differs from those assessed for output achievement: the former was approved in 2001 on average, the latter in 2003–2006.<sup>39</sup> Furthermore, the assessment of effectiveness covers all operations, one-third of which did not target the sector outputs in the results framework, including programs. Nevertheless, the effectiveness assessment shows that some operations were unable to deliver sector outcomes, despite having achieved sector outputs. This is now discussed in more detail.

#### Achievement of Core Sector Outcomes

ADB  off target ADF  off target

The 2010 effectiveness rate for infrastructure (energy, transport, and water) fell to 61% for 51 sector components from 84% in 2009 (Figure 3 and Appendix 7, Table A7.2, and Table A7.3). The 3-year average for 2008–2010 was 74%, and the 2009 rate was 84% (for 36 sector components). The situation was most serious in water-related components.



<sup>39</sup> The actual overlap between the two sets of operations assessed for outputs and outcomes is 12%.

**Energy** (9 components: 6 in operations in the energy sector, 3 in other sectors' operations). The effectiveness rate was 67% in 2010, below the rate of 81% for the 26 energy components reviewed in 2008–2010. Two of the three *ineffective* or *less effective* components involved sector reform programs. Two of the three projects outside the energy sector with energy components achieved the targeted outcomes of clean, renewable energy and improved access to power infrastructure in urban areas. One nonsovereign energy project helped increase access to cleaner energy by investing in natural gas transmission. One agriculture project with an energy component (micro-hydropower units) was rated *ineffective* in improving access to energy and energy efficiency in rural communities.

IED conducted two sector assessment program evaluations (SAPes) in the energy sector in 2010—in Bhutan and the Lao People's Democratic Republic (Lao PDR).<sup>40</sup> Both were rated *successful*. In both countries, ADB contributed substantially toward creating energy infrastructure. In the Lao PDR, ADB focused on hydropower, high-voltage grid extension, rural electrification, and capacity building. In Bhutan, ADB supported reform and institution building, rural electrification, and hydropower. ADB's long-term continuity and predictability of financing for rural electrification proved highly effective. The positive findings were also reinforced by IED's impact evaluation study,<sup>41</sup> which relied on a survey of 1,276 electrified and 822 unelectrified households in two project areas.

**Transport** (19 components: 8 in transport sector operations, 11 in other sectors' operations). The effectiveness rate was 68% in 2010, below the

rate of 83% in 2008–2010. The drop in 2010 was mainly because of a higher proportion of *less-effective* transport components in projects in agriculture, water, and other municipal services. Most of these projects did not deliver fully their intended outputs (roads built or rehabilitated) as a result of implementation problems, inappropriate project design, and limited technical and management capacity of the implementing local government agencies. Of the eight transport sector projects, seven were rated *effective* (88%), resulting in improved connectivity, and higher quality and more efficient transport systems.

Recent IED SAPes for Cambodia, the Lao PDR, and Viet Nam rated ADB's transport sector work *successful*.<sup>42</sup> In Cambodia and the Lao PDR, ADB made substantial contributions to building roads: in the Lao PDR, this amounted to about 45% of total support by major development agencies. In Viet Nam, IED rated ADB's work *successful* in strategic positioning, value addition in engendering reforms and improving road safety, responsiveness to government needs, and collaboration with development partners. However, project performance was rated *partly successful*. IED's project performance evaluation reports (PPERs) for three road rehabilitation projects, covering 72% of the main 670 km Bishkek–Osh artery in the Kyrgyz Republic, rated them *successful*.<sup>43</sup> A 2010 PPER rated two railway projects in Uzbekistan *successful*.<sup>44</sup> Although the reforms promoted by these projects were *less effective*, most of the investment made was successful. A 2010 PPER rated Viet Nam's Rural Infrastructure Sector Project *successful*.<sup>45</sup> The project improved basic rural roads and removed transport constraints to agriculture and off-farm production.

<sup>40</sup> ADB. 2010. *Sector Assistance Program Evaluation: Energy Sector in Bhutan*. Manila; and ADB. 2010. *Sector Assistance Program Evaluation: Energy Sector in the Lao People's Democratic Republic*. Manila.

<sup>41</sup> ADB. 2010. *Impact Evaluation Study: Asian Development Bank's Assistance for Rural Electrification in Bhutan—Does Electrification Improve the Quality of Rural Life?* Manila.

<sup>42</sup> ADB. 2009. *Sector Assistance Program Evaluation: Transport Sector in Cambodia—Focusing on Results*. Manila; ADB. 2010. *Sector Assistance Program Evaluation: Transport Sector in the Lao People's Democratic Republic*. Manila; and ADB. 2009. *Sector Assistance Program Evaluation: Support for the Transport Sector in Viet Nam*. Manila.

<sup>43</sup> ADB. 2010. *Performance Evaluation Report: Road Rehabilitation Project, Second Road Rehabilitation Project, and Third Road Rehabilitation Project in the the Kyrgyz Republic*. Manila.

<sup>44</sup> ADB. 2010. *Performance Evaluation Report: Railway Rehabilitation Project and Railway Modernization Project in Uzbekistan*. Manila.

<sup>45</sup> ADB. 2010. *Performance Evaluation Report: Rural Infrastructure Project in Viet Nam*. Manila.

**Water** (23 components: 10 in operations in the water supply and other municipal services sector; 13 in other sectors' operations, including 9 operations classified as agriculture and natural resources). The effectiveness rate was 52% in 2010, lower than the average of 60% in 2008–2010. Water components of multisector projects and agriculture projects (including irrigation) performed better (62%) than such operations classified in the water supply and other municipal services sector (40%). During 2008–2010, urban sector development projects in particular (usually with water components) and water supply and sanitation projects performed poorly.<sup>46</sup> PCRs for water components with *less effective* outcomes cited implementation problems (73%) and project design problems (45%) more often than PCRs for other sectors.

Two recent SAPEs for urban water programs in Bangladesh and Viet Nam confirmed the complexity of issues in water supply operations.<sup>47</sup> In Bangladesh, while ADB sector positioning was assessed positively, project performance was rated *partly successful*. ADB responded well to the evolving development challenges and government priorities, built on its comparative advantage, and considered the support of other aid agencies in designing its program. In Viet Nam, project performance was rated *successful*, but ADB value addition was modest. Covenants on tariff increases and debt service ratios of water agencies were generally not met in almost all loans. Capacity development was not built into project design sufficiently. Urban infrastructure and services projects can be *successful*, as demonstrated by the three water-related PPERs issued by IED in

2010: an urban infrastructure project focusing on drainage in Vientiane, Lao PDR; a water supply project in Harbin, PRC; and a wastewater treatment and water resources protection project in Tianjin, PRC.<sup>48</sup>

A recently completed special evaluation study<sup>49</sup> assessed the implementation of ADB's 2001 water policy<sup>50</sup> and the performance of related operations, including water supply, irrigation, drainage, flood management, hydropower,<sup>51</sup> and sanitation. It concluded that the policy was relevant and sound. The success rate of operations approved during 1992–2009 was 69% (compared with 71% for all other sectors). Large hydropower projects were the most successful (80%), and irrigation projects the least (55%). Multicomponent projects performed the worst. Technical and financial sustainability was one of the weakest aspects, mainly because of limited operation and maintenance budgets and cost recovery. The study noted politicians' reluctance to allow setting of economic tariffs can constrain water utilities, while inadequate control and maintenance and poor institutional arrangements prevented reductions in nonrevenue water. The study also concluded that more support for private sector assistance is needed.

ADB is developing a new water operational framework (2011–2020) to contribute more effectively to accelerating the region's progress toward water-related MDGs, as envisaged by Strategy 2020. The new framework will focus on improving ADB's water sector operations through greater engagement of the private sector and mobilization of management

<sup>46</sup> Of 38 water components implemented as part of multisector agriculture projects, 25 were in water supply and sanitation, with an effectiveness rate of 52%; 15 were in irrigation and drainage and flood protection, with an effectiveness rate of 80%. Two had both drinking water supply and irrigation-related activities.

<sup>47</sup> ADB. 2009. *Sector Assistance Program Evaluation: Urban Sector and Water Supply and Sanitation in Bangladesh*. Manila; and ADB. 2009. *Sector Assistance Program Evaluation: Urban Services and Water Supply and Sanitation Sector in Viet Nam*. Manila.

<sup>48</sup> ADB. 2010. *Performance Evaluation Report: Vientiane Urban Infrastructure Services Project in the Lao People's Democratic Republic*. Manila; ADB. 2010. *Performance Evaluation Report: Harbin Water Supply Project in the People's Republic of China*. Manila; and ADB. 2010. *Performance Evaluation Report: Tianjin Wastewater Treatment and Water Resources Protection Project in the People's Republic of China*. Manila.

<sup>49</sup> ADB. 2010. *Special Evaluation Study: Water Policy and Related Operations*. Manila.

<sup>50</sup> ADB. 2001. *Water for All: The Water Policy of the Asian Development Bank*. Manila.

<sup>51</sup> In this report, hydropower is included in energy operations, not water operations.



expertise. ADB support will emphasize securing efficiency of water use and treating water services as businesses whether they are in the public or private sector. The framework will promote better project design, and will discourage inclusion of water components under multisector operations to ensure smoother implementation and supervision. To reinforce ADB's water sector knowledge, ADB will undertake a comprehensive study on water in the region, as well as rigorous country water assessments and sector strategies and road maps.

**Finance** (18 components: 10 operations in the finance sector, 8 in other sectors). The effectiveness rate was 61% in 2010, lower than the average of 67% in 2008–2010. Of the 10 finance sector development projects, 7 were rated *effective*; of the 8 finance components in projects in other sectors, 4 were *effective*. Four of the eight *ineffective or less effective* sovereign finance components involved credit components of rural development projects which failed to increase either access to or efficiency of financial services, and often suffered from design weaknesses. The less-effective components faltered because of inadequate progress on policy and regulatory reforms, and unclear institutional arrangements. To improve the quality of credit-line operations, ADB consolidated in the early 2000s the responsibility of all credit-line components—including those for rural and urban development—under finance sector operations divisions.

Four of five nonsovereign finance projects were rated *effective*. They helped increase the number of loan and equity investments to private commercial banks, and expanded capital and the credit portfolio in the consumer and SME markets. For example, a project in Afghanistan increased the corporate and SME loan portfolio. Nine banks serviced the SME market, six of which accounted for 92% of total SME lending, valued at \$26.5 million. In this project, 150 loans were granted to SMEs in 2009—four times the 2005 figure.

ADB is preparing a new financial sector operational plan to respond better to the region's needs for financial sector development and ensure the quality of its operations.<sup>52</sup> The plan will articulate ADB's operational focus, business models, and product lines, and steps for improving the organization and staff capacity to support the plan's implementation. ADB's Finance Sector Community of Practice will play a central role in driving the plan, providing operational support, building the knowledge base, guiding staff training, and developing partnerships with the other sector and thematic communities of practice and external partners.

**Education** (7 components: 5 in education sector projects, 2 in multisector projects). The effectiveness rate for education was 57% in 2010. The small number of operations with education components may have affected the 2010 rate. The 3-year average effectiveness rate was 77% for 30 completed education components. Pure education sector projects did well, while education components that were part of multisector operations performed less well. Two of the three components rated *less effective* had problems with slow implementation and could not deliver outputs on time. In all three cases, insufficient capacity development of the executing agencies and institutional reforms limited the delivery of intended outcomes of improved quality and efficiency in, and access to, education. One project noted that inadequate targeting and transport limitations had affected the achievement of the intended outcome: reducing disparities in access to education.

IED's 2010 SAPE of the education sector in Uzbekistan rated it *successful*.<sup>53</sup> Since ADB's country strategy and program focused on the private sector as the engine of growth, significant reforms were needed to provide a sustainable supply of marketable skills and competencies. The SAPE recommended that ADB focus on higher education and vocational training, especially skills that support new technology industries. This direction is also supported by ADB's new education operational plan adopted in 2010.<sup>54</sup>

<sup>52</sup> Approval of the new plan is expected in April 2011.

<sup>53</sup> ADB. 2010. *Sector Assistance Program Evaluation: Education Sector in Uzbekistan*. Manila.

<sup>54</sup> ADB. 2010. *Education by 2020: A Sector Operations Plan*. Manila. The plan proposes to scale up operations, particularly postsecondary education projects.

## ▪ Contribution to Poverty Reduction

Almost two-thirds of PCRs in education, transport, energy, and water in 2010 indicated that the project had helped reduce poverty or had made a positive impact on social development. In most components reviewed, the assessment was based on inferences and anecdotal observations. Energy projects that specifically targeted rural electrification increased cost savings for the poor who previously depended on kerosene for lighting. PCRs for some transport projects documented improved access to basic social services for poor people in remote areas. Successful water supply projects had a positive impact on the health of urban residents, particularly through the decline of waterborne diseases such as typhoid. PCRs for projects in small towns or rural areas noted that improved access to water supply and sanitation facilities significantly reduced the time needed for residents, especially women and children, to fetch water for household use. A few components tracked poverty impact through socioeconomic surveys. An education project in Tajikistan included a school mapping exercise; this produced a poverty index which was used as a tool for targeting assistance to the neediest schools and communities.

## ▪ Achievement of Other Sector Outcomes

### Agriculture and natural resources

(19 components, 18 in agriculture sector operations, and 1 in a multisector operation, excluding water components under the agriculture and natural resources sector). The effectiveness rate was 68% in 2010, close to the average of 67% for 2008–2010. Most agriculture components aimed to increase agricultural production and strengthen extension support services. Some targeted improving marine ecosystem management, protected area and conservation systems, land degradation control, and sustainable land and water resources management.

**Health** (8 components: 6 in the health sector, and 2 in multisector operations). The

effectiveness rate was 75% in 2010, exceeding the 3-year average of 67%. The six components in the sector were rated *effective* in improving health service quality, efficiency, and access. The two multisector operations with health components were rated *less effective* since they did not result in expanded access to basic social services, including health, because of cost and transport limitations, access disparities, and insufficient training of health professionals.

**Public sector management** (13 components: 7 in the core sector, 6 in other sectors). The effectiveness rate was 77% in 2010, surpassing the 3-year average of 68%. Seven operations in the sector aimed to improve public financial management, increase government capacity for public debt and expenditure management, and establish procurement and anticorruption measures. A project in the Federated States of Micronesia promoted private sector development through an improved policy and regulatory environment and made access to land and capital more efficient. Four multisector projects and one public sector management project involved responding to crises in Armenia, Georgia (2), Kazakhstan, and Tajikistan. These projects were effective in providing fiscal support to crisis recovery programs focusing on social safety nets and public investments. They mitigated the impact of the global financial crisis and provided measures to revitalize the economy.

### Disaster and emergency assistance operations.

In 2010, only one operation in this sector was reviewed in a PCR. The Cook Islands' Cyclone Emergency Assistance Project was rated *effective*.<sup>55</sup> It facilitated the country's cleanup drive following the 2005 cyclones, restored the delivery of basic social services, and rehabilitated transport and water infrastructure in damaged areas. IED evaluated the Emergency Infrastructure Rehabilitation Project in Timor-Leste,<sup>56</sup> which was based on two ADF grant operations—one completed in 2004, the other in 2007. It rated the project *partly successful*, reflecting the challenges associated with emergence from conflict: insufficient funding, inadequate planning measures at the appraisal

<sup>55</sup> ADB. 2010. *Completion Report: Cyclone Emergency Assistance Project in the Cook Islands*. Manila.

<sup>56</sup> ADB. 2010. *Performance Evaluation Report. Timor-Leste: Emergency Infrastructure Rehabilitation Project, Phases 1 and 2*. Manila.



and implementation stages, and lack of attention to institutional development.

### ▪ Sustainability of Operations

Of the 81 sovereign projects (78 PCRs) reviewed, 70% were rated *sustainable* despite the lower overall effectiveness rate of 65%. The sustainability rate was 5 percentage points above the historical average compiled by a recent special evaluation study by IED.<sup>57</sup> IED recommended more attention to post-project sustainability. Insufficient budget for operations and maintenance was the most frequently identified constraint on sustainability. This was followed by inadequate policies, regulations, and institutions; low demand for project services and products; and low output affordability. IED recommended strengthening ADB's approach to identifying and mitigating risks; and undertaking post-completion monitoring of selected operations with an emphasis on outcome sustainability, impact, and monitoring arrangements.

ADB is improving monitoring and assessment of the outcome sustainability through new mandatory project risk assessment and management plans, better sector road maps and results frameworks, and pilot impact studies. Some resident missions (in the Kyrgyz Republic, Nepal, Pakistan, the Philippines, and Tajikistan) are assessing post-completion project outcomes as part of the country portfolio review exercise to update sector results frameworks and capture lessons on sustainability. In December 2010, ADB approved a regional TA project to support initial impact evaluation studies in the regional departments, and pilot projects are being identified.<sup>58</sup> Furthermore, ADB has completed two impact evaluations for two roads in Kazakhstan and the Kyrgyz Republic.<sup>59</sup> ADB is assessing the socioeconomic effects of Greater Mekong Subregion projects in partnership with national research institutes in Cambodia, the PRC, the Lao PDR, Thailand, and Viet Nam, as well as microfinance in Viet Nam.

### ▪ Performance of Program Operations

In 2010, 17 PCRs were issued for 20 programs, including 5 crisis response budget-support programs (1 financed under Countercyclical Support Facility). Of these programs, 70% were rated *successful*, compared with 65% (of total 20 loans) in 2009. Without the successful crisis response programs, the 2010 success rate would have been 60%.

Many programs improved sector policies and public financial management (Appendix 7, Table A7.4). Although fewer programs targeted procurement reforms, the results were assessed as more effective in 2010 than in the previous 2 years. Many program loans promoted fundamental policy and legislative reforms, such as the passage of laws and issuance of executive decrees (Appendix 7, Tables A7.5 and A7.6). To be successful, these reforms need to be supported by adequate financial, human, and organizational resources. Government ownership and greater stakeholder participation were found to be important in sustaining reforms.

All program loans reviewed by PCRs issued during 2008–2010 for Cambodia, India, and Viet Nam were rated *successful*. During the same period, the 14 program loans for Pakistan had low success rates (29%).

In 2008–2010, the success rate of energy programs was highest (80%), followed by public sector management programs (71%). More modest success rates were realized by programs in trade and industry (60%), multisector focusing on social services such as education and health (60%), and finance (54%). Only one in four agriculture programs were rated *successful*, highlighting the continuing problems such programs face compared with programs in other sectors (Supplementary Appendix D).

<sup>57</sup> ADB. 2010. *Special Evaluation Study: Post-Completion Sustainability of the Asian Development Bank-Assisted Projects*. Manila.

<sup>58</sup> ADB. 2010. *Implementing Impact Evaluation at ADB*. Manila.

<sup>59</sup> For the findings of these evaluations, see <http://www.adb.org/carec/>

## Thematic Results of ADB Operations

Overall thematic performance for sovereign core sector operations in 2010, although still modest, was equal to or better than the average for 2008–2010 (Table 5 and Appendix 7, Tables A7.7 to A7.10), except in private sector development. Thematic results in other sectors were at least as good as those of the core sectors. The higher proportion of projects with thematic activities or results in capacity development, gender, and governance may reflect the increasing attention to these themes since the early 2000s. TA completion reports in 2010 reported good TA project results for capacity development, governance, and private sector development themes (Appendix 7, Table A7.11).

Programmed thematic activities or results described in the PCRs were generally well reflected in the design and monitoring frameworks (DMFs) for capacity development and governance themes. However, significantly fewer gender and private sector development targets were reflected in the DMFs (Supplementary Appendix C). Although the low number of gender indicators and targets may be explained in part by the inclusion of gender action plans with targets in the RRP documentation, the guidelines state that gender results targeted should also be reflected in the

DMF. ADB completed rapid gender assessments of 12 projects in 4 countries to examine the achievement of gender results (Box 1).

IED completed the second part of its special evaluation study on gender and development in 2010, focusing on results from country case studies.<sup>60</sup> Fifty-five projects were selected for review. The results showed that the gender and development-related performance of the projects was modest. Only 51% of the projects were rated *successful* or better in terms of their gender and development and 44% were rated *effective*, even though 45 of the 55 projects in the sample had a gender theme, or involved significant gender mainstreaming,<sup>61</sup> and were therefore expected to produce substantial gender and development outcomes. IED concluded that (i) country gender assessments captured the country-specific gender issues and government gender priorities, but the evidence was weak regarding their success in influencing ADB country partnership strategies; (ii) ADB's capacity to promote gender issues was viewed as often limited; and (iii) ADB's business processes were inadequate to capture gender-related performance data. In response to earlier indications, ADB has appointed additional gender specialists, clarified the gender categorization, and conducted training. It will continue to work on these areas in 2011.

**Table 5: Intended Thematic Results in Core Sectors Reported in 2008–2010 Project Completion Reports (%)**

Theme	2010		2008–2010	
	Operations Targeting Specific Target	Effective in Achieving Target	Operations Targeting Specific Target	Effective in Achieving Target
Capacity development	99	64	74	63
Gender equity	73	57	61	66
Governance	84	61	70	66
Private sector development	50	46	45	59

Note: Environment and regional cooperation and integration themes are discussed in the following sections.

Source: Asian Development Bank Strategy and Policy Department.

<sup>60</sup> ADB. 2010. *Special Evaluation Study: Asian Development Bank Support for Gender and Development - Phase II: Results from Country Case Studies*. Manila.

<sup>61</sup> Gender mainstreaming is a process to ensure that gender concerns and women's needs and perspectives are considered in ADB operations.

### Box 1: Gender Equality Results Reported in 2010 by a Gender Assessment

In 2010, the Asian Development Bank (ADB) completed the second Rapid Gender Assessment of its projects to monitor implementation of ADB's policy on gender, as well as development and international commitments on gender. The gender assessment synthesized four separately published country assessments undertaken in 2008–2009, including case studies of 12 projects (three each in Indonesia, Mongolia, Sri Lanka, and Viet Nam). Nine had Gender Action Plans (GAPs).

The study concluded that the implementation of the GAPs yielded better gender equality results and contributed directly to better project effectiveness, including reduced vulnerability to poverty, improved living conditions, inclusive rural development, and greater access to health and education.

The GAPs incorporated into the projects had resulted in satisfactory participation of women in projects, equal or good access to project resources, practical benefits for women and girls, and signs of progress toward gender relations. Executing agencies that could support gender mainstreaming adopted institutional changes. Although projects investigated had improved inclusion of gender targets and indicators, their inclusion in the design and monitoring frameworks and project performance reports was weak across countries, as was the collection and use of gender-sensitive data and monitoring of GAP implementation.

The assessment urged ADB to take stock of the sectors that needed more gender and development capacity building, including gender-sensitive outcome indicators, engagement in policy dialogue and partnerships, and attention from resident mission gender specialists.

Source: ADB. 2010. *Gender Equality Results in ADB Projects: Regional Synthesis of Rapid Gender Assessments in Indonesia, Mongolia, Sri Lanka, and Viet Nam*. Manila.

In 2010, IED completed one evaluation centered on governance—ADB's support for decentralization in Indonesia.<sup>62</sup> It rated ADB's \$1.2 billion support for Indonesia's decentralization process *partly successful*. ADB did not respond quickly enough to government needs and overestimated the capacity of institutions and their coordination with key government agencies and development partners involved. The evaluation identified a need for (i) continued support to develop the policy framework for decentralization, complemented by support for institution building at local levels; (ii) analysis of past successes in public financial management reform and capacity development; and (iii) more coordination with other development partners.

### Environmentally Sustainable Growth

Of 50 core sector infrastructure operations reviewed in 2010, 76% targeted some environmental sustainability results and the PCRs reported that 79% were *effective* in achieving the result, similar to 2009's good performance in this area.<sup>63</sup> The operations aimed to (i) reduce CO<sub>2</sub> emissions, (ii) support clean energy, (iii) improve the environment (iv) improve environmental management, and (v) increase environmental awareness (Table 6).<sup>64</sup>

Of the infrastructure operations reviewed, 46% included targets to improve environmental management, and 70% of these reported one or more positive results. Projects achieved

<sup>62</sup> ADB. 2010. *Special Evaluation Study: Asian Development Bank Support for Decentralization in Indonesia*. Manila.

<sup>63</sup> In 2009, PCRs and XARRs reported a 77% success rate for 91 infrastructure operations reviewed. Generally, environmental sustainability was not targeted in education and finance operations.

<sup>64</sup> For the aggregate of core and other sectors, 49% had environmental targets and the success rate was 83%. For ADF the figures were 69% (environmental targets) and 75% (success rate), see Appendix 7, Table A7.12.

**Table 6: Achievement of Environmental Results in ADB Infrastructure Components Reported in 2008–2010 Project Completion Reports**

Environment Results by Components in Infrastructure	Sectors	2010			2008–2010		
		No.	Operations with Environmental Target (%)	Effective in Achieving Target (%)	No.	Operations with Environmental Target (%)	Effective in Achieving Target (%)
CO <sub>2</sub> emissions reduced	Energy, Transport	27	33	78	42	26	82
Clean energy supported	Energy	8	63	80	23	48	91
Environment improved	Water	23	80	58	54	83	69
Environmental management improved	Energy, Transport, and Water	50	46	70	83	59	55
Environmental awareness improved	Energy, Transport, and Water	50	28	86	81	37	73
<b>Total</b>	<b>All</b>	<b>50</b>	<b>76</b>	<b>79</b>	<b>133</b>	<b>78</b>	<b>76</b>

ADB = Asian Development Bank, CO<sub>2</sub> = carbon dioxide, No. = number.

Notes:

1. One operation may have multiple environmental targets or achievements.
2. Results were based on statements in the project completion reports which contributed to achieving clean water supply and sanitation schemes, e.g., reduced pollution load in water bodies, reduced incidence of waterborne diseases, and improved collection of untreated sewage.

Sources: ADB Strategy and Policy Department, and project completion reports issued in 2008–2010.

this through better environment plans and procedures, human resources development in relevant implementing agencies, and use of geographic information systems and other information gathering techniques for adequate environmental monitoring. As with the gender and private sector development themes, environment targets were not always reflected in the DMFs. This may be explained in part by the inclusion of targets in environmental impact assessments and initial environmental examinations in the RRP documentation.

Of the infrastructure-oriented TA completion reports in 2010, 40% reported targeting an environment theme, often in addition to other themes, such as capacity development. A positive result was reported for 89%. Environmentally sustainable growth was

targeted in agriculture and natural resources with a higher percentage (100%) being effective (Supplementary Appendix B).

### Regional Integration

Seven finance and transport operations completed in 2010 showed good results in promoting regional integration. PCRs in the finance sector reported that 23% of completed finance operations (3 of 13 operations) included regional cooperation and integration initiatives, and all were effective.

A finance program loan in the Kyrgyz Republic, the Banking Sector and Capital Market Development Program,<sup>65</sup> delivered (i) cross-border agreements on consolidated supervision with home country supervision of parent banks,

<sup>65</sup> ADB. 2010. *Completion Report: Banking Sector and Capital Market Development Program in the Kyrgyz Republic*. Manila.

and (ii) agreements with several countries incorporating all the necessary elements of the Basel Committee's recommendations on supervision of cross-border banking. These results were rated *sustainable* as the National Bank of the Kyrgyz Republic continued to expand the scope of cooperation with the signing of a memorandum of understanding with the Austrian Financial Market Authority on banking supervision. ADB also prepared a framework of crisis management measures with the Commission for Banking Supervision in the PRC. Further, with the help of program loans, Viet Nam has been active in cementing international cooperation in finance, entering into bilateral agreements for mutual legal assistance with a range of jurisdictions and joining regional bodies, notably the Asia/Pacific Group on Money Laundering.

Four of 19 projects (21%) reviewed in the transport sector were designed to strengthen regional infrastructure links and hasten economic development among countries through network improvement. Two operations (in the Lao PDR and Tajikistan) were effective in achieving a positive result, while two other PCRs did not elaborate regional integration achievements as these could not yet be ascertained (in Afghanistan and Viet Nam). A project in the Lao PDR strengthened regional infrastructure linkages between members of the Greater Mekong Subregion, reducing transport costs for passengers and freight, and accelerating economic development in the region. The effect on economic development of the adjacent provinces has been substantial.

One PCR for Indonesia's Marine and Coastal Resources Management Project supported regional cooperation and reported a positive result.<sup>66</sup> The project's national biodiversity information network was linked to the international biodiversity community for easy access to marine and coastal spatial data, and to improve marine resources management and monitoring.

Regional cooperation and integration activities were included in 34 of the 55 regional TA projects reviewed in 2010, and in 6 of the 83 advisory TA projects (Appendix 7, Table A7.12). Of the regional TA projects, 30 (88%) achieved their regional cooperation and integration targets; and 3 of the 6 advisory TA projects achieved their targets. These TA projects included support for detailed studies for a logistics industry development plan to link the PRC to the rest of Central Asia through the Xinjiang Uygur Autonomous Region. Another TA project helped increase the capacity of Thailand's Neighboring Countries Economic Development Cooperation Agency as a regional donor partner. Three regional TA projects were rated *highly successful*. One strengthened the capacity of selected credit rating agencies in Asia and promoted regional harmonization. A TA project under the Greater Mekong Subregion program helped develop a strategy and action plan for human resources development. A third TA project increased awareness and cooperation on climate change through workshops and the publication of *The Economics of Climate Change in Southeast Asia: A Regional Review*. This created momentum for country-level analysis and informed policy making.

<sup>66</sup> ADB. 2010. *Completion Report: Marine and Coastal Resources Management Project in the Republic of Indonesia*. Manila.

# Level 3: Operational Effectiveness

ADB's operational effectiveness is fundamental to the delivery of its development agenda. This section examines ADB's operational effectiveness in the following areas: (i) quality of its completed operations, (ii) quality at entry of operations and portfolio performance, (iii) transfer and mobilization of development finance, (iv) financing for Strategy 2020's core operational areas, (v) knowledge management, and (vi) partnerships. An important level 3 finding, which is also reflected in the outcome assessment in level 2, is the continued stagnation of the success rate of completed projects and programs that were designed and implemented in the past decade. The success rate of ADB's completed TA projects also remained below the baseline. In most other

areas, considerable progress was noted and/or targets were achieved, reflecting steady improvement.

## ► Has the Quality of ADB's Completed Operations Improved?

ADB  mixed ADF  poor

In assessing the quality of ADB's completed operations, five indicators are examined: evaluation ratings of completed country partnership strategies (CPSs), sovereign operations, nonsovereign operations, and TA projects; and perceptions of ADB's effectiveness in reducing poverty (Table 7). The data show an apparent disconnect between the good

**Table 7: Quality of Completed Operations (Level 3)**

Indicator	Baseline Year <sup>a</sup>	Asian Development Bank					Asian Development Fund						
		Base-line	2007	2008	2009	2010	2012 Target	Base-line	2007	2008	2009	2010	2012 Target
Completed CPSs rated successful (%)	2009	50			50	100	70	50			50	100	70
Completed sovereign operations rated successful (%) <sup>b</sup>	2004–2006 average	72	70	68	63	66	80	75	77	68	64	66	80
Completed nonsovereign operations rated successful (%)	2008–2010 average	80				80	80						
Completed technical assistance projects rated successful (%) <sup>c</sup>	2004–2006 average	79	80	78	76	75	80	78	77	74	72	73	80
Positive perceptions of ADB effectiveness in reducing poverty (%) <sup>d</sup>	2006	45			50		60	Same as ADB					

ADB = Asian Development Bank, CPS = country partnership strategy.

<sup>a</sup> For indicators with a 3-year average as the baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, the 2007–2009 average for 2009, and the 2008–2010 average for 2010.

<sup>b</sup> Where available, project performance evaluation report (PPER) ratings are taken as the final rating. If no PPER was prepared, an available project completion report (PCR) validation report (PVR) rating is used. Otherwise, PCR ratings are used. Counting of projects rated *successful* in PCRs, PVRs, and PPERs is based on their year of circulation. Baseline and later values may change when PPER and PVR ratings differ from the original PCR ratings.

<sup>c</sup> This excludes preparatory technical assistance; figures for previous years have been recalculated.

<sup>d</sup> The ADB perceptions survey is conducted every 3 years.

Sources: ADB Department of External Relations, and Strategy and Policy Department.



ratings for completed CPSs and the relatively poorer ratings for the quality of completed operations. This is primarily because the two CPSs evaluated in 2010 represent only a small fraction of ADB's completed operations.<sup>67</sup> The quality of completed TA projects remains below the baseline, although 2010 figures show improvement. With only three of the five indicators on track, the aggregate score for ADB is *mixed* (amber). ADF is rated *poor* (red) as two of the four indicators are rated *off track*.<sup>68</sup>

▪ **Completed Country Partnership Strategies Rated Successful**

ADB  ADF 

CPSs are ADB's primary framework for translating Strategy 2020 into effective operational programs in its DMCs. ADB's

performance in implementing CPSs is independently assessed through country assistance program evaluations (CAPEs) by IED. In 2010, IED completed CAPEs for Bhutan and the Lao PDR.<sup>69</sup> The CPSs for both countries were rated *successful* (Box 2). For 2006–2010, 11 of 14 CAPEs (79%) were rated *successful*.

To improve self-evaluation of completed CPSs, regional departments are now required to prepare a CPS final review document. Introduced in 2010, this requirement is expected to improve analysis and rating of completed CPSs. It will also enable IED to subsequently validate a CPS final review in the absence of a CAPE.<sup>70</sup> Once the CPS final review validation reports become available, they will provide additional information on CPS quality at completion and will improve the analysis of this indicator.

**Box 2: 2010 Country Assistance Program Evaluations: Bhutan and the Lao People's Democratic Republic**

The Bhutan country assistance program evaluation (CAPE) noted that the Asian Development Bank (ADB) had contributed considerably to rural electrification; commercialization of the power sector; preparation and application of a public–private partnership model for hydropower projects; development of basic infrastructure in two major centers; establishment of a legal, regulatory, and institutional framework for the finance sector; and development of capacity for debt management, road planning, road safety, and construction management. It concluded that ongoing assistance will likely result in further outcomes, including a financial regulatory framework, the new Southern East–West Highway that will facilitate trade and development in southern Bhutan, and the expansion of urban infrastructure for another 60,000 people.

The Lao People's Democratic Republic CAPE concluded that ADB assistance had contributed substantially to sustainable pro-poor economic growth, inclusive social development, and good governance. ADB had helped the government to improve policies and institutional capacity to support broad-based growth led by the private sector. Support was provided through a combination of interventions in agriculture and rural development, small and medium-sized enterprises, financial markets, and catalytic private investments in hydropower. This was complemented by transport, power, and trade facilitation support from the Greater Mekong Subregion. Substantial progress has been made in promoting the private sector. ADB led in support for inclusive social development. Assistance in health, education, and water supply and sanitation supported better access to and quality of essential social services.

Sources: ADB. 2010. *Country Assistance Program Evaluation: Bhutan*. Manila; and ADB. 2010. *Country Assistance Program Evaluation: Lao People's Democratic Republic—Sustainable Growth and Integration*. Manila.

<sup>67</sup> The operations in Bhutan and the Lao PDR for which country assistance program evaluations were prepared in 2010 represented only 0.7% of the total operations assessed for quality at completion in this *DEFIR*.

<sup>68</sup> For ADF operations, only four indicators are examined; the indicator on nonsovereign operations is excluded.

<sup>69</sup> ADB. 2010. *Country Assistance Program Evaluation: Bhutan*. Manila; and ADB. 2010. *Country Assistance Program Evaluation: Lao People's Democratic Republic—Sustainable Growth and Integration*. Manila.

<sup>70</sup> ADB. 2009. *Country Partnership Strategy: Responding to the New Aid Architecture*. Report of the Country Partnership Strategy Working Group. Manila.

## Completed Sovereign Operations Rated Successful

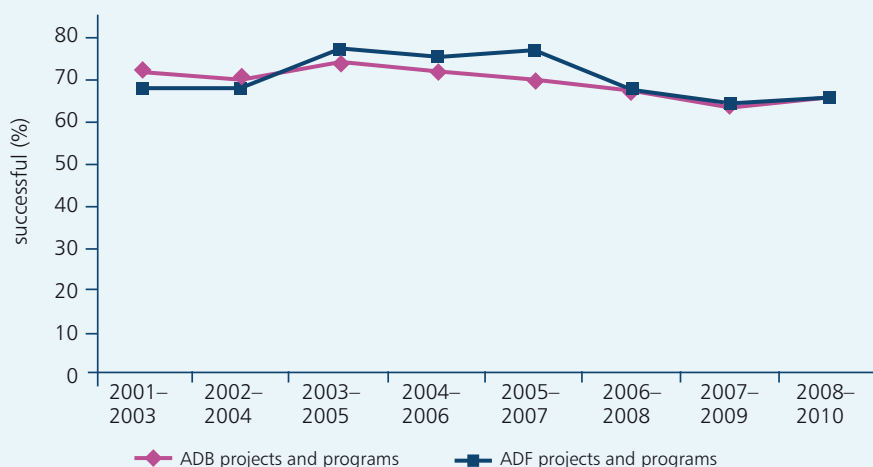
ADB  off track ADF  off track

ADB rated 66% of ADB and ADF operations completed during 2008–2010 *successful*,<sup>71</sup> considerably below the target of 80% and the baseline rate of 72% for ADB and 75% for ADF (2004–2006).<sup>72</sup> They were also lower than the 3-year average effectiveness rates of 71% for ADB and 67% for ADF analyzed in level 2.<sup>73</sup> The median year of project approval for this group of projects is 2002, while the median completion date was in early 2009. Of the total number of completed operations, 23% were rated *partly successful* and 11% *unsuccessful*. While most *successful* projects had good disbursements, much less was disbursed for *partly successful* projects (80%) and *unsuccessful* projects (33%).<sup>74</sup> Countries with access only to ADB's ordinary capital resources

(OCR) performed best at 77%, followed by ADF-only countries at 73%, and blend countries at 59%. The success rate for the 81 projects completed in 2010 was 68%, 5 percentage points above the 2009 rate but still well below the target (Figure 4 and Appendix 8, Tables A8.1 and A8.2). The success rates of the finance and water operations were lowest.

Issues highlighted in PCRs of 2008–2010 included implementation problems (29%); project supervision issues, such as frequent transfer of project officers and insufficient missions (24%); and project design problems (21%). Water projects were viewed as having had fewer design problems, but more implementation and supervision problems. Education, agriculture, and transport projects cited more design problems than the other sectors. Energy projects had the fewest implementation problems.

**Figure 4: Completed Sovereign Operations Rated Successful, 3-Year Moving Average, 2001–2010 (%)**



ADB = Asian Development Bank, ADF = Asian Development Fund.  
Source: ADB Strategy and Policy Department.

<sup>71</sup> By amount approved, 76% of the total were rated *successful* in 2010; by amount disbursed, 83%.

<sup>72</sup> Success rates are based on ratings by individual PCRs, updated where relevant to reflect the ratings of IED's PCR validation reports (PVRs) and PPERs. All PCRs, PVRs, and PPERs are available on ADB's website.

<sup>73</sup> This is largely because of the lower ratings for "efficiency"—one of the four criteria: relevance, effectiveness, efficiency, and sustainability (footnote 36).

<sup>74</sup> The percentages refer to the proportions of loan or ADF grant funds disbursed out of the original project allocations. They are approximations and follow data provided in PCRs converted into dollar values. The amount approved in dollar value cannot be fully compared with amount disbursed in dollar value, as they may both be conversions of special drawing rights and local currencies. The dollar exchange rate varies over the years of implementation.



The Pakistan portfolio continued to supply the largest number of PCRs in 2010 (10 of 81) and record the lowest average success rate (2 *successful*, 2 *partly successful*, and 6 *unsuccessful*).<sup>75</sup> The ongoing restructuring of the country project portfolio (begun in 2007), resulted in low ratings for PCRs issued in 2008–2010.<sup>76</sup> The restructuring exercise also led to a higher proportion of Pakistan projects among the total PCRs issued in recent years. ADB approved a highly ambitious portfolio of operations in the early 2000s. Almost half were complex, such as devolved delivery of multiple social services in various provinces, provincial resource management programs, and reforms of the judiciary and police. Only one-quarter of these succeeded. Almost half of the PCRs concerned program loans. The low success rate in Pakistan was accompanied by low disbursement rates: PCRs in 2008–2010 reported 102% of the approved amount disbursed for *successful* projects, 77% for *partly successful* projects, and 36% for *unsuccessful* projects.

There were significant differences in aggregate success rates between country portfolios. Among the countries for which 8 or more PCRs were issued in 2008–2010, those with less than 60% of their operations rated *successful* were Pakistan (21% of 33 operations) and Mongolia (56% of 9). When assessed as a group, small Pacific islands also had a low success rate (50% of 8). On the other hand, many country portfolios had high success rates over the same period. Countries with 8 or more PCRs and over 80% success rates included the PRC (100% of 15 projects), Tajikistan (100% of 8), Viet Nam (93% of 15), and Cambodia (90% of 10). In addition to a country bias, some sectors have recently been rated lower than others (Appendix 8, Table A8.4). Regional departments and communities of practice are examining these trends to determine the factors responsible and formulate remedial actions.

Five PCR validation reports (PVRs) issued in 2010 downgraded PCRs from *successful* to *partly successful* or *unsuccessful*. This reduced the 2007–2009 project performance success rate from 67% to 63%.

ADB has implemented numerous measures to improve project and portfolio performance, building on the lessons gained from past operations. Since 2009, ADB has held quarterly operations review meetings, chaired by operations vice-presidents, to review project implementation progress, and to identify and solve systemic project implementation issues. ADB has allocated additional staff to resident missions, including positions to address safeguard dimensions of projects being processed and implemented.

The streamlined business processes introduced in January 2010 are expected to improve project implementation by enhancing quality at entry, risk categorization, and peer review. Categorizing projects up-front by complexity and riskiness will enable ADB to allocate staff resources more effectively. Timely and detailed consideration of project execution, through early preparation of the project administration manual, will allow implementation issues to be resolved before Board approval.

In 2010, Management formed a senior working group to consolidate good practices and identify new actions to improve project performance.<sup>77</sup> This was a response to the 2009 *DEFR* findings on the low success rate of completed operations and the need to manage the growing project portfolio effectively. These good practices and actions target (i) total project readiness; (ii) effective project implementation; and (iii) better organization, staff skills, and incentives. The low effectiveness and success rates of recently completed operations stress the urgency

<sup>75</sup> The low success rate for operations in Pakistan lowered the average PCR ratings for ADB. Without Pakistan operations, the 2008–2010 success rate would have been 74% for ADB and 76% for ADF. For success rates by country and period of projects, see Appendix 8, Table A8.3.

<sup>76</sup> The complexity of Pakistan's projects and programs approved in the early 2000s was higher than that of most country portfolios, as measured by the average number of sector components per project or program.

<sup>77</sup> ADB. 2010. *Good Project Implementation Practice. Report of the Project Implementation Working Group*. Manila.

of implementing these initiatives fully and examining project selection and design issues further. Accountability for project results will be strengthened by the introduction of results-based work plans linking the work outcomes of each department, division, and individual staff member to corporate priorities set out in ADB's results framework (p. 55).

The increased efforts to evaluate impact and assess outcome sustainability discussed in level 2 will generate useful lessons that can be incorporated into project design and implementation. Furthermore, ADB is implementing the new energy policy and operations plans for education and transport approved in 2009–2010 to manage sector portfolio performance effectively and increase the relevance of sector operations.<sup>78</sup>

ADB Management is expected to adopt a new financial sector operational plan and a new water operational framework in 2011.

#### ▪ **Completed Nonsovereign Operations Rated Successful** ADB

Completed nonsovereign operations rated *successful* is a new indicator for nonsovereign operations introduced through the refinements to ADB's results framework. Based on 15 extended annual review reports (XARRs) prepared during 2008–2010, ADB established a baseline of 80% as the target for completed nonsovereign operations rated *successful*. This matches the 2012 target of maintaining or exceeding 80% of projects rated *successful*. Of the 15 nonsovereign projects with XARRs issued in 2008–2010, 4 were in infrastructure (3 in energy and 1 in transport), and 11 were in finance. The four infrastructure projects were all rated *highly successful*, whereas eight finance projects (73%) were rated either *highly successful* or *successful* (Appendix 8, Table A8.6). Six of the 15 nonsovereign operations were in ADF countries (Afghanistan, Azerbaijan

[2], Bangladesh [2], and Mongolia). All were rated *successful* (Appendix 8, Table A8.7).

In 2010, IED issued XARR validation reports of six XARRs prepared in 2008–2010. The ratings for two of the six projects were downgraded to *partly successful*, raising to three the number of projects rated *partly successful*.

#### ▪ **Completed Technical Assistance Projects Rated Successful**

ADB  off track ADF  off track

The 3-year ADB average for completed TA projects rated *successful* declined 1 percentage point to 75% from the previous period (2007–2009), while the ADF average increased 1 percentage point to 73%. Both remained below the target of 80% in 2012.

The annual success rate for 2010 rose considerably to 78% for ADB, from 75% in 2009 and 73% in 2008.<sup>79</sup> However, the improvement was insufficient to reverse the decline in the 3-year average given the low success rates in 2008 and 2009 and the high success rate of 2006. The assessment shows that OCR-only countries had the highest TA project success rates (78%) in 2010, followed by ADF-only countries (72%), and blend countries (63%). The success rate for countries in fragile situations increased to 74% in 2010 from 53% in 2009 (Appendix 9). Little correlation was observed between the success of loan and ADF grant operations in individual countries and the success of TA projects in those countries.

TA completion reports issued in 2010 covered 138 TA projects (83 advisory TA projects and 55 regional TA projects).<sup>80</sup> Of the total, 30 were rated *less successful*. The main reasons identified were (i) delays in consultant engagement (43%); (ii) poor design, including inadequate timing and unrealistic timelines (40%); (iii) project delays or lack of progress

<sup>78</sup> ADB. 2009. *Energy Policy*. Manila; ADB. 2010. *Education by 2020: A Sector Operations Plan*. Manila; ADB. 2010. *Sustainable Transport Initiative Operational Plan*. Manila.

<sup>79</sup> Regional TA projects are included with advisory TA projects for ADB and ADF countries. In ADF countries, they have more weight. Of the total, 33% were approved in 2006 (the median year) and more than half were completed in 2009.

<sup>80</sup> The average approval year for the projects was 2005; the median was 2006.

in complementary reforms or actions when TA projects were attached to projects or programs (27%); and (iv) poor coordination across stakeholders (23%). More regional TA projects were rated *successful* than country-specific advisory TA projects.<sup>81</sup> The rating given in TA completion reports was often based on outputs rather than outcomes.<sup>82</sup> Supplementary Appendix B provides more information on the performance of TA projects reviewed in 2010.

To improve the success rate of TA projects, ADB is continuing to implement reforms introduced in 2008.<sup>83</sup> In response to the low TA completion report ratings noted in the 2009 *DEfR*, regional departments introduced additional measures to improve performance. In August 2010, for example, ADB undertook a high-level tripartite portfolio review meeting focusing only on TA projects in India. This successful initiative is being replicated in other South Asian countries. The number of TA projects under supervision is being maintained at a level (750–850 projects) that allows adequate resources for project management. TA-specific portfolio management action plans are being drawn up and implemented to resolve implementation issues.

▪ **Positive Perceptions of ADB Development Effectiveness in Reducing Poverty** ADB  watch

The second independent perceptions survey was conducted in 2009 and reported in the 2009 *DEfR*.<sup>84</sup> To improve understanding of stakeholders' perceptions of ADB services, one regional department will complete its own survey in 2011. In 2010 and 2011, four organizations published the results of their assessments of the quality of official development assistance by ADB and/or other multilateral and bilateral development institutions (Box 3).

► **Have Quality at Entry and Portfolio Performance Improved?**

ADB  good ADF  good

In evaluating quality at entry and portfolio performance, five indicators are examined: quality at entry of CPSs rated *satisfactory*, quality at entry of nonsovereign projects rated *satisfactory*, performance of sovereign operations during implementation rated *satisfactory*, and average time from approval to disbursement in sovereign operations (Table 8). The 2010 *DEfR* confirms the upward trend in the quality of operations at entry and the speed of project start-up. However, the ratings of ADB's portfolio performance using the new rating system suggest many of its ongoing operations face implementation difficulties. With most of the indicators performing satisfactorily, this category is rated *good* (green) for both ADB and ADF.

▪ **Quality at Entry of Country Partnership Strategies Rated Satisfactory**

ADB  ADF 

The 2011 biennial in-house quality-at-entry exercise rated all 11 CPSs approved in 2008–2009 *satisfactory*. It noted only minor differences between countries falling below the mean and those rising above it and found no substantial differences in quality. This positive result may be attributable to (i) ADB's emphasis on results-based management, (ii) issuance of the 2007 CPS guidelines, and (iii) the knowledge that the CPSs will eventually be assessed for quality—all of which would tend to reinforce ADB's accountability for CPS preparation.

Among the seven main criteria rated, country diagnostics had the highest mean score, while country strategy had the lowest overall mean rating (with 3 of the 11 rated *marginally satisfactory*, including two post-conflict countries).

<sup>81</sup> Additional reasons quoted for advisory TA projects' limited success were (i) long delays in consultant selection and engagement; (ii) poor TA project design, including unrealistic timelines; and (iii) inadequate ADB supervision and frequent changes in ADB staff.

<sup>82</sup> Forty percent of regional TA project ratings and 53% of advisory TA projects were mainly based on outputs.

<sup>83</sup> ADB. 2008. *Increasing the Impact of the Asian Development Bank's Technical Assistance Program*. Manila.

<sup>84</sup> ADB. 2010. *ADB Perceptions Survey: Multinational Survey of Stakeholders 2009*. Manila.

### Box 3: External Assessments of ADB's Development Assistance

The World Bank's *Aid Quality and Donor Rankings* of 38 bilateral and multilateral organizations ranked the Asian Development Bank (ADB) first for specialization, second for selectivity and alignment, and 14th for harmonization. The unweighted average of the four sub-indexes put ADB in first place overall.

The Multilateral Organization Performance Assessment Network Common Approach assessed ADB's institutional effectiveness based on stakeholder perception data across four developing member countries (Afghanistan, Indonesia, Sri Lanka, and Viet Nam) and document reviews related to four areas of performance: strategic management, operational management, relationship management, and knowledge management. Overall, ADB was seen to be internally effective and performed adequately or better on the majority of key performance indicators. The only indicator rated *inadequate* was human resources management. ADB was rated highly in transparent and predictable aid allocation decision making, presenting information on performance, and monitoring external results.

The *Multilateral Aid Review* assessment of 2011 conducted by the Department for International Development of the United Kingdom (DFID) reviewed the strengths and weaknesses of the Asian Development Fund. It was rated *strong* for meeting international and United Kingdom aid objectives and for organizational strength in strategic and performance management. However, ADB was rated *weak* in attention to crosscutting issues in gender equality. It was rated *satisfactory* in attention to crosscutting issues in fragile contexts, focus on poor countries, contribution to results, organizational strength in financial resources management, cost and value consciousness, partnership behavior, transparency and accountability, and likelihood of positive change.

A study sponsored by the Global Partnership for Managing for Development Results of the Development Assistance Committee of the Organisation for Economic Co-operation and Development affirmed ADB's leadership in results reporting. The study reviewed 12 performance reports, including ADB's *Development Effectiveness Review*, from 10 bilateral and multilateral agencies using the report's purpose, content, and presentation and analysis of results information as assessment criteria.

Sources: S. Knack, H. Roger, and N. Eubank. 2010. *Aid Quality and Donor Rankings*. Policy Research Working Paper 5290, World Bank. Washington, DC; Multilateral Organization Performance Assessment Network. 2011. *MOPAN Common Approach 2010: ADB*; Department for International Development of the United Kingdom. 2011. *Multilateral Aid Review*; and Development Assistance Committee of the Organisation for Economic Co-operation and Development Global Partnership on Managing for Development Results. 2011. Report on Results Reporting.

Notwithstanding the favorable result of the quality-at-entry exercise, CPSs could be improved with (i) better country results frameworks, including improved baselines and quantitative targets; (ii) a more explicit link between CPS preparation and Strategy 2020;<sup>85</sup> (iii) a clearer rationale for sector and subsector selection; (iv) comprehensive, structured treatment of economic, sector, and thematic work; and (v) a better link between security diagnostics and strategy and programming in the context of countries in fragile situations.

#### ▪ Quality at Entry of Sovereign Projects Rated Satisfactory ADB ADF

The proportion of ADB sovereign projects approved in 2008–2009 that were rated *satisfactory* or better rose to 89% from 85% in the 2008 assessment (of projects approved in 2006–2007), according to the 2010 biennial assessment of quality at entry of sovereign projects. The figure for ADF was 94% in 2010, compared with 83% in 2008. The assessment found operations in all areas to be generally

<sup>85</sup> In 2010, ADB refined its guidelines on country and sector results frameworks to better align them with the objectives of DMCs and Strategy 2020, and to improve results monitoring. ADB. 2010. *Preparing Results Frameworks and Monitoring Results: Country and Sector Levels*. Manila.

**Table 8: Quality at Entry and Portfolio Performance (Level 3)**

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund						
		Base-line	2007	2008	2009	2010	2012 Target	Base-line	2007	2008	2009	2010	2012 Target
Quality at entry of CPSs rated <i>satisfactory</i> (%) <sup>a</sup>	2006	33		75		100	80	33		75		100	80
Quality at entry of sovereign projects rated <i>satisfactory</i> (%) <sup>a</sup>	2006	81		85		89	85	76		83		94	85
Quality at entry of nonsovereign projects rated <i>satisfactory</i> (%) <sup>a</sup>	2008	50		50		57	85						
Performance of sovereign operations during implementation rated <i>satisfactory</i> (%) <sup>b</sup>	2010	75				75	80	...				...	80
Average time from approval to first disbursement in sovereign operations (months) <sup>c</sup>	2006	12	12	12	11	10 <sup>d</sup>	10	13	13	12	12	10	12

... = not available, CPS = country partnership strategy.

<sup>a</sup> Quality-at-entry assessments of CPSs and projects are conducted every 2 years.

<sup>b</sup> The 2010 ratings are based on the new portfolio performance rating system introduced in 2011. Targets (80%) are indicative. At the time of writing (March 2011), the ADF figure had not been calculated.

<sup>c</sup> Average time from approval to first disbursement of sovereign loans and Asian Development Fund grants approved in the previous 5 years (e.g., 2010 figure is based on 2005–2009 averages).

<sup>d</sup> Excludes operations financed from the Countercyclical Support Facility.

Sources: Asian Development Bank Central Operations Services Office, Independent Evaluation Department, and Strategy and Policy Department.

satisfactory. One-third of agriculture sector projects and one-quarter of health and social protection projects were rated *unsatisfactory*; all the projects reviewed in other sectors were rated *satisfactory*. Particular progress was noted in fiduciary aspects.

The assessment attributed the positive overall result to (i) improved staff expertise because of on-the-job and structured training programs; (ii) Management's efforts to improve quality at entry; (iii) efforts by recipient countries to improve project preparation; (iv) greater coordination with development partners, leading to mutual strengthening of projects being processed; and (v) close attention to the recommendations made under self- and

independent evaluations and in the 2006 and 2008 quality-at-entry exercises. It also noted that the improvement in results for 2010 occurred despite an increase in project approvals in the assessment period.

Further improvement in the quality at entry of sovereign projects would require (i) greater attention to improving the four areas rated *marginally satisfactory*—development outcomes and impacts; poverty, social, and environmental aspects; policy and institutional aspects; and implementation arrangements; (ii) better DMFs with output, outcome, and impact statements clarified with baselines and realistic timelines and targets; (iii) clearer implementation arrangements and assessment of institutional

capacity of implementing agencies; and (iv) more realistic time estimates for project completion and more pre-approval steps to ensure project readiness.

#### ▪ **Quality at Entry of Nonsovereign Projects Rated Satisfactory**

ADB  off track

The quality at entry of nonsovereign projects rated *satisfactory* is a new indicator introduced through the refinements to ADB's results framework. The 2010 biennial assessment of quality at entry of nonsovereign projects found that the percentage of projects approved in 2008–2009 that were rated *satisfactory* or better increased by 7 percentage points from the 2008 figure to 57%. Of 28 projects approved in 2008–2009, 14 were assessed, with 8 rated *satisfactory* or better. The favorable comparison may reflect the positive impact of measures taken by ADB following the 2008 assessment to improve the quality at entry of nonsovereign operations. Nonsovereign projects performed well against the additionality and complementarity criterion; compliance with safeguards was also strong in almost all cases. Improvements were seen in the definition of development objectives, strategic alignment and project design, and implementation arrangements and monitoring. Those projects that were processed following the new business and credit processes for nonsovereign operations introduced in 2009 fared particularly well in the assessment.<sup>86</sup>

However, the proportion of projects rated *successful* was still far below the target of 85%. The assessment noted the significant scope for improvements in presentation of feasibility analysis and risk assessment and management. To improve on the 2010 ratings and remove these weaknesses, ADB will continue with the measures introduced

in 2009. More attention will be given to the formulation of the development objective and project rationale; the structure of the project team, acknowledging externally commissioned expertise; implementation arrangements, including realistic time schedules, supervision, monitoring, and reporting; and the presentation of issues in the RRP.

#### ▪ **Project Performance during Implementation Rated Satisfactory**

ADB  watch

The *DEFs* of 2007, 2008, and 2009 raised concerns that the current portfolio performance rating system may not fully capture project performance and emerging risks in ADB's portfolio. Responding to these concerns, Management reviewed the system and introduced a new portfolio performance rating system in January 2011. The new system applies five portfolio performance indicators—technical, procurement, disbursement, financial management, and safeguards—to derive a rating for a project and the portfolio (Appendix 10).<sup>87</sup> It uses a more stringent methodology that will enable ADB and the borrower to identify and solve project implementation problems in a more timely fashion. The new system will also help eliminate or reduce inconsistencies between the portfolio performance ratings and PCR ratings.

The portfolio performance rating using the new system shows that 25% (106) of the 426 ongoing operations were rated *at risk* of not meeting their objectives.<sup>88</sup> Of these operations, most were considered *at risk* of not meeting the disbursement and contract award targets. An indicative target of 80% was applied (the same as for PCR ratings). In Management's view, the indicator requires close monitoring to enable implementation problems to be resolved as they arise. Management felt that,

<sup>86</sup> ADB. 2009. Nonsovereign Operations. *Operations Manual*. OM D10/OP. Manila (updated June 2010). ADB created the Office of Risk Management in 2009.

<sup>87</sup> Progress in contract award and disbursement is compared with the original phasing at the start of the project. The new system also integrates other performance indicators, including those in the project DMFs, to ensure adequate monitoring of results.

<sup>88</sup> At the time of writing (March 2011), the ADF figure had not been calculated.



even though the volatility of the indicator is not yet known, and therefore the signal cannot be determined precisely, an amber signal was appropriate.

Three recent IED studies<sup>89</sup> and analysis by the project implementation working group indicate four reasons for suboptimal project implementation: (i) inadequate due diligence during project processing; (ii) limited capacity, skills, and incentives for project implementation within ADB and in DMCs; (iii) insufficient attention and/or effective supervision during project implementation; and (iv) complex and cumbersome rules and processes. In recent years, Management has consolidated its measures to remove these weaknesses and improve project performance, including the actions recommended by the project implementation working group (p. 34).

▪ **Average Time from Approval to First Disbursement in Sovereign Operations**  
ADB  ADF 

ADB and ADF operations approved during 2005–2009 reduced their start-up time significantly to 10 months, almost reaching the 2012 target for ADB operations and surpassing the target set for ADF operations (12 months). Nonsovereign operations took an average of 8.6 months from approval to first disbursement for projects approved during the same period.

► **How Successful is ADB in Transferring and Mobilizing Development Finance?**

ADB  good ADF  mixed

The finance transfer and mobilization category is assessed through two indicators on the disbursement ratio, covering sovereign and nonsovereign operations, and one indicator on cofinancing relative to annual ADB financing

approvals (Table 9). ADB continued to perform satisfactorily in mobilizing finance for its DMCs. In 2010, it disbursed \$8.1 billion: \$7.2 billion for sovereign operations, including \$500 million for the Countercyclical Support Facility, and \$865 million for nonsovereign operations. It transferred funds rapidly to both ADB and ADF operations, and expanded cofinancing for ADB operations. However, the cofinancing level for ADF operations remains far below the target. As a result, this category is rated *good* (green) for ADB and *mixed* (amber) for ADF.

▪ **Disbursement Ratio for Sovereign Operations** ADB  ADF 

The trend in the overall disbursement ratio<sup>90</sup> for sovereign operations declined in 2010 (Figure 5 and Appendix 11). Nevertheless, the ADB disbursement ratio remained at the level of the 2012 target of “at least 23%,” and the ADF disbursement ratio slightly exceeded the 2012 ADF target of 20%. Taken alone, the project loan and grant disbursement ratio improved from 19% in 2009 to 20% in 2010, but this was insufficient to compensate for the much larger effect of the reduction in program loans and grants. The disbursement ratio of program loans and grants declined from 67% in 2009 to 60% in 2010.

The ADF disbursement ratio for program loans and grants was lower in 2010 (60%) than in 2009 (77%) because of the large disbursements for program grants in Nepal and Tajikistan in 2009. The ADF disbursement ratio for projects was the same in 2010 as in 2009 (18%).

▪ **Disbursement Ratio for Nonsovereign Operations** ADB 

The overall disbursement ratio for nonsovereign operations achieved the 2012 target of “at least 50%,” jumping from 37% in 2009 to 51% in

<sup>89</sup> ADB. 2008. *Special Evaluation Study: Project Performance and the Project Cycle*. Manila; ADB. 2008. *Special Evaluation Study: Midterm Review Process*. Manila; and ADB. 2009. *Annual Report on 2008 Portfolio Performance*. Manila.

<sup>90</sup> The disbursement ratio is a ratio of total disbursement in a given year or period over the net loan amount available at the beginning of the year or period plus loans that became effective during the year or period less cancellations made during the year or period.

Table 9: Finance Transfer and Mobilization (Level 3)

Indicator	Baseline Year <sup>a</sup>	Asian Development Bank					Asian Development Fund						
		Base-line	2007	2008	2009	2010	2012 Target	Base-line	2007	2008	2009	2010	2012 Target
Overall disbursement ratio <sup>b</sup> for sovereign operations (%) <sup>b</sup>	2006	23	25	29	26 <sup>c</sup>	23 <sup>c</sup>	At least 23	18	21	25	27	21	20
Overall disbursement ratio <sup>d</sup> for nonsovereign loans and equity (%)	2006	43	61	45	37	51	At least 50						
DVA cofinancing relative to ADB financing approved annually (%)	2004–2006 average	9	10	11	17 <sup>c</sup>	26	20	13	13	11	8	13	20

ADB = Asian Development Bank, DVA = direct value-added.

<sup>a</sup> For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, the 2007–2009 average for 2009, and the 2008–2010 average for 2010.

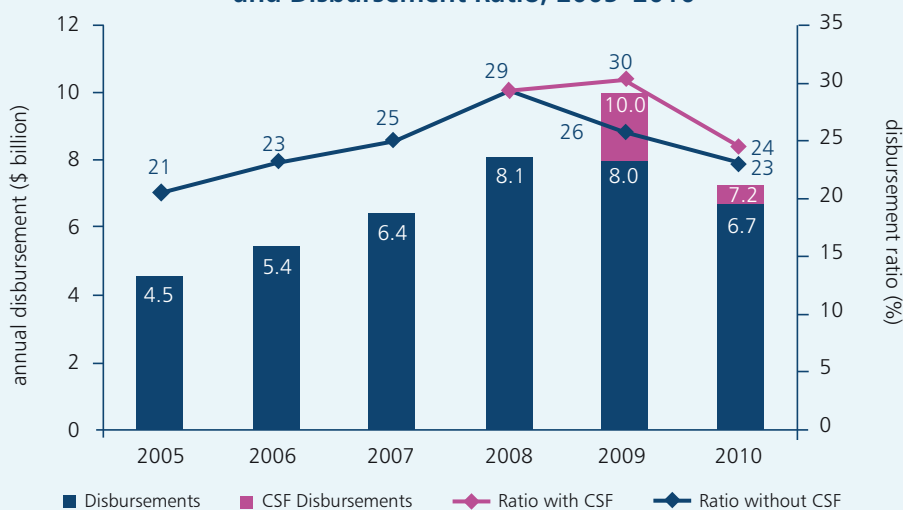
<sup>b</sup> Ratio of total disbursement in a given year to the net loan and Asian Development Fund (ADF) grant amount available at the beginning of the year or period, plus loans and ADF grants that have become effective during the year or period, less cancellations made during the year or period.

<sup>c</sup> Excludes operations financed by the Countercyclical Support Facility.

<sup>d</sup> Ratio of total disbursement in a given year to the net loan and equity investment amount available at the beginning of the year or period, plus loans and equity investments that have become effective during the year or period, less cancellations made during the year or period.

Sources: ADB Controller's Department, and Office of Cofinancing Operations.

Figure 5: Sovereign Operations Annual Disbursements and Disbursement Ratio, 2005–2010



CSF = Countercyclical Support Facility.

Source: Asian Development Bank Controller's Department.



2010.<sup>91</sup> ADB now assesses the financial viability of its nonsovereign operations early in the cycle to improve the predictability of disbursements from ADB committed funds. Under the revised process for credit approval and management, adopted in 2009 (footnote 86), the project’s financial risks are assessed by an independent unit—the Office of Risk Management—from the concept review stage. A comprehensive assessment of the project’s financial viability helps ensure that ADB funds will be drawn at the expected time.

▪ **Cofinancing** ADB  ADF  off track



Direct value-added (DVA) cofinancing relative to ADB financing rose 9 percentage points to 26% for ADB operations and by 5 percentage points to 13% for ADF operations compared with the previous 3-year period. The new 3-year average of DVA cofinancing for ADB operations exceeded the 2012 target of 20%. While ADF data showed a reversal of a steady downward trend, progress was insufficient to meet the ADF 2012 cofinancing target of 20%.

ADB mobilized \$4.5 billion in DVA cofinancing during 2010. This included \$1.64 billion in cofinancing for the Padma Bridge in Bangladesh from the Islamic Development Bank, the Japan International Cooperation Agency, and the World Bank. Even excluding the large cofinancing operations of the World Bank in 2009 (\$2.1 billion for a project in Kazakhstan) and 2010 (\$1.2 billion for the Bangladesh project), DVA cofinancing would have reached 17% overall in 2008–2010. ADB will continue implementing the pilot results delivery scheme to sustain strong incentives for cofinancing operations.<sup>92</sup> ADB operations also benefited from an

additional \$3.4 billion in non-DVA cofinancing (Appendix 12). Three-quarters of non-DVA cofinancing came from commercial sources for use in infrastructure and power projects.

DVA cofinancing for ADF-funded operations more than doubled in 2010, mainly driven by \$202 million in cofinancing for the Padma Bridge (prorated for the ADF portion) and \$170 million in cofinancing for road corridor investment projects in Georgia. It is a challenge to increase cofinancing for ADF-funded projects since grants—the only source that can match ADF’s concessional terms—are generally small and scarce. ADB will continue to seek collaboration with development partners to promote strategic alliances and enable early identification of cofinancing opportunities for ADF-funded operations. ADB will accelerate the use of framework agreements with official partners and increase the use of ADB’s credit enhancement products.

► **Is ADB Improving Its Strategic Focus and Selectivity?**

ADB  good ADF  good

Strategic focus and selectivity refers to the level of financing apportioned to Strategy 2020’s core operational areas and the support given to four thematic priorities: private sector development, regional cooperation and integration, environmental sustainability, and gender mainstreaming. All indicators except gender mainstreaming either reached their target or were on track to achieve or exceed their target.<sup>93</sup> Although gender mainstreaming fell short of targets, it made notable progress

<sup>91</sup> The disbursement performance of nonsovereign operations is expected to fluctuate more than that of sovereign operations, particularly in the case of private equity funds, where drawdown profiles will coincide with investment opportunities as and when identified. In addition, since ADB is always a minority financier, it is heavily dependent on partners to ensure timely disbursement.

<sup>92</sup> Responding to the 2009 *DEFr* findings, ADB Management introduced in 2010 a pilot results delivery scheme linking OCR allocation to performance in cofinancing operations and support for education and gender mainstreaming. Under this scheme, an additional OCR allocation of at least 2% of the original amount will be awarded to regional departments achieving the targets, for use in the following 2 years.

<sup>93</sup> The maximum number per project expanded over time: two themes until 2004, three from 2005 to 2007 (accompanied by the introduction of a capacity development theme), and four since 2008. The average number of themes per project rose from 2.2 in 2006 to 3.0 in 2010. The increased prevalence of almost all themes over 2004–2010 may be partly attributable to the increase in the maximum number of themes per project and the growing familiarity with the new capacity development theme, which alone is responsible for half of the increase. However, it is more likely that the adoption of Strategy 2020 in 2008 with clear targets on private sector development, regional cooperation and integration, and environmental sustainability contributed considerably to the sharp growth in ADB support for these themes.

over previous years' performance (Table 10). As such, this category is rated *good* (green) for both ADB and ADF.

▪ **Financing for Strategy 2020 Core Operational Areas** ADB  ADF 

ADB operations in 2010 focused strongly on Strategy 2020's core operational areas, with 92% of total approved funding going to infrastructure, environment, regional cooperation and integration, finance sector development, and education, compared with 81% in 2009 (Appendix 13). Operations supporting infrastructure remained the highest, at 72%, with energy and transport accounting for 58% of the total. The proportion of operations supporting education almost doubled from the very low base of 2009 to 3% in 2010. ADB plans to implement its new operations plan for education,

further promoting its support for education (footnote 54).

ADB approved \$14 billion in loans, ADF grants, guarantees, and equity investment, for 125 new operations and 7 existing operations.<sup>94</sup> ADB also approved \$327 million for new TA projects, 87% of which were aligned with ADB core operational areas. Support for infrastructure was the highest at 40%, followed by public sector management at 27%, and education at 17%.

▪ **Support for Private Sector Development** ADB  ADF  on track

ADB support for private sector development in 2008–2010 declined slightly to 38% of operations, though it comfortably exceeded the 2012 target of 30%. Of the 126 operations approved in 2008–2010 that supported this theme, 81 (64%) were sovereign and 47 (37%)

**Table 10: Financing for Strategy 2020 Core Operational Areas (Level 3)**

Indicator	Baseline Year <sup>a</sup>	Asian Development Bank					Asian Development Fund						
		Base-line	2007	2008	2009 <sup>b</sup>	2010	2012 Target	Base-line	2007	2008	2009	2010	2012 Target
Financing for Strategy 2020 core operational areas (%)	2008	79		79	81	92	80	67		67	79	88	80
Projects supporting private sector development (%) <sup>c</sup>	2004–2006 average	29	35	38	39	38	30	15	13	19	22	28	30
Projects supporting regional cooperation and integration (%) <sup>c</sup>	2004–2006 average	7	7	7	10	15	15	11	11	11	15	19	15
Projects supporting environmental sustainability (%) <sup>c</sup>	2004–2006 average	14	17	21	27	35	25	9	11	12	18	26	25
Projects with gender mainstreaming (%) <sup>c, d</sup>	2004–2006 average	35	30	27	27	34	40	45	39	37	37	45	50

<sup>a</sup> For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, the 2007–2009 average for 2009, and 2008–2010 for 2010.

<sup>b</sup> Excludes operations financed by the Countercyclical Support Facility.

<sup>c</sup> This now excludes supplementary financing; figures for previous years have been recalculated.

<sup>d</sup> Includes projects identifying gender as a theme and other projects with effective gender mainstreaming.

Sources: Asian Development Bank Reports and recommendations of the President, Regional and Sustainable Development Department, and Strategy and Policy Department.

<sup>94</sup> The figure of \$14 billion excludes cofinancing.

were nonsovereign.<sup>95</sup> The 3-year average for ADF increased 6 percentage points to 28%, bringing it within range of the 2012 target of 30%. In 2010 alone, ADB approved 48 operations (including 17 ADF operations) supporting private sector development. These consisted of 29 sovereign operations and 19 nonsovereign operations. Among nonsovereign operations, 8 were in ADF countries.

To enhance tracking of ADB support in this area, the private sector development working group, formed in 2010, will recommend improvements to the definition of private sector development and the project classification system. ADB is also reviewing its approach to classifying other themes to enable accurate tracking.

▪ **Support for Regional Cooperation and Integration** ADB  ADF 

Operations supporting regional cooperation continued to rise substantially. Increases in 2010 enabled ADB's 2008–2010 average to match the 2012 target of 15% for ADB and surpass the ADF target of 15% by 4 percentage points. ADB approved 26 operations supporting regional cooperation in 2010 (including 14 ADF-funded operations), compared with 14 projects in 2009 (including 11 ADF-funded operations). As in previous years, the majority of operations (13 projects) supported cross-border transport network improvements to improve regional connectivity to boost production networks and trade. Five energy projects and two water supply and other infrastructure facilities also supported the creation of physical infrastructure to assist regional development. Other projects involved biodiversity conservation, and the prevention and management of communicable diseases in the Greater Mekong Subregion.

The portfolio for regional cooperation and integration included finance sector development projects. A notable example was the approval of a \$130 million contribution to the Credit Guarantee and Investment Facility,

a regional guarantee fund that will promote the development of Asian bond markets by providing guarantees for corporate bond issues in regional as well as domestic markets in ASEAN+3 countries.<sup>96</sup>

▪ **Support for Environmental Sustainability**  
ADB  ADF 

ADB support for environmental sustainability continued to make strong progress. The 3-year average percentage of operations supporting this theme surpassed the ADB and ADF target of 25%. In 2010, 42% of ADB operations and 37% of ADF operations supported environmental sustainability. ADB approved 53 projects (including 21 ADF-funded operations) with environmental sustainability as a theme—a 28% increase on the previous year. The number of projects investing in renewable and efficient energy generation jumped from 13 in 2009 to 21 in 2010. Similar or larger increases were seen in the number of projects involving sustainable transport and water supply, sanitation, and waste management infrastructure and services.



ADB allocated \$1.76 billion to clean energy investments in 2010, exceeding for the third consecutive year the annual target of \$1 billion. It also advanced new initiatives to promote technology innovation, transfer, and diffusion. In 2010, ADB approved 13 energy operations to build renewable energy capacity (compared with 9 projects a year for renewable energy capacity in both 2008 and 2009) and 21 to save energy (compared with 12 operations in 2008, and 17 in 2009). Under ADB's Carbon Market Program, the Asia Pacific Carbon Fund allocated 88%—up from 62% in 2009—of its available \$152 million to projects that together are estimated to deliver 12 million carbon credits by 2012. The program's Technical Support Facility assisted more than 60 projects and supported 7 capacity building activities. The Future Carbon Fund syndication closed in March 2010 after raising \$115 million, surpassing the \$100 million target. Following completion

<sup>95</sup> Two operations had both sovereign and nonsovereign components.

<sup>96</sup> ASEAN+3 countries refers to five members of the Association of Southeast Asian Nations (ASEAN)—Indonesia, Malaysia, the Philippines, Singapore, and Thailand—and the PRC, Japan, and the Republic of Korea.

of the Climate Change Implementation Plan exercise by all five regional departments in 2009, climate change support was better reflected in new CPSs and country operations business plans in 2010.

### ▪ Support for Gender Mainstreaming

ADB  off track ADF  watch

ADB support for gender mainstreaming in new operations continued to grow. The 3-year average showed a marked upward trend, with strong figures for 2010 accounting for much of the improvement (Figure 6). Progress was more rapid for ADF operations.<sup>97</sup> In 2010, ADB performance exceeded its 2012 gender mainstreaming targets (40% ADB overall and 50% of ADF operations), with 42% of ADB operations and 53% of ADF operations involving gender mainstreaming. In 2009, 31% of ADB operations and 43% of ADF operations involved gender mainstreaming.

If the categories “gender mainstreaming” (gender equity theme and effective gender mainstreaming)

and “some gender benefits” are combined, 86% of all new operations in 2010 were designed to promote some gender benefits, compared with 76% in 2009 (footnote 97).

These improvements reflect (i) the application of updated and refined gender mainstreaming project category guidelines, (ii) greater ownership and oversight by regional departments, (iii) increased staff awareness and capacity,<sup>98</sup> and (iv) continued use of the catalytic Gender and Development Cooperation Fund to demonstrate the added value of investing in women for overall project effectiveness. The pilot results delivery scheme introduced in 2010 also contributed to the growth in the 2010 figure (footnote 92).

ADB incorporated innovative approaches to gender mainstreaming in social protection, urban infrastructure, energy, transport, finance, and public sector management. Increased attention to gender mainstreaming was evident in programs and multitranches financing facilities. Supported by the Gender Equity

**Figure 6: Projects with Gender Mainstreaming, 2004–2010 (%)**



Note: Performance against target is assessed using 3-year moving averages.  
Sources: Asian Development Bank Regional and Sustainable Development Department.

<sup>97</sup> ADB assigns each loan or grant operation to one of four categories on integration of gender considerations: (i) category I—gender equity theme, (ii) category II—effective gender mainstreaming, (iii) category III—some gender benefits, and (iv) category IV—no gender elements. ADB’s results framework tracks operations classified as categories I or II.

<sup>98</sup> Five additional gender specialists were recruited in 2010, and the first senior advisor (gender) was appointed. More than 200 staff were trained on gender-responsive project design and implementation, contributing to greater awareness. The Gender Equity Community of Practice played an active role in knowledge development.

Community of Practice, ADB will continue with staff capacity development programs to ensure adequate design, implementation, and monitoring of operations supporting gender mainstreaming, as well as consistent application of the new project category guidelines.

► **Is ADB Managing Knowledge Better?**

ADB good ADF good

Progress on ADB’s knowledge management is assessed through an indicator of internal perceptions of knowledge management at ADB and through a new indicator on external perceptions of ADB as a source of knowledge on development issues (Table 11). Staff perceptions of ADB’s performance as a knowledge management institution showed continued improvement. As such, this category is rated *good* (green). ADB adopted the baseline for the new indicator, and will assess the progress using the 2012 stakeholder perceptions survey. ADB is continuing to identify additional indicators to measure its knowledge management performance better.

▪ **Staff Perceptions of Knowledge Management at ADB** ADB

Staff perceptions of ADB’s knowledge management continued to improve, surpassing the 2012 target of 60% and confirming a 3-year upward trend. The annual independent staff survey—the Most Admired Knowledge Enterprises (MAKE) survey—gauges staff perceptions of ADB performance on knowledge management. The sixth MAKE survey was conducted in November 2010 and obtained responses from 637 ADB staff (23% higher than the response rate of the 2009 survey).<sup>99</sup>

The 2010 survey results showed that ADB encompasses all eight knowledge dimensions, making it a “well-balanced, holistic knowledge-driven organization.”<sup>100</sup> Knowledge capabilities have improved and perceptions of knowledge management and implementation among international staff are at their highest level since 2005. Resident missions hold a positive view of the knowledge management framework, and most departments support it. A continuing weakness identified by survey respondents concerned ADB’s effectiveness in developing

**Table 11: Knowledge Management (Level 3)**

Indicator	Asian Development Bank						Asian Development Fund						
	Baseline Year	Base-line	2007	2008	2009	2010	2012 Target	Base-line	2007	2008	2009	2010	2012 Target
Annual MAKE survey assessment rating (%)	2006	54	58	55	60	62	60		Same as ADB				
ADB perceived externally as excellent source of knowledge on development issues (% strongly agreeing) <sup>a</sup>	2009	29			29		40		Same as ADB				

ADB = Asian Development Bank, MAKE = Most Admired Knowledge Enterprises.

<sup>a</sup> Taken from ADB perceptions survey conducted every 3 years.

Sources: ADB Department of External Relations, and Regional and Sustainable Development Department.

<sup>99</sup> The MAKE survey asks eight broad questions about ADB’s ability to (i) create and sustain an enterprise knowledge-driven culture, (ii) develop knowledge workers through senior management leadership, (iii) deliver knowledge-based projects and services, (iv) maximize the value of enterprise intellectual capital, (v) sustain an enterprise-wide collaborative knowledge-sharing environment, (vi) sustain a learning organization, (vii) manage client knowledge to create value and enterprise intellectual capital, and (viii) transform ADB knowledge to reduce poverty and improve clients’ standard of living. For the results of the 2010 survey see <http://www.adb.org/documents/reports/consultant/make/2010-make-report-teleos.pdf>

<sup>100</sup> ADB. Knowledge Agenda. Perceptions of Knowledge Management. <http://www.adb.org/knowledge-management/assessment.asp>

staff intellectual growth and managing knowledge assets. The stagnating success rate of completed TA projects also suggests that ADB needs to continue sharpening its role in creating, gathering, and disseminating knowledge to its developing member countries (p. 35).

ADB's performance on knowledge management was also assessed in a study by the Multilateral Organization Performance Assessment Network (Box 3). The study found that ADB performed well in managing knowledge, particularly presenting performance information, monitoring results, and disseminating lessons learned and best practices. ADB's steady implementation of its Knowledge Management Action Plan underpinned this recent progress.<sup>101</sup> In 2010, the main achievements include introducing new sector peer review procedures, adding demand assessments for knowledge products in field offices, increasing staff and budgets for communities of practice, and establishing a database of strategic partnerships.

Operations departments continued to consolidate their knowledge work. In 2010, many departments revamped their approach to sector assessments to improve their quality and consistency across sectors. Many country studies were also undertaken for specific themes, including climate change, food prices, gender equality, income inequality, private sector development, food security, and regional cooperation (Appendix 14).

#### ▪ External Perception of ADB as Source of Knowledge: Baseline Established at 29%

ADB introduced the external perception indicator as a refinement to ADB's results framework. This indicator measures clients' perceptions of ADB's effectiveness in creating and sharing knowledge, using the results of the independent stakeholder perceptions survey conducted every 3 years (footnote 84). The new indicator complements the MAKE survey, which measures ADB staff perceptions on knowledge management. A baseline of 29% was established for respondents strongly agreeing with the statement, "ADB is an

excellent source of knowledge on development issues." A 2012 target of 40% was set for the indicator. This indicator will be assessed using the 2012 perceptions survey results.

The frequency of ADB website downloads of PDF files is one of the indicators tracked under its Knowledge Management Action Plan. This indicator shows mixed results. The download frequency for ADB's flagship publication, *Asian Development Outlook*, was 40,400 over July–December 2010, 5% more than in the same period in 2009. Another flagship publication, *Key Indicators*, was downloaded 46,700 times, an increase of 18%. Other books and reports that did not concern projects or administrative documents were downloaded 68,800 times, 24% less than 2009. In 2009 there were more downloads of climate change (related to the Copenhagen climate summit) and financial crisis related documents.

#### ► Is ADB Forming Better Partnerships?

ADB ● good ADF ● good

Progress on partnerships is assessed using indicators measuring (i) ADB's partnership with civil society organizations (CSOs), (ii) the use of program-based approaches (PBAs), and (iii) the proportion of missions on country strategy and portfolio review conducted jointly with other development partners (Table 12 and Appendix 15). ADB made good progress on all three indicators in both ADB and ADF operations, exceeding the 2012 target for all except CSO participation. Nevertheless, ADB's performance on CSO participation improved markedly. With all the indicators performing satisfactorily, this category is rated *good* (green) for ADB and ADF.

#### ▪ Participation of Civil Society

Organizations ADB 📈 watch ADF ✅

CSOs—including nongovernment organizations (NGOs)—were engaged in 79% of ADB operations and 81% of ADF operations approved in 2010. These figures represent a significant increase from 2009 levels (Appendix 15, Tables

<sup>101</sup> ADB. 2009. *Enhancing Knowledge Management under Strategy 2020: Plan of Action for 2009–2011*. Manila.



**Table 12: Partnerships (Level 3)**

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund						
		Base-line	2007	2008	2009	2010	2012 Target	Base-line	2007	2008	2009	2010	2012 Target
Sovereign operations with CSO participation (%) <sup>a</sup>	2006	78	78	76	72 <sup>b</sup>	79	80	85	85	82	75	81	80
New program-based approaches approved (number) <sup>c</sup>	2006	29	42	45	62 <sup>b</sup>	51	10	20	23	26	29	23	8
CPS and CPR missions conducted jointly with at least one other development partner (% annually)	2006	33	37	39	56	65	60	40	37	44	61	74	60

CPR = country portfolio review, CPS = country partnership strategy, CSO = civil society organization.

<sup>a</sup> Operations are now counted on a project basis, and no longer on a financial product basis. Asian Development Fund grants and multitranches financing facility tranches have been included. Earlier years' figures were revised.

<sup>b</sup> Excludes operations financed by the Countercyclical Support Facility.

<sup>c</sup> The counting of program-based approaches is now based on 2011 Organisation for Economic Co-operation and Development guidelines; figures for previous years have been recalculated.

Sources: Asian Development Bank Central Operations Services Office, Regional and Sustainable Development Department, regional departments, resident missions, and Strategy and Policy Department.

A15.1 and A15.2). ADF operations exceeded the 2012 target of 80% for CSO participation, and ADB operations came within 1 percentage point of achieving the target.

Two measures aided the good performance in 2010: (i) some regional departments, with support from the NGO and Civil Society Center, strengthened their NGO focal point networks, enhancing engagement with CSOs in project design and implementation; and (ii) business processes were strengthened to include mandatory stakeholder communication strategies.

CSOs were also involved in CPS preparation and reviews of ADB's Public Communications Policy and Accountability Mechanisms. In 2010, CSOs took part in implementing subcomponents of several projects involving local communities and independently monitored projects.

Regional departments collaborated with worker organizations on core labor standards in ADB operations, including joint country dialogue in India and Indonesia. The NGO and Civil Society Center plans to improve its methodology for assessing the levels and intensity of participation to enable better analysis and monitoring. It will also issue an update of its staff guide to consultation and participation in 2011.<sup>102</sup>

▪ **Program-Based Approaches**

ADB  ADF 

The use of PBAs implies a greater focus on country ownership, use of country systems, reliance on the DMCs' budget framework, and coordination among development partners. The number of projects supporting PBAs remained far above the 2012 target, but fell from a peak

<sup>102</sup> ADB. 2006. *Strengthening Participation for Development Results: A Staff Guide to Consultation and Participation*. Manila.



of 62 projects in 2009 to 51 projects in 2010 (Appendix 15, Table A15.3).<sup>103</sup> This decline was expected as the exceptional performance in 2009 was partly driven by special PBA measures taken by ADB to support DMCs affected by the economic crisis.

#### ▪ **Joint Country Partnership Strategies and Country Portfolio Review Missions**

ADB  ADF 

ADB continued to perform well on the number of joint CPS and country portfolio review missions conducted in 2010, surpassing by a considerable margin the target of 60% set for both for ADB and ADF operations (Appendix 15, Table A15.4). Examples of joint mission work in 2010 included consultations with development partners on CPSs for Kiribati, Mongolia, Papua New Guinea, and Tajikistan. ADB also entered into consultations with development partners in Cambodia and the Lao PDR to prepare new CPSs planned for 2011. Joint portfolio reviews were held in Bangladesh, Cambodia, the PRC, Indonesia, the Kyrgyz Republic, the Lao PDR, Mongolia, Nepal, the Philippines, Tajikistan, and Viet Nam.

#### ▪ **Progress on the Paris Declaration Commitments**

A report on ADB's progress in 2010 on its Paris Declaration commitments will be available after

the completion of the 2011 Paris Declaration survey by the Development Assistance Committee of the Organisation for Economic Co-operation and Development in the third quarter of 2011.<sup>104</sup> As reported in the *2009 DEFIR*, based on 2009 data, ADB was on track to achieve five of the nine Paris Declaration 2010 targets: (i) alignment of aid with national priorities, (ii) coordination of TA, (iii) use of country public financial management systems, (iv) reduction in parallel project implementation units, and (v) joint missions. ADB needs to improve further in the use of country procurement systems, aid disbursed through PBAs, aid predictability, and joint country analytical work.

ADB continues to employ a country-context-specific approach on aid effectiveness based on the needs of its DMCs. In preparation for the Fourth High Level Forum on Aid Effectiveness in Busan, Republic of Korea, in late 2011, ADB is working closely with other development partners to (i) review conditionality practices and managing for development results (MfDR) approaches, (ii) disseminate good practices at the country level, and (iii) support cooperation among DMCs to improve aid effectiveness. As a member of the Working Party on Aid Effectiveness (the organizer of the forum) and its executive committee, ADB is playing a key role in determining the forum's agenda and outcomes.

<sup>103</sup> In early 2011, Development Assistance Committee of the Organisation for Economic Co-operation and Development issued new guidelines for counting PBAs. ADB has interpreted these and counts the following categories of operations as PBA: program loans, sector development programs, multitranches financing facility subprojects, sector projects (unless a government strategy coordinating development partners in the sector is absent), and investment projects that are part of sector-wide approaches or are otherwise falling under formalized development partner agreements at the sector level, as closely coordinated by governments.

<sup>104</sup> Nineteen ADB DMCs are participating in the Development Assistance Committee of the Organisation for Economic Co-operation and Development 2011 Paris Declaration survey. The remaining countries will be covered during ADB's fifth internal monitoring survey on the Paris Declaration. The results from both surveys will then be combined in a single report to provide a comprehensive understanding of ADB's performance on its Paris Declaration commitments.

# Level 4: Organizational Effectiveness

An effective organization is the foundation for ADB operations. To track ADB's organizational effectiveness, the results framework assesses three priority areas: the management of human resources, budget adequacy, and business processes and practices. The 2010 *DEfR* recorded notable progress in increasing organizational effectiveness. Staff engagement and gender balance improved significantly, client responsiveness rose, and the MfDR agenda advanced. The larger budget and fuller staffing made inroads into addressing the budget adequacy problems emphasized in previous reviews.

► **Is ADB Aligning Its Human Resources to Increase Operational Effectiveness?** ADB ● good

ADB's performance in human resources management is measured through four indicators that capture the staffing levels in operations departments and resident missions, gender

balance at ADB, and staff engagement (Table 13). Staff resources in operations departments and resident missions progressed well toward the 2012 target. Some progress was also made in improving the gender balance. The results of the biennial staff engagement survey indicated a significant rise in the level of staff engagement. With the majority of indicators performing satisfactorily, this category is rated *good* (green).

▪ **Staff Resources in Operations Departments** ADB  watch

▪ **Staff Resources in Resident Missions** ADB 

The proportion of international and national staff located in operations departments increased in 2010, achieving the progress needed to meet the 2012 target of 56%. ADB matched its 2012 target of 48% of staff resources at resident missions out of the total staff assigned to regional departments (Figure 7 and Appendix 16, Tables A16.1 and A16.2).

**Table 13: Human Resources (Level 4)**

Indicator	Baseline Year	Asian Development Bank					2012 Target
		Baseline	2007	2008	2009	2010	
Budgeted international and national staff in operations departments (%) <sup>a</sup>	2004–2006 average	52	53 <sup>b</sup>	53 <sup>b</sup>	53 <sup>b</sup>	55 <sup>b</sup>	56 <sup>b</sup>
Budgeted international and national staff in resident missions (%) <sup>c</sup>	2004–2006 average	42	44 <sup>b</sup>	46 <sup>b</sup>	47 <sup>b</sup>	48 <sup>b</sup>	48 <sup>b</sup>
Representation of women international staff in total (%) <sup>d</sup>	2007	29	29	28	28	29	35
Staff engagement survey results (index) <sup>e</sup>	2008	60		60		68	67

<sup>a</sup> "Operations departments" refers to regional departments and the Private Sector Operations Department.

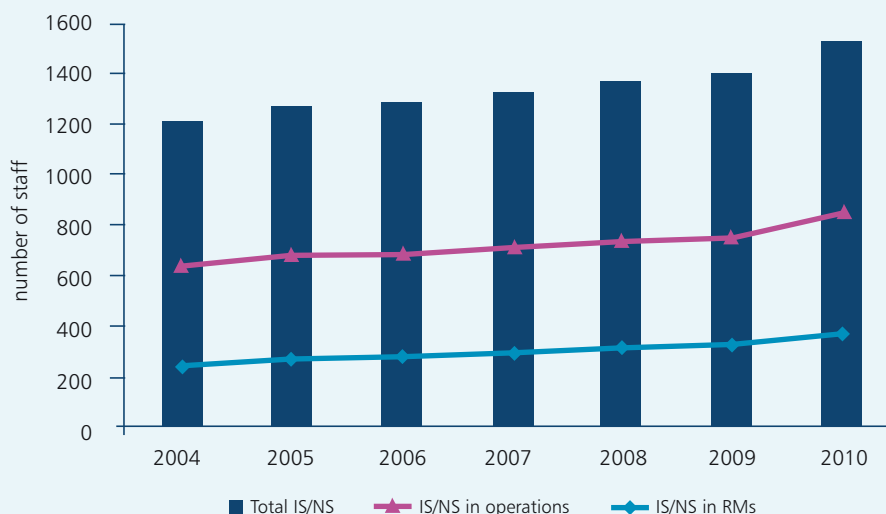
<sup>b</sup> These figures represent annual percentages only, rather than 3-year rolling average.

<sup>c</sup> This represents the proportion of international national staff positions in resident missions of those assigned to regional departments. It includes staff posted to resident missions from regional departments.

<sup>d</sup> This indicator follows the targets of the Third Gender Action Program.

<sup>e</sup> The staff engagement survey is conducted every 2 years.

Source: Asian Development Bank Budget, Personnel and Management Systems Department.

**Figure 7: Budgeted International and National Staff, 2004–2010**

IS = international staff, NS = national staff, RM = resident mission.

Sources: Asian Development Bank Budget, Personnel and Management Services Department.

In 2010, ADB added 104 international and national staff positions in operations departments at headquarters and in resident missions, compared with 15 in 2009. Of the 104 new positions in 2010, 31 were assigned to resident missions. At the end of 2010, 846 of 1,540 positions were in operations departments, including 368 international and national staff positions in resident missions.

In 2011–2012, ADB will continue to strengthen staff capacity in operations departments and resident missions to meet the 2012 targets. In addition, ADB (i) refined benefits and relocation packages for international staff, especially in hardship duty stations; (ii) improved and simplified administration of field office benefits; and (iii) upgraded communications facilities with resident missions, especially in hardship stations.

#### ▪ **Gender Balance at ADB** off track

The representation of women international staff rose by 1 percentage point from the preceding 2 years to 29%. This was the net result of a significant increase in the appointment rate

and a slight decrease in the attrition rate of women international staff. ADB intensified its recruitment activities to source greater numbers of qualified women candidates. These efforts translated into a higher appointment rate for women international staff of 36% in 2010.<sup>105</sup> Measures to improve the retention of women included expanded work-from-home arrangements and regular training of managers on gender inclusiveness.

Despite the improvement in 2010, ADB was unable to achieve the 2010 target of 35% set by the Third Gender Action Program (GAP III) in 2008. The representation of women at entry levels was 33%, below the GAP III target of 40%. At pipeline levels, it was 30%, also below the target of 35%. Women's representation at senior level reached an all-time high of 20%, although it was still considerably below the target of 25% (Appendix 16, Table A16.3). To further advance gender balance at ADB, GAP III has been extended for 2 years and revised to include more proactive measures and increased senior staff accountability for gender results.

<sup>105</sup> The appointment rate for women international staff was 19% in 2008 and 24% in 2009.

▪ **Staff Engagement Levels** ADB 

The May 2010 staff engagement survey reported an increase in the overall staff engagement index from 60% in 2008 to 68%, suggesting ADB is making sound progress on staff engagement. Almost 9 in 10 staff participated in the survey. The work attributes respondents valued most highly were goals and objectives, physical work environment, employment security, job satisfaction, working relationships, and communication. Staff also identified priority areas for improvement: stress, balance and workload, performance evaluation, work organization and efficiency, rewards and recognition, and career development. During 2010, all department heads consulted staff and formulated follow-up actions in response to the survey findings. The proposed actions serve as vital inputs for prioritizing the ongoing reforms in human resources and people management, driven by Strategy 2020.

ADB began implementing Our People Strategy<sup>106</sup> and the Human Resource Function Strategic Framework and Action Plan in 2010 to realign its human resources management with Strategy 2020. Our People Strategy underpins ADB’s drive to recruit and manage significantly more staff to effectively implement its expanded operations under the fifth general capital increase. The

Human Resource Function Strategic Framework and Action Plan defines actions ADB will take to translate Our People Strategy’s goals into practice. Recruitment of expertise accelerated, reducing the international staff vacancy rate to just over one-third of its 2008 level.

► **Is ADB’s Budget Adequate to Support Operational Effectiveness?**

ADB  poor

ADB’s budget adequacy is measured through four internal administrative expenses (IAE) ratios related to project approvals, disbursements, and implementation (Table 14). The 3-year averages of two indicators—IAE per \$1 million of project approval and IAE per project approved continued to decline against their targets to “maintain” the baseline, and IAE per project under implementation remained static. Only IAE per \$1 million disbursement reversed the declining trend in 2010, but all four ratios remained well below the baseline. As a result, this category is rated *poor* (red).

▪ **IAE per \$1 million of project approval**

ADB  off track

▪ **IAE per project approved**

ADB  off track

**Table 14: Budget Adequacy (Level 4)**

Indicator	Baseline Year <sup>a</sup>	Asian Development Bank					
		Baseline	2007	2008	2009 <sup>b</sup>	2010	2012 Target
Internal administrative expenses per \$1 million of project approval (\$'000)	2004–2006 average	43	36	32	28	27	Maintain
Internal administrative expenses per project approved (\$ million in 2000 constant prices)	2004–2006 average	2.8	2.5	2.4	2.3	2.0	Maintain
Internal administrative expenses per \$1 million disbursement (\$'000)	2004–2006 average	62	53	46	41	43 <sup>b</sup>	Maintain
Internal administrative expenses per project under implementation (\$'000 in 2000 constant prices)	2004–2006 average	427	411	399	395	395	Maintain or increase

<sup>a</sup> For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, the 2007–2009 average for 2009, and the 2008–2010 average for 2010.

<sup>b</sup> Includes operations financed by the Countercyclical Support Facility.

Source: Asian Development Bank Budget, Personnel and Management Systems Department.

<sup>106</sup> ADB. 2010. *Our People Strategy*. Manila.

- **IAE per \$1 million disbursement**

ADB  off track

- **IAE per project under implementation**

ADB  off track

The major reason the IAE indicators remained off track was the steady increase in ADB operations since 2006 without an equivalent increase in IAE. The sizable increase in ADB's IAE budget for 2010 (13.1% over the 2009 level)—the first year of the 3-year (2010–2012) budget transformation plan to remove persistent resource gaps—helped to slow and begin to reverse the decline in budget adequacy indicators. With the approval of a 12.9% budget increase, the projection for 2011 suggests clear improvement in two ratios—IAE per \$1 million of project approval, and IAE per \$1 million disbursement. Similarly, the trend in the ratio of IAE per project approved is expected to stabilize from 2011.

Since the rising number of projects raises resource demand, an improvement in the ratios—both for project approval and project under implementation—requires a reduction in the number of projects, driven by the formulation

of larger and more consolidated projects. In the meantime, ADB is continuing to pursue efficiency measures that help deliver quality projects within the given budget and will monitor trends. After the completion of the 3-year transformation plan, ADB will revisit both the budget adequacy indicators and the target levels, keeping in mind the changing operational environment from the baseline period of 2004–2006.

► **Are ADB's Business Processes and Practices More Efficient?**

ADB  good ADF  good

The business processes and practices indicator examines ADB's responsiveness to its clients. In line with the increased emphasis on devolution of country-related tasks to resident missions, the refined results framework adds three new indicators to assess the proportion of resident missions leading country programming, country portfolio review, and country economic work (Table 15). This category is rated *good* (green) based on the satisfactory performance of all indicators.

**Table 15: Business Processes and Practices (Level 4)**



Indicator	Base-line Year	Asian Development Bank						Asian Development Fund					
		Base-line	2007	2008	2009	2010	2012 Target	Base-line	2007	2008	2009	2010	2012 Target
Average sovereign operations processing time (months from fact-finding to effectiveness) <sup>a</sup>	2006	28	27	21	19 <sup>b</sup>	16 <sup>b</sup>	16	28	27	19	15	16	16
Sovereign operations administered by resident missions (%)	2006	39	39	38	37	41	43	36	38	39	37	41	43
Resident missions leading country programming (%)	2007	91	91	95	95	95	100	94	94	100	94	100	100
Resident missions leading country portfolio review (%)	2007	91	91	91	95	95	100	94	94	100	100	100	100
Resident missions leading country economic work (%)	2007	91	91	100	95	100	100	88	88	100	94	100	100

<sup>a</sup> Excludes second and subsequent tranches of multitranche financing facilities.

<sup>b</sup> Excludes operations financed by the Countercyclical Support Facility.

Source: Asian Development Bank Central Operations Services Office, regional departments, and Strategy and Policy Department.

▪ **Project Processing Time**

ADB  on track ADF 

In 2010, ADB continued to shorten average processing time (from fact-finding to effectiveness) for sovereign operations (Figure 8).<sup>107</sup> On average, it took 16.2 months to prepare ADB operations and 15.5 months for ADF operations, compared with the 2012 target of 16 months. Project processing took an average of 17 months and processing of programs took an average of 15 months. Processing time for sovereign operations in OCR countries took 20 months, in blend countries 16 months, and in ADF-only counties 13 months (Appendix 17). For nonsovereign operations, processing took 12 months in 2010, and 11 months in 2009 from concept paper stage to loan signing.

▪ **Delegation of Project Administration to Resident Missions**

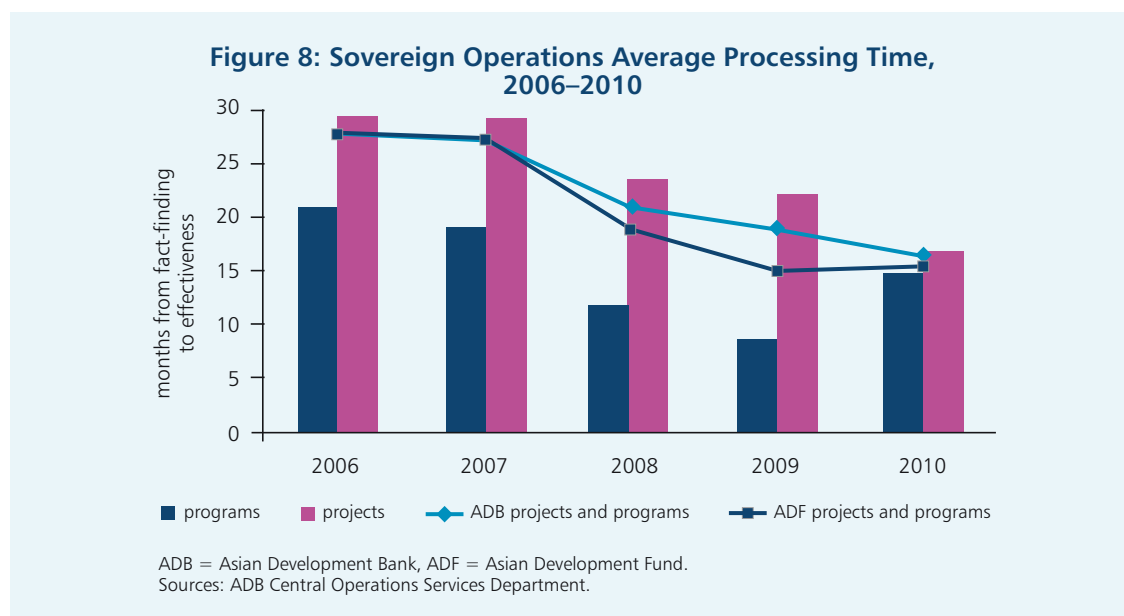
ADB  watch ADF  watch

In 2010, resident missions supervised the implementation of a larger share of projects. At 41% for both ADB and ADF operations,

this indicator was on track to reach the 2012 target of 43%. In 2010, Management endorsed the project implementation working group’s recommendation of a “one ADB” approach to headquarters and resident mission work to increase further ADB’s responsiveness (p. 34). This approach promotes effective teamwork and clearer accountabilities as follows: (i) the country director will be responsible to the director general for the country relationship and for overseeing the country portfolio; (ii) the sector director will be responsible to the director general for managing the whole sector portfolio; and (iii) sector focal points in the resident mission reporting to sector and country directors will provide the link to client sector agencies for the sector portfolio. The working group also recommended that all large and medium-sized resident missions have procurement, safeguards, and disbursement support capability.

▪ **Resident Missions Leading Country Programming** ADB  watch ADF 

▪ **Resident Missions Leading Portfolio Review** ADB  watch ADF 



<sup>107</sup> Processing time is defined as the average time from loan or project preparatory TA fact-finding to effectiveness. Effectiveness is the date on which the loan, grant, or guarantee agreement came into force. An agreement becomes effective once it has been signed by all parties, upon the borrower’s compliance with the effectiveness conditions.

▪ **Resident Missions Leading Country Economic Work** ADB  ADF

Almost all resident missions continued to lead country programming work, portfolio review, and country economic work. Of 22 resident missions (including two regional offices in the Pacific), 21 led country programming work: preparation of country partnership strategies and operations business plans.<sup>108</sup> In addition, 21 resident missions led country portfolio management, including portfolio review missions. All resident missions led preparation of the country sections for the *Asian Development Outlook 2010* and the *Asian Development Outlook 2010 Update*.

▪ **Is ADB Managing Itself with More Focus on Development Results?**

The DEfR process monitors ADB’s progress in mainstreaming its MfDR agenda as part of its efforts to improve organizational

effectiveness.<sup>109</sup> Guided by its MfDR Action Plan for 2009–2011, ADB reinforced its focus on results throughout the management of its business.

ADB continued using the Strategy 2020 results framework to monitor its corporate performance, identify issues, and take actions. ADB analyzed, rated, and reported its performance in the annual *DEfR*. In early 2011, ADB refined its results framework and *DEfR* scorecard methodology (Appendixes 3 and 4). It prepared work plans and budgets that responded to the *DEfR* findings. To ensure alignment of results across the institution, ADB introduced results-based work plans linking work outcomes of each department, division, and individual staff member to Strategy 2020 priorities (Box 4).

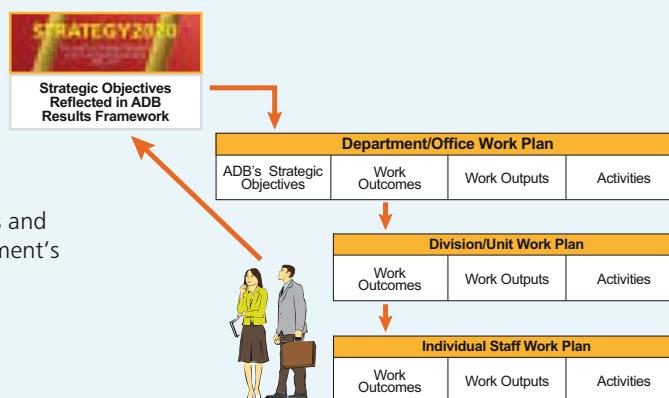
ADB improved further its tools to monitor and report on specific areas of its operations: ADB (i) assessed the progress of the Central

**Box 4: Cascading Strategy 2020 Priorities**

The Asian Development Bank (ADB) introduced the results-based department work plan to respond to the need to cascade the priorities of the long-term strategic framework 2008–2020 (Strategy 2020) to work plans at all levels of the organization. The work plan provides the link between the Strategy 2020 goals and individual work plans, clarifying how each staff member contributes to corporate priorities (Figure). It captures a logical chain from work activities to strategic objectives and is accompanied by performance indicators and targets. It will enable managers to

- manage work toward clear goals,
- monitor work performance objectively,
- make informed decisions, and
- demonstrate contributions credibly.

It will enable staff to align their outputs and activities with their division and department’s work outcomes.



Source: ADB Strategy and Policy Department.

<sup>108</sup> The total number of resident missions corresponds to those that existed in 2006. This excludes the three new resident missions created after 2007 for Armenia, Georgia, and Turkmenistan.

<sup>109</sup> While this is not part of the results framework, Management committed to reporting on ADB’s progress on its MfDR agenda through the DEfR process. For more information on MfDR at ADB, see [www.adb.org/mfdr](http://www.adb.org/mfdr)



Asia Regional Economic Cooperation (CAREC) Program using the CAREC results framework launched in 2009;<sup>110</sup> (ii) prepared its first development effectiveness report for private sector operations;<sup>111</sup> (iii) refined its guidelines on country and sector results frameworks to better align these with the objectives of DMCs and Strategy 2020, and to improve results monitoring (footnote 85); and (iv) produced 11 country development effectiveness briefs to report on its contributions to development outcomes at the country level. ADB upgraded its MfDR learning and development program by targeting the needs of specific staff groups, such as directors and operations staff. It implemented a new communications plan to systematically disseminate messages on MfDR.

To improve the quality of project DMFs, ADB continued to carry out quarterly assessments, implement quality assurance mechanisms, and conduct training. The 2010 quality-at-entry assessment found that the quality of DMFs in

projects approved in 2008–2009 improved relative to 2006–2007 projects, although weaknesses remained.

ADB promoted results-based public sector management in its DMCs, focusing on country-led initiatives that contribute to country systems development. ADB also continued to support the Asia-Pacific Community of Practice on Managing for Development Results—the first regional network on MfDR. The community of practice helped develop senior government officials as change agents, facilitated knowledge sharing, and encouraged peer-to-peer learning. It also developed a framework to assess a country’s results-based approaches in public sector management against international good practice and to formulate capacity development plans. Members of the community of practice have piloted the framework in Bangladesh, Bhutan, and Cambodia through ADB’s ongoing operations.

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<sup>110</sup> ADB. 2010. *CAREC Development Effectiveness Review: Building the Baseline 2009*. Manila.

<sup>111</sup> ADB. 2010. *Development Effectiveness Report 2009: Private Sector Operations*. Manila.

# Actions

Responding to the findings of past *DEFRs*, ADB has adopted numerous initiatives to remove weaknesses and improve performance. As noted in the *2010 DEF*, many initiatives are beginning to show results. In 2010, ADB

- strengthened staffing to support its expanding operations by implementing Our People Strategy and using its increased budget for 2010 effectively;
- reinforced project readiness, quality focus, and efficiency in its service delivery through the streamlined business processes introduced in 2010;
- empowered its field offices further by adding staff, clarifying accountabilities of country and sector directors, and promoting teamwork between field offices and headquarters;
- expanded its support for cofinancing operations, education, and gender mainstreaming in operations by launching the pilot incentive scheme linking ordinary capital resources allocation to performance in these areas;
- reinforced the positive trend in gender mainstreaming in operations by implementing the improved approach introduced in 2009;
- improved knowledge management following the 2009 action plan, including more knowledge sharing by the communities of practice;
- improved the gender balance at ADB through proactive recruitment and greater senior staff accountability for achieving targets; and

- integrated results-based approaches fully into its normal business management systems and procedures, and created a stronger internal results culture by implementing the MfDR Action Plan effectively.

While noting improved performance in many areas, ADB Management is very concerned about the poor scores reported by the *2010 DEF* on outcome achievement and quality of completed operations. Management will examine the causes of the apparent disconnect between ADB's performance in delivering sector outputs and outcomes. This will involve a thorough review of county and sector strategies, project selectivity, project design and supervision, and use of staff and budgetary resources. Operations departments will lead this exercise, working closely with the sector and thematic communities of practice. Based on the findings, Management will adopt corrective actions and drive their implementation. This is essential to ensure that ADB's progress on many indicators—including strategic focus, project quality at entry, and efficiency—results in the delivery of effective development outcomes.

Furthermore, Management will ensure expeditious implementation of ADB's ongoing initiatives to improve its project performance, including those defined by the project implementation working group in 2010. These and other actions are discussed throughout this report and summarized in Table 16. Management will guide the implementation of these actions.

**Table 16: New and Ongoing Actions to Improve ADB Performance**

<b>Actions</b>	<b>Pages Discussing Actions</b>	<b>Responsibility</b>	<b>Time Frame</b>
<b>Improve project performance management.</b>			
<ul style="list-style-type: none"> <li>Implement the initiatives defined by the project implementation working group in 2010.</li> </ul>	34	Operations departments, BPMSD, COSO, CTL, OGC, OREI, RSDD, CoPs (SPD to coordinate)	2011
<ul style="list-style-type: none"> <li>Mainstream the new portfolio performance rating system for ongoing projects to highlight implementation problems early on and drive timely remedial actions.</li> </ul>	39	Operations departments, COSO	Q2 2011
<ul style="list-style-type: none"> <li>Incorporate lessons from outcome monitoring and assessment to develop more rigorous sector assessments and improve project design and implementation.</li> </ul>	26	Operations departments, ERD, CoPs	Ongoing
<ul style="list-style-type: none"> <li>Strengthen supervision of TA projects through greater selectivity, prudent management of the size of the TA portfolio, and high-level TA portfolio review missions.</li> </ul>	35–36	All departments and offices managing TA projects	Ongoing
<b>Ensure effective core sector operations.</b>			
<ul style="list-style-type: none"> <li>Examine the causes of ADB's poor performance in delivering core sector outcomes and adopt corrective actions.</li> </ul>	34, 56	Operations departments, CoPs, SPD	2011
<ul style="list-style-type: none"> <li>Adopt and implement a new water sector operational framework.</li> </ul>	23	RSDD, Water CoP, operations departments, SPD	Q2 2011
<ul style="list-style-type: none"> <li>Adopt and implement a new finance sector operational plan.</li> </ul>	24	RSDD, Finance CoP, operations departments, SPD	Q2 2011
<p><b>Improve quality at entry of nonsovereign operations.</b> Continue to apply rigorous risk assessment and management, and sharpen focus on development effectiveness.</p>	39	Operations departments, OGC, ORM	Ongoing
<p><b>Increase cofinancing for ADF-funded operations.</b> Promote strategic alliances with development partners to enable early identification of cofinancing opportunities.</p>	42	Operations departments, OCO, RSDD	Ongoing
<p><b>Expand support for gender mainstreaming through operations.</b> Continue to train staff to better incorporate gender mainstreaming in project design and implementation.</p>	45–46	RSDD, operations departments	Ongoing
<p><b>Strengthen staff capacity.</b> Continue implementing effective recruitment and ongoing initiatives to improve staff skills, productivity, and motivation under Our People Strategy.</p>	50–51	All departments and offices (BPMSD to coordinate)	Ongoing
<p><b>Improve gender balance at ADB.</b> Intensify efforts to achieve the targets under the Third Gender Action Program (2008–2010) now extended to 2012.</p>	51	All departments and offices (BPMSD to coordinate)	Ongoing
<p><b>Increase budget efficiency.</b> Expand efficiency measures to deliver quality operations within the given budget. Continue implementing the 3-year budget transformation plan.</p>	52–53	All departments and offices (BPMSD to coordinate)	Ongoing

ADB = Asian Development Bank; ADF = Asian Development Fund; BPMSD = Budget, Personnel and Management Systems Department; CoPs = communities of practice; COSO = Central Operations Services Office; CTL = Controller's Department; ERD = Economics and Research Department; OCO = Office of Cofinancing Operations; OGC = Office of the General Counsel; OREI = Office of Regional Economic Integration; ORM = Office of Risk Management; Q = quarter; RSDD = Regional and Sustainable Development Department; SPD = Strategy and Policy Department; TA = technical assistance.

Source: ADB Strategy and Policy Department.



# Conclusion

Asia and the Pacific continued to make headway in reducing poverty, improving gender equality, and achieving other development outcomes. However, progress in many non-income poverty indicators was insufficient, and the region is unlikely to achieve 6 of the 12 MDG targets that are included in the Strategy 2020 results framework. Moreover, the recent reemergence of food price inflation may erode gains.

ADB made steady progress toward most of its operational and organizational effectiveness indicators, and was on track to meet its

2009–2012 output targets. However, an assessment of all recently completed operations found that their success rates remained low and achievement of core sector outcomes had deteriorated. Management takes these findings seriously as they threaten ADB's development effectiveness. ADB will scrutinize the problems, identify lessons, and adopt corrective actions. ADB will also seek to manage its business processes, human resources, and budget more effectively, and will strive to inculcate results-focused performance management throughout the organization.





# Appendixes





# Appendix 1

## ADB Performance Scorecard 2010











### ► Level 1: Asia and Pacific Development Outcomes

Table A1.1: Poverty and Human Development

Indicator	Asian Development Bank Countries 					Asian Development Fund Countries <sup>a</sup> 						
	2005	2006	2007	Latest 2008	Target 2015	Signal	2005	2006	2007	Latest 2008	Target 2015	Signal
Population living on less than \$1.25 (PPP) per day (%)	27.6	27.3	26.1	25.0	27.5		33.1	31.4	29.8	28.4	30.2	
Primary education completion rate, both sexes (%) <sup>b</sup>	88.8	88.6	89.7 <sup>c</sup>	90.7 <sup>d</sup>	100.0		79.1	78.0	77.6 <sup>c</sup>	75.9 <sup>d</sup>	100.0	
Ratio of girls to boys in:												
Primary education <sup>b</sup>	0.97	0.97	0.99 <sup>c</sup>	1.01 <sup>d</sup>	1.00		0.92	0.92	0.94 <sup>c</sup>	0.95 <sup>d</sup>	1.00	
Secondary education <sup>b</sup>	0.93	0.94	0.96 <sup>c</sup>	0.99 <sup>d</sup>	1.00		0.92	0.92	0.92 <sup>c</sup>	0.96 <sup>d</sup>	1.00	
Tertiary education <sup>b</sup>	0.81	0.84	0.88 <sup>c</sup>	0.91 <sup>d</sup>	1.00		0.70	0.73	0.74 <sup>c</sup>	0.76 <sup>d</sup>	1.00	
Women in nonagricultural wage employment (%)	30.0	30.4	30.5	30.9	Increase		26.4	26.5	26.3	27.1	Increase	
Under-5 child mortality (per 1,000 live births)	60.7	59.2	57.5	54.6	29.8		76.2	74.5	72.9	70.8	38.3	
Women (aged 15 and above) living with HIV (number, million)	1.31 <sup>e</sup>	...	...	1.72 <sup>d</sup>	Halt or reverse		0.14 <sup>e</sup>	...	...	0.30 <sup>d</sup>	Halt or reverse	

continued on next page

Table A1.1 continued

Indicator	Asian Development Bank Countries 					Asian Development Fund Countries <sup>a</sup> 						
	2005	2006	2007	Latest 2008	Target 2015	Signal	2005	2006	2007	Latest 2008	Target 2015	Signal
Population with sustainable access to improved water source (%):												
Urban	95.2	95.3	95.3	95.5	96.7	 off track	90.8	90.6	90.6	90.8	95.3	 off track
Rural	79.1	80.0	80.8	82.1	81.1		76.1	76.5	77.1	78.1	82.7	 off track
Population with sustainable access to improved sanitation (%):												
Urban	62.2	62.2	62.6	62.5	77.6	 off track	69.8	70.0	70.3	70.7	82.7	 off track
Rural	38.7	39.5	40.4	41.0	63.3	 off track	42.6	43.9	45.2	46.1	62.8	 off track

... = not available, PPP = purchasing power parity.

**Rating of key performance indicators (KPIs):**

 **At or above target:** Performance at or above cutoff value for 2015.

 **On track:** Performance on track to attain cutoff value for 2015.

 **Off track:** Performance off track to attain cutoff value for 2015.

An arrow indicates a significant ( $\geq 3\%$ ) change from previous performance; an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration.

Note: Cutoff value is the absolute value that determines whether a country is treated as having achieved the Millennium Development Goals.

<sup>a</sup> Asian Development Fund (ADF) countries refer to a subset of Asian Development Bank (ADB) countries that have access to the ADF during the eighth replenishment of the ADF implementation period.

<sup>b</sup> The indicators for primary completion rate and gender parity in education require absolute levels as targets that cannot be achieved by the model used to arrive at the estimates. Thus, they are treated as achieved when the indicator has reached 95% for the primary completion rate and 0.95 for gender parity in education.

<sup>c</sup> 2008 data.

<sup>d</sup> 2009 data.

<sup>e</sup> 2009 data used for baseline.





Sources: Regional aggregates are jointly prepared by staff from ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Statistics Division as part of the regional partnership between ADB, UNESCAP, and the United Nations Development Programme (UNDP) on the Millennium Development Goals. Estimates use a weighted average of actual country values, or imputed country values wherever data are missing for the year required; Population data are obtained from the United Nations, *World Population Prospects: The 2008 Revision*. New York; HIV indicator data are from the Joint United Nations Programme on HIV/AIDS, 2010. *Global Report: UNAIDS Report on the Global AIDS Epidemic 2010*. Geneva; ADB Strategy and Policy Department.

Table A1.2: Other Development Outcomes

Indicator	Baseline						Latest						
	Value			Value			Value						
	Year	ADB	ADF	Year	ADB	ADF	Year	ADB	ADF				
<b>Gross domestic product (GDP)</b>													
GDP per capita (at constant 2000 prices, \$)	2006	1,124	693	2008	1,319	760	2009	1,400	783			on track	
<b>Regional cooperation and integration</b>													
Intraregional trade in total Asia and Pacific trade (%)	2005	51	58	2008	49	61	2009	50	60			watch	
<b>Access to basic infrastructure</b>													
Telecommunications: fixed lines and mobile telephone subscribers (per 1,000 people)	2006	398	275	2008	578	601	2009	670	687			on track	
Roads: paved roads for every 10,000 people (km)	2005	12	9	2006	12	9	2007	13	10			on track	
Electricity: household electrification rate (%)	2002	68	47	2008	77	58	2009	78	60			on track	
<b>Finance</b>													
Banking assets to GDP (%)	2005	78	57	2007	82	61	2008	81	61			on track	
<b>Governance</b>													
Cost to start business (% of gross national income per capita)	2006	42	49	2009	31	34	2010	26	27			on track	


continued on next page


Table A1.2 continued

Indicator	Baseline						Latest					
	Year		Value		Year		ADB		ADF			
	Year	ADB	ADF	Year	ADB	ADF	Year	Value	Signal	Value	Signal	
Time to start business (days)	2006	43	45	2009	37	38	2010	34		34		on track
Governance and public sector management assessment from country performance assessments	2006		3.3	2009		3.4	2010			3.5		on track
<b>Environment</b> Carbon dioxide emissions (tons per capita)	2005	2.5	1.1	2006	2.7	1.1	2007	2.8		1.2		

ADB = Asian Development Bank, ADF = Asian Development Fund, km = kilometer.

Rating of key performance indicators:

 **On track:** Progressed against baseline.

 **On track but watch:** Stagnated from baseline.

An arrow indicates a significant ( $\geq 3\%$ ) change from previous performance: an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration. Note: ADB countries include all of ADB's developing member countries. ADF countries refer to a subset of ADB countries that have access to the ADF during the eighth replenishment of the ADF implementation period.

Sources: World Bank, World Development Indicators Online database for GDP per capita, access to telecommunications, paved roads, and carbon dioxide emissions; World Bank, Doing Business Online database for cost and time to start business; International Monetary Fund, Direction of Trade Statistics CD-ROM (issued January 2011) for trade; United Nations, *World Population Prospects: The 2008 Revision* for population; Organisation for Economic Co-operation and Development, and International Energy Agency, *World Energy Outlook 2010* for electrification; ADB, Office of Regional Economic Integration for finance, and Country Performance Assessment Ratings 2010 for governance and public sector management assessment.

## ► Level 2: Core Sector Outputs and Their Contribution to Development Outcomes



on track

Table A1.3: Progress in Achieving ADB's Output Targets for 2009–2012

Sectors and Core Sector Outputs	Outputs Programmed for		Expected to Be Delivered (%)		Outputs Delivered and Expected (%)
	2009–2012 <sup>a</sup>	before 2010 (%)	2011–2012	After 2012	
<b>Education</b>					<b>99</b>
Classrooms built or upgraded (number)	76,100	26	62	1	90
Teachers trained (number)	1,518,000	2	80	14	95
Students benefiting from school improvement programs or direct support (number)	22,515,000	36	74	0	111
<b>Energy</b>					<b>123</b>
Installed energy generation capacity (MW equivalent)	13,200	44	50	1	95
Transmission lines installed or upgraded (km)	6,800	47	43	3	92
Distribution lines installed or upgraded (km)	55,200	106	4	0	109
New households connected to electricity (number)	447,500	170	38	21	230 <sup>b</sup>
Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)	11,747,000	53	34	0	87
<b>Finance</b>					<b>157</b>
Microfinance accounts opened or end borrowers reached (number)	2,563,000	77	14	0	91
Small and medium-sized enterprises loan accounts opened or end borrowers reached (number)	213,900	117	106	1	223 <sup>c</sup>
<b>Transport</b>					<b>110</b>
Expressways built or upgraded (km)	1,300	51	48	5	104
National highways, and provincial, district, and rural roads built or upgraded (km)	48,000	54	47	2	103
Railways constructed and/or upgraded (km)	2,800	43	25	34	102
Beneficiaries from road projects (number) <sup>d</sup>	222,164,000	93	35	2	130
<b>Water</b>					<b>103</b>
Water supply pipe installed or upgraded: length of network (km)	14,800	69	33	9	111
New households served with water supply (number)	4,823,000	64	31	3	98
Wastewater treatment capacity added (m <sup>3</sup> /day)	4,566,000	47	53	0	100
New households served with sanitation (number)	9,393,000	58	39	1	98
Land improved through irrigation services, drainage, and flood management (hectare)	2,682,000	3	33	73	109
<b>Average % of output delivery</b>		<b>61</b>	<b>45</b>	<b>9</b>	<b>115</b>

ADB = Asian Development Bank, km = kilometer, m<sup>3</sup>/day = cubic meter per day, MW = megawatt, tCO<sub>2</sub>-equiv/yr = tons of carbon dioxide equivalent per year.

### Rating of key performance indicators:

**On track:** Progressed against baseline. An arrow indicates a significant (≥3%) change from previous performance: an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration.

Notes: Includes outputs delivered from sovereign and nonsovereign operations. For details on the indicator definitions, see <http://www.adb.org/Documents/Policies/ADB-Results-Framework/Results-Framework-Indicators.pdf>

<sup>a</sup> ADB financed about 43% of the total cost of operations that programmed these outputs.

<sup>b</sup> The large increase is due to the Assam Power Sector Development Project in India enabling the connection to about 7 times more households than originally envisaged (from 83,000 to 600,000).

<sup>c</sup> The large increase is due to the Small and Medium Enterprise Sector Development Program in Pakistan, which helped open 218,000 loan accounts against an original target of 30,000.

<sup>d</sup> Of the total target (48,000 km), 27,000 km (56%) represents the distance to be covered by rural roads. About 30% of the total number of anticipated beneficiaries is expected from rural roads.

Sources: ADB reports and recommendations of the President approved in 2003–2006 for programmed outputs, project completion reports issued in 2009–2010 for outputs delivered in or before 2010, and estimates from operations departments for targets delivered and expected.

Table A1.4: Progress in Achieving Asian Development Fund's Output Targets for 2009–2012



on track

Sectors and Core Sector Outputs	Outputs Programmed for 2009–2012	Delivered in or before 2010 (%)	Expected to Be Delivered (%)		Outputs Delivered and Expected (%)
			2011–2012	After 2012	
<b>Education</b>					<b>95</b>
Classrooms built or upgraded (number)	71,400	24	67	1	91
Teachers trained (number)	1,517,000	1	80	14	95
Students benefiting from school improvement programs or direct support (number)	20,385,000	16	82	0	98
<b>Energy</b>					<b>98</b>
Installed energy generation capacity (MW equivalent)	8	94	88	0	181
Transmission lines installed or upgraded (km)	1,200	74	9	7	90
Distribution lines installed or upgraded (km)	3,800	137	0	0	137
New households connected to electricity (number)	152,500	25	0	63	89
Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)	1,200	0	100	0	100
<b>Finance</b>					<b>112</b>
Microfinance accounts opened or end borrowers reached (number)	433,000	23	84	0	108
Small and medium-sized enterprises loan accounts opened or end borrowers reached (number)	202,000	5	111	1	117
<b>Transport</b>					<b>110</b>
Expressways built or upgraded (km)	60	0	0	100	100
National highways, and provincial, district, and rural roads built or upgraded (km)	18,700	43	73	4	121
Railways constructed and/or upgraded (km)	888	73	27	0	100
Beneficiaries from road projects (number)	97,449,000	71	44	4	118
<b>Water</b>					<b>94</b>
Water supply pipe installed or upgraded: length of network (km)	11,100	72	22	12	107
New households served with water supply (number)	1,292,600	77	29	13	119
Wastewater treatment capacity added (m <sup>3</sup> /day)	572,600	53	44	0	96
New households served with sanitation (number)	2,165,900	77	5	4	86
Land improved through irrigation services, drainage, and flood management (hectare)	667,500	7	41	18	65
<b>Average % of output delivery</b>		<b>46</b>	<b>47</b>	<b>13</b>	<b>106</b>

km = kilometer, m<sup>3</sup>/day = cubic meter per day, MW = megawatt, tCO<sub>2</sub>-equiv/yr = tons of carbon dioxide equivalent per year.

**Rating of key performance indicators:**

**On track.** Progressed against baseline. An arrow indicates a significant (≥3%) change from previous performance: an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration.

Note: For details on the indicator definitions, see <http://www.adb.org/Documents/Policies/ADB-Results-Framework/Results-Framework-Indicators.pdf>

Sources: Asian Development Bank reports and recommendations of the President approved in 2003–2006 for programmed outputs, project completion reports issued in 2009–2010 for outputs delivered in or before 2010, and estimates from operations departments for targets delivered and expected.

### ► Level 3: Operational Effectiveness

Table A1.5: Operational Effectiveness

Indicator	Baseline Year <sup>a</sup>	Asian Development Bank						Asian Development Fund								
		Base-line Value	2007	2008	2009	2010	2012 Target	Signal	Base-line Value	2007	2008	2009	2010	2012 Target	Signal	
<b>Quality of Completed Operations</b>																
Completed CPSs rated <i>successful</i> (%)	2009	50	70	68	63	66	80	ADB	50	77	74	72	73	80	ADF	poor
Completed sovereign operations rated <i>successful</i> (%) <sup>b</sup>	2004–2006 average	72	70	68	63	66	80	mixed	50	77	68	64	66	80	70	✓
Completed nonsovereign operations rated <i>successful</i> (%)	2008–2010 average	80	80	80	80	80	80	off track	75	77	68	64	66	80	80	off track
Completed technical assistance projects rated <i>successful</i> (%) <sup>c</sup>	2004–2006 average	79	80	78	76	75	80	off track	78	77	74	72	73	80	80	off track
Positive perceptions of ADB effectiveness in reducing poverty (%) <sup>d</sup>	2006	45	50	50	50	60	60	watch	45	50	50	50	60	60	60	watch
<b>Quality at Entry and Portfolio Performance</b>																
Quality at entry of CPS rated <i>satisfactory</i> (%) <sup>e</sup>	2006	33	75	75	75	80	80	good	33	75	75	75	100	80	80	✓
Quality at entry of sovereign projects rated <i>satisfactory</i> (%) <sup>e</sup>	2006	81	85	85	85	85	85	✓	76	83	83	94	94	85	85	✓
Quality at entry of nonsovereign projects rated <i>satisfactory</i> (%) <sup>e</sup>	2008	50	50	50	57	85	85	off track	...	...	...	...	...	80	80	...
Performance of sovereign operations during implementation rated <i>satisfactory</i> (%) <sup>f</sup>	2010	75	75	75	75	80	80	watch	...	...	...	...	...	80	80	...
Average time from approval to first disbursement in sovereign operations (months) <sup>g</sup>	2006	12	12	12	11	10 <sup>h</sup>	10	✓	13	13	12	12	10	12	12	✓

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Table A1.5 continued











Indicator	Asian Development Bank					Asian Development Fund								
	Base-line Value	2007	2008	2009	2010	2012 Target	Signal	Base-line Value	2007	2008	2009	2010	2012 Target	Signal
<b>Finance Transfer and Mobilization</b>														
Disbursement ratio for sovereign operations (%) <sup>1</sup>	23	25	29	26 <sup>h</sup>	23 <sup>h</sup>	At least 23	● good	18	21	25	27	21	20	● mixed
Disbursement ratio for nonsovereign loans and equity (%) <sup>1</sup>	43	61	45	37	51	At least 50	✓							✓
DVA cofinancing relative to ADB financing approved annually (%)	9	10	11	17 <sup>o</sup>	26	20	✓	13	13	11	8	13	20	⬇ off track
<b>Financing for Strategy 2020 Core Operational Areas</b>														
Financing for Strategy 2020 core operational areas (%)	79	79	81 <sup>h</sup>	92	80	80	● good	67	67	79	88	80	80	✓
Projects supporting private sector development (%)	29	35	38	39 <sup>h</sup>	38	30	✓	15	13	19	22	28	30	⬆ on track
Projects supporting regional cooperation and integration (%)	7	7	7	10 <sup>h</sup>	15	15	✓	11	11	11	15	19	15	✓
Projects supporting environmental sustainability (%)	14	17	21	27 <sup>h</sup>	35	25	✓	9	11	12	18	26	25	✓
Projects with gender mainstreaming (%) <sup>1</sup>	35	30	27	27 <sup>h</sup>	34	40	⬇ off track	45	39	37	37	45	50	⬆ watch
<b>Knowledge Management</b>														
Annual MAKE survey assessment rating (%)	54	58	55	60	62	60	● good							● good
ADB perceived externally as excellent source of knowledge on development issues (% strongly agreeing) <sup>2</sup>	29			29		40	✓							✓

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► **Level 4: Organizational Effectiveness**

Table A1.6: Human and Budget Resources



Indicator	Baseline Year	Asian Development Bank						2012 Target	Signal
		Base-line Value	2007	2008	2009	2010			
<b>Human Resources</b>								<b>ADB</b>  good	
Budgeted international and national staff in operations departments (%) <sup>a</sup>	2004–2006 average	52	53 <sup>b</sup>	53 <sup>b</sup>	53 <sup>b</sup>	55 <sup>b</sup>	56 <sup>b</sup>	 watch	
Budgeted international and national staff in resident missions (%) <sup>c</sup>	2004–2006 average	42	44 <sup>b</sup>	46 <sup>b</sup>	47 <sup>b</sup>	48 <sup>b</sup>	48 <sup>b</sup>	 on track	
Representation of women international staff in total (%) <sup>d</sup>	2007	29	29	28	28	29	35	 off track	
Staff engagement survey results (index) <sup>e</sup>	2008	60		60		68	67	 on track	
<b>Budget Adequacy</b>								<b>ADB</b>  poor	
Internal administrative expenses per \$1 million of project approval (\$'000)	2004–2006 average	43	36	32	28 <sup>f</sup>	27	Maintain	 off track	
Internal administrative expenses per project approved (\$ million in 2000 constant prices)	2004–2006 average	2.8	2.5	2.4	2.3 <sup>f</sup>	2.0	Maintain	 off track	
Internal administrative expenses per \$1 million disbursement (\$'000)	2004–2006 average	62	53	46	41 <sup>f</sup>	43 <sup>f</sup>	Maintain	 off track	
Internal administrative expenses per project under implementation (\$'000 in 2000 constant prices)	2004–2006 average	427	411	399	395 <sup>f</sup>	395	Maintain or increase	 off track	

ADB = Asian Development Bank.

**Rating of key performance indicators (KPIs):**

-  **At or above target:** Performance was at or above 2012 target.
-  **On track:** Performance exceeded desired progress to attain 2012 target.
-  **On track but watch:** Performance met desired progress to attain 2012 target but requires close monitoring.
-  **Off track:** Performance fell short of desired progress to attain 2012 target.

**Rating of composite indicators:**

-  **Good:** Two-thirds or more of KPIs in the group are on track or above target.
-  **Poor:** Half or less of KPIs in the group are on track or above target.

An arrow indicates a significant ( $\geq 3\%$ ) change from previous performance: an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration.

<sup>a</sup> "Operations departments" refers to regional departments and the Private Sector Operations Department.

<sup>b</sup> These figures represent annual percentages, rather than the 3-year rolling average.

<sup>c</sup> This represents the proportion of international and national staff positions in resident missions of those assigned to regional departments. It includes staff posted in resident missions from regional departments.













<sup>d</sup> This indicator follows the Third Gender Action Program targets.

<sup>e</sup> The staff engagement survey is conducted every 2 years.

<sup>f</sup> Includes operations financed by the Countercyclical Support Facility.


Source: ADB Budget, Personnel, and Management Systems Department.


Table A1.7: Business Processes and Practices

Indicator	Asian Development Bank					Asian Development Fund									
	Baseline Year	Base-line Value	2007	2008	2009	2010	2012 Target	Signal	Base-line Value	2007	2008	2009	2010	2012 Target	Signal
<b>Business Processes and Practices</b>							<b>ADB</b>							<b>ADF</b>	
Average sovereign operations processing time (months from fact-finding to effectiveness) <sup>a</sup>	2006	28	27	21	19 <sup>b</sup>	16 <sup>b</sup>	16		28	27	19	15	16	16	
Sovereign operations administered by resident missions (%)	2006	39	39	38	37	41	43		36	38	39	37	41	43	
Resident missions leading country programming (%)	2007	91	91	95	95	95	100		94	94	100	94	100	100	
Resident missions leading country portfolio review (%)	2007	91	91	91	95	95	100		94	94	100	100	100	100	
Resident missions leading country economic work (%)	2007	91	91	100	95	100	100		88	88	100	94	100	100	

ADB = Asian Development Bank, ADF = Asian Development Fund.

**Rating of key performance indicators (KPIs):**

 **At or above target:** Performance was at or above 2012 target.

 **On track:** Performance exceeded desired progress to attain 2012 target.

 **On track but watch:** Performance met desired progress to attain 2012 target but requires close monitoring.

An arrow indicates a significant ( $\geq 3\%$ ) change from previous performance: an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration.

<sup>a</sup> Defined as the average time from loan or project preparatory technical assistance fact-finding to effectiveness or the date on which the loan, grant, or guarantee agreement comes into force. The agreement becomes effective after its signing by all parties, upon the borrower's compliance with the effectiveness conditions. Excludes multitranche financing facility tranches not processed together with the facility. Supplementary loan approvals are computed from loan fact-finding to effectiveness. In 2010, since processing projects took an average of 16.2 months, it is rated *on track*. Since processing of ADF-funded projects took an average of 15.5 months, it was given the score *at or above target*.

<sup>b</sup> Excludes operations financed by the Countercyclical Support Facility.

Sources: ADB Central Operations Services Office, regional departments, and Strategy and Policy Department.

# Appendix 2

## List of ADB Countries (as used in the 2010 Development Effectiveness Review)

Table A2.1: ADB Countries

Afghanistan <sup>a</sup>	India	Federated States of Micronesia <sup>a</sup>	Solomon Islands <sup>a</sup>
Armenia <sup>a</sup>	Indonesia <sup>a</sup>	Mongolia <sup>a</sup>	Sri Lanka <sup>a</sup>
Azerbaijan <sup>a</sup>	Kazakhstan	Myanmar	Tajikistan <sup>a</sup>
Bangladesh <sup>a</sup>	Kiribati <sup>a</sup>	Nauru	Thailand
Bhutan <sup>a</sup>	Kyrgyz Republic <sup>a</sup>	Nepal <sup>a</sup>	Timor-Leste <sup>a</sup>
Cambodia <sup>a</sup>	Lao People's Democratic Republic <sup>a</sup>	Pakistan <sup>a</sup>	Tonga <sup>a</sup>
China, People's Republic of	Malaysia	Palau	Turkmenistan
Cook Islands <sup>a</sup>	Maldives <sup>a</sup>	Papua New Guinea <sup>a</sup>	Tuvalu <sup>a</sup>
Fiji	Republic of the Marshall Islands <sup>a</sup>	Philippines	Uzbekistan <sup>a</sup>
Georgia <sup>a</sup>		Samoa <sup>a</sup>	Vanuatu <sup>a</sup>
			Viet Nam <sup>a</sup>

ADB = Asian Development Bank.

<sup>a</sup> Developing member countries with access to the Asian Development Fund (ADF) during the eighth replenishment of the ADF (2005–2008).

Source: ADB Strategy and Policy Department.

Table A2.2: Classification of ADB Countries

OCR-Only	Blend Countries <sup>a, b</sup>	ADF-Only <sup>b</sup>
China, People's Republic of	Armenia	Afghanistan
Fiji	Azerbaijan	Bhutan
India <sup>c</sup>	Bangladesh	Cambodia
Kazakhstan	Cook Islands	Kiribati
Malaysia	Georgia	Kyrgyz Republic
Philippines	Indonesia	Lao People's Democratic Republic
Thailand	Republic of the Marshall Islands	Maldives
Turkmenistan	Federated States of Micronesia	Mongolia
	Nauru <sup>d</sup>	Myanmar <sup>e</sup>
	Palau <sup>d</sup>	Nepal
	Pakistan	Samoa
	Papua New Guinea	Solomon Islands
	Sri Lanka	Tajikistan
	Uzbekistan	Timor-Leste
	Viet Nam	Tonga
		Tuvalu
		Vanuatu

ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources.

Note: Assessments of countries in fragile and conflict-affected situations cover 11 countries considered in this category in 2004–2006 (baseline period for many results framework key performance indicators).

<sup>a</sup> Blend countries have access to both the ADF and OCR.

<sup>b</sup> Countries with access to ADF during its eighth replenishment period (2005–2008).

<sup>c</sup> India is officially classified a blend country but has not had access to the ADF since 1986.

<sup>d</sup> No access to ADF during 2005–2008.

<sup>e</sup> Currently with no access to the ADF.

Source: ADB Strategy and Policy Department.

# Appendix 3

## Refinements to ADB's Results Framework and Changes to Data

This appendix explains the changes made to the Asian Development Bank (ADB) results framework indicators<sup>1</sup> and data reported in the *2009 Development Effectiveness Review (DEFr)*.<sup>2</sup> Tables in this appendix include only those indicators for which data have been revised, presenting the revised data (shaded) below the original data.

### ► Level 1: Asia and Pacific Development Outcomes

The data in Table A3.1 have been revised to include new country data on poverty and human development made available in 2010.

**Table A3.1: Poverty and Human Development in Asia and Pacific (Level 1)**  
(Revised Baseline and Target)

Indicator	Asian Development Bank Countries		Asian Development Fund Countries		Asian Development Fund-Only Countries	
	2005	Target 2015	2005	Target 2015	2005	Target 2015
Population living on less than \$1.25 (PPP) per day (%)	27.7 <b>27.6</b>	27.1 <b>27.5</b>	33.8 <b>33.1</b>	29.7 <b>30.2</b>	42.2 <b>38.8</b>	29.6 <b>31.5</b>
Primary education completion rate, both sexes (%)	88.7 <b>88.8</b>	100.0	78.3 <b>79.1</b>	100.0	70.1 <b>69.7</b>	100.0 <b>95.0</b>
Ratio of girls to boys in:						
Primary education	0.96 <b>0.97</b>	1.00	0.91 <b>0.92</b>	1.00	0.82	1.00 <b>0.95</b>
Secondary education	0.92 <b>0.93</b>	1.00	0.92	1.00	0.71	1.00 <b>0.95</b>
Tertiary education	0.81	1.00	0.70	1.00	0.49	1.00 <b>0.95</b>
Women in nonagricultural wage employment (%)	30.0	Increase	26.5 <b>26.4</b>	Increase	28.3 <b>27.9</b>	Increase
Under-5 child mortality (per 1,000 live births)	60.0 <b>60.7</b>	30.1 <b>29.8</b>	74.1 <b>76.2</b>	39.0 <b>38.3</b>	147.3 <b>147.0</b>	55.0
Women (aged 15 and above) living with HIV (number, million)	1.58 <sup>a</sup> <b>1.31<sup>a</sup></b>	Halt or reverse	0.11 <sup>a</sup> <b>0.14<sup>a</sup></b>	Halt or reverse	0.04 <sup>a</sup> <b>0.07<sup>a</sup></b>	Halt or reverse

*continued on next page*

<sup>1</sup> ADB. 2010. *Refinements to ADB's Results Framework*. Manila.

<sup>2</sup> ADB. 2010. *Development Effectiveness Review 2009*. Manila.

Table A3.1 *continued*

Indicator	Asian Development Bank Countries		Asian Development Fund Countries		Asian Development Fund-Only Countries	
	2005	Target 2015	2005	Target 2015	2005	Target 2015
Population with sustainable access to improved water source (%):						
Urban	95.3 95.2	96.7	90.1 90.8	95.3	74.8 82.0	86.7 84.1
Rural	80.8 79.1	80.7 81.1	75.9 76.1	82.1 82.7	56.6 59.6	70.0 71.7
Population with sustainable access to improved sanitation (%):						
Urban	68.6 62.2	80.0 77.6	72.5 69.8	85.9 82.7	61.3 65.4	78.5 79.0
Rural	41.2 38.7	64.2 63.3	41.6 42.6	64.8 62.8	32.2 33.3	60.7 61.3

PPP = purchasing power parity.

<sup>a</sup> 2001 data used for baseline.

Source: Asian Development Bank Strategy and Policy Department.

**Table A3.2: Growth, Regional Cooperation and Integration, Governance, and Environment in Asia and the Pacific (Level 1)**  
(New Indicators)

Indicator	Year	Baseline Values		
		ADB	ADF	ADF-Only
<b>Access to Basic Infrastructure</b>				
Access of rural population to an all-season road (%)	2003	76	68	...
Roads: paved roads for every 10,000 people (km)	2005	12	9	6
<b>Finance</b>				
Banking assets to gross domestic product (%)	2005	78	57	59

... = not available, ADB = Asian Development Bank, ADF = Asian Development Fund, km = kilometer.

Sources: ADB Office of Regional Economic Integration, and Strategy and Policy Department.

The new indicator “paved roads for every 10,000 people (km)” replaces the indicator “access of rural population to an all-season road (%)” since data for the latter is no longer being collected (Table A3.2). The new indicator is derived from two other indicators in the World Bank Group World Development Indicators: paved roads (% of total roads) and total road network (km).

The new indicator “banking assets to gross domestic product (%)” enables ADB to monitor finance sector development in the region.

## ► Level 2: Core Outputs and Outcomes

The new level 2 heading replaces “Contribution to Country Outcomes through Key Outputs” and more accurately reflects the types of level 2



indicators, which measure project outputs and beneficiaries as a proxy for sector outcomes of ADB operations. It avoids the impression that level 2 demonstrates a link between ADB outputs and country outcomes. The term “core” in the title indicates that level 2 focuses on the alignment of results delivered and programmed with the three sectors—infrastructure, finance sector development, and education—and two strategic agendas of environmental sustainability, and regional cooperation and integration falling under the Strategy 2020’s core areas of operations.

The total output target for distribution lines was updated to reflect the project sponsor’s company-wide revision of a nonsovereign project’s output targets (Table A3.3).

### ► Level 3: Operational Effectiveness

Table A3.4 presents the newly created level 3 category “Quality of Completed Operations” which includes indicators on evaluation ratings of completed country partnership strategies (CPSs), sovereign operations, and technical assistance

**Table A3.3: Core Outputs and Outcomes (Level 2)**  
(Revised Target)

Sectors and Core Sector Outputs	Output Targets Programmed for 2009–2012
<b>Energy</b>	
Distribution lines installed or upgraded (km)	150,200 55,200

km = kilometer.

Sources: Asian Development Bank Private Sector Operations Department, and Strategy and Policy Department.

**Table A3.4: Quality of Completed Operations (Level 3)**  
(Category Created, New Indicator Introduced, and Data Revised)

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund				
		Base-line	2007	2008	2009	2012 Target	Base-line	2007	2008	2009	2012 Target
Completed CPSs rated <i>successful</i> (%) <sup>a</sup>	2009	50			50	70	50			50	70
Completed sovereign operations rated <i>successful</i> (%) <sup>a</sup>	2004–2006 average	72	70	69	67	80	75	77	68	64	80
Completed nonsovereign operations rated <i>successful</i> (%) <sup>b</sup>	2008–2010 average	80				80					
Completed technical assistance projects rated <i>successful</i> (%) <sup>c</sup>	2004–2006 average	78	78	77	73	80	72	69	67	61	80
Positive perceptions of ADB effectiveness in reducing poverty (%) <sup>a</sup>	2006	79	80	78	76		78	77	74	72	
		45			50	60	Same as ADB				

ADB = Asian Development Bank, CPS = country partnership strategy.

<sup>a</sup> Formerly belonging to the category Operational Quality and Portfolio Performance.

<sup>b</sup> New indicator.

<sup>c</sup> Formerly belonging to the category Business Processes and Practices.

Source: ADB Strategy and Policy Department.

projects; and perceptions on ADB's effectiveness in reducing poverty. The new indicator "completed nonsovereign operations rated *successful (%)*" is added to the category. Because only 10 extended annual review reports were issued before 2010, the baseline was established in 2010 using the 2008–2010 average.

Ratings for completed sovereign operations are updated to include ratings from project performance evaluation reports (PPERs) and project completion report (PCR) validation reports (PVRs) prepared in 2010. Ratings assigned by these PPERs and PVRs changed the original ratings based on PCRs. Where available, PPER ratings are taken as the final rating. If no PPER is prepared, an available PVR rating is used. Counting of sovereign operations rated *successful* is based on the year of PCR circulation.

Data for "completed technical assistance projects rated *successful (%)*" are recomputed to exclude project preparatory technical assistance, which is rated at completion only if they do not result in investment projects or programs.

The category heading "Quality at Entry and Portfolio Performance" replaces "Operational Quality and Portfolio Performance," and includes the indicators on quality at entry of CPSs and sovereign operations, performance

rating of sovereign operations during implementation, and the average time from approval to first disbursement in sovereign operations (Table A3.5). A new indicator "quality at entry of nonsovereign projects rated *satisfactory (%)*," with 50% as baseline and 85% as target, is added to the category.

New baselines and indicative targets were set for the indicator "performance of sovereign operations during implementation rated *satisfactory (%)*" using a new and more rigorous project performance report (PPR) system introduced in January 2011. The new system, developed in response to concerns about fully capturing project performance and emerging risks in the portfolio, is based on five new portfolio performance indicators: technical, procurement (contract award), disbursement, financial management, and safeguards to derive a rating for the project and the total portfolio. It uses a more stringent methodology that will enable ADB and the borrower to identify and address project implementation problems in a more timely fashion. This would help eliminate or reduce the variations between PPR and PCR ratings.

The category heading "Finance Mobilization" is renamed "Finance Transfer and Mobilization." The new title better captures the nature of a

**Table A3.5: Quality at Entry and Portfolio Performance (Level 3)**  
(Category Renamed, New Indicator with Baseline and Target)

Indicator	Baseline Year	Asian Development Bank		Asian Development Fund	
		Baseline	2012 Target	Baseline	2012 Target
Quality at entry of CPSs rated <i>satisfactory (%)</i>	2006	33	80	33	80
Quality at entry of sovereign projects rated <i>satisfactory (%)</i>	2006	81	85	76	85
Quality at entry of nonsovereign projects rated <i>satisfactory (%)</i> <sup>a</sup>	2008	50	85		
Performance of sovereign operations during implementation rated <i>satisfactory (%)</i>	2004–2006	90	Maintain	91	90
	2010	75	80 <sup>b</sup>	... <sup>c</sup>	80 <sup>b</sup>
Average time from approval to first disbursement in sovereign operations (months) <sup>d</sup>	2006	12	10	13	12

... = not available, CPS = country partnership strategy.

<sup>a</sup> New indicator.

<sup>b</sup> Indicative targets.

<sup>c</sup> At the time of writing (March 2011) the ADF figure had not been calculated.

<sup>d</sup> Formerly belonging to the category Business Processes and Practices.

Sources: Asian Development Bank Central Operations Services Office, and Strategy and Policy Department.

disbursement indicator, which measures how efficiently ADB transfers money from funds already committed. Data on direct value-added cofinancing were adjusted to reflect more updated project financing (Table A3.6).

Table A3.7 presents the revised data on projects supporting private sector development, regional

cooperation and integration, and environmental sustainability. The new figures exclude supplementary financing for existing projects.

Table A3.8 on Knowledge Management now includes the indicator "ADB perceived externally as excellent source of knowledge on development issues (% strongly agreeing),"

**Table A3.6: Finance Transfer and Mobilization (Level 3)**  
(Category Renamed, Data Revised)

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund				
		Base-line	2007	2008	2009	2012 Target	Base-line	2007	2008	2009	2012 Target
DVA cofinancing relative to ADB financing approved annually (%)	2004–2006 average	10	10	13	17 <sup>a</sup>	20	14	13	11	8	20
		9		11			13				

ADB = Asian Development Bank, DVA = direct value-added.

<sup>a</sup> Excludes operations financed by the Countercyclical Support Facility.

Source: ADB Office of Cofinancing Operations.

**Table A3.7: Financing for Strategy 2020 Core Operational Areas (Level 3)**  
(Data Revised)

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund				
		Base-line	2007	2008	2009 <sup>a</sup>	2012 Target	Base-line	2007	2008	2009	2012 Target
Projects supporting private sector development (%)	2004–2006	29	35	38	38	30	14	13	19	21	30
					39		15			22	
Projects supporting regional cooperation and integration (%)	2004–2006	7	7	7	10	15	11	11	11	16	15
										15	
Projects supporting environmental sustainability (%)	2004–2006	14	17	21	27	25	9	12	13	18	25
							11	12			

<sup>a</sup> Excludes operations financed by the Countercyclical Support Facility.

Source: Asian Development Bank Strategy and Policy Department.

**Table A3.8: Knowledge Management (Level 3)**  
(New Indicator with Baseline and Target)

Indicator	Baseline Year	Asian Development Bank		Asian Development Fund	
		Baseline	2012 Target	Baseline	2012 Target
ADB perceived externally as excellent source of knowledge on development issues (% strongly agreeing)	2009	29	40	Same as ADB	

ADB = Asian Development Bank.

Source: ADB Strategy and Policy Department.

**Table A3.9: Partnerships (Level 3)**  
(Data Revised)

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund				
		Base-line	2007	2008	2009 <sup>a</sup>	2012 Target	Base-line	2007	2008	2009	2012 Target
Sovereign operations with CSO participation (%)	2006	79	81	77	69	80	80	89	84	67	80
		78	78	76	72		85	85	82	75	
New program-based approaches approved (number)	2006	5	19	13	30	10	4	14	8	18	8
		29	42	45	62		20	23	26	29	

CSO = civil society organization.

<sup>a</sup> Excludes operations financed by the Countercyclical Support Facility.

Source: Asian Development Bank Strategy and Policy Department.

with 29% as the baseline (2009) and 40% as the target for both ADB and ADF. The indicator “completed technical assistance operations rated *successful (%)*” has been moved to the category “Quality of Completed Operations.”

“Sovereign operations with CSO participation” is updated to include ADF grant-financed projects, and counted by project rather than by product (Table A3.9).

The criteria for counting new projects supporting program-based approaches (PBAs) have been reassessed following the Organisation for Economic Co-operation and Development (OECD) 2011 guidelines on program-based approaches.<sup>3</sup> The OECD clarified that for development assistance to be considered program-based, all of the following four criteria must be met:

- the host country or organization exercise leadership over the program supported by development partners;
- a single comprehensive program and budget framework is used;
- a formal process for development partner coordination and harmonization of development partner procedures is used

for at least two of the following systems: (a) reporting, (b) budgeting, (c) financial management, and (d) procurement; and

- support to the program will use at least two of the following local systems: (a) program design, (b) program implementation, (c) financial management, and (d) monitoring and evaluation.

ADB deemed that, due to their characteristics, all program loans and grants, sector development programs, and multitranches financing facility subprojects are considered program-based. Sector projects are PBAs unless a government sector strategy coordinating development partners is absent. Investment projects will be counted as program-based if these meet all four criteria identified by the OECD.

#### ► Level 4: Organizational Effectiveness

The indicator “average sovereign operations processing time (months from fact-finding to effectiveness)” replaces “sovereign operations processing time (months from fact-finding to approval),” with 16 months as the target for both ADB and ADF (Table A3.10). The change aligns this indicator with ADB’s streamlined

<sup>3</sup> Organisation for Economic Co-operation and Development. 2010. *2011 Survey on Monitoring the Paris Declaration Fourth High Level Forum on Aid Effectiveness*. [www.oecd.org/dataoecd/24/28/46138662.pdf?bcsi\\_scan\\_7823DFCE46415F3E=0&bcsi\\_scan\\_filename=46138662.pdf](http://www.oecd.org/dataoecd/24/28/46138662.pdf?bcsi_scan_7823DFCE46415F3E=0&bcsi_scan_filename=46138662.pdf).

business processes,<sup>4</sup> introduced in 2010, which consider effectiveness the end of project processing. The targets have been established expecting (i) 12 months for approval from fact-finding as envisaged under the streamlined business processes; and (ii) 4 months from approval to effectiveness, a 2-month reduction from the 2006 figure.

Three new indicators on the delegation of functions to resident missions are added to the category Business Processes and Practices to measure resident mission leadership in the three core functions: country programming, portfolio review, and economic work (Table A3.11).

**Table A3.10: Business Processes and Practices (Level 4)**  
(Data Revised)

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund				
		Base-line	2007	2008	2009 <sup>a</sup>	2012 Target	Base-line	2007	2008	2009	2012 Target
Average sovereign operations processing time (months from fact-finding to effectiveness)	2006	21	18	16	14	18	22	18	13	10	20
		28	27	21	19	16	28	27	19	15	16

<sup>a</sup> Excludes operations financed by the Countercyclical Support Facility.

Source: Asian Development Bank Central Operations Services Office.

**Table A3.11: Business Processes and Practices (Level 4)**  
(New Indicators with Baseline and Targets)

Indicator	Baseline Year	Asian Development Bank		Asian Development Fund	
		Baseline	2012 Target	Baseline	2012 Target
Resident missions leading country programming (%)	2007	91	100	94	100
Resident missions leading country portfolio review (%)	2007	91	100	94	100
Resident missions leading country economic work (%)	2007	91	100	88	100

Source: Asian Development Bank Strategy and Policy Department.

<sup>4</sup> ADB. 2009. *Better and Faster Loan Delivery*. Report of the Loan Delivery Working Group. Manila.

# Appendix 4

## Refinements to the Development Effectiveness Review Scorecard

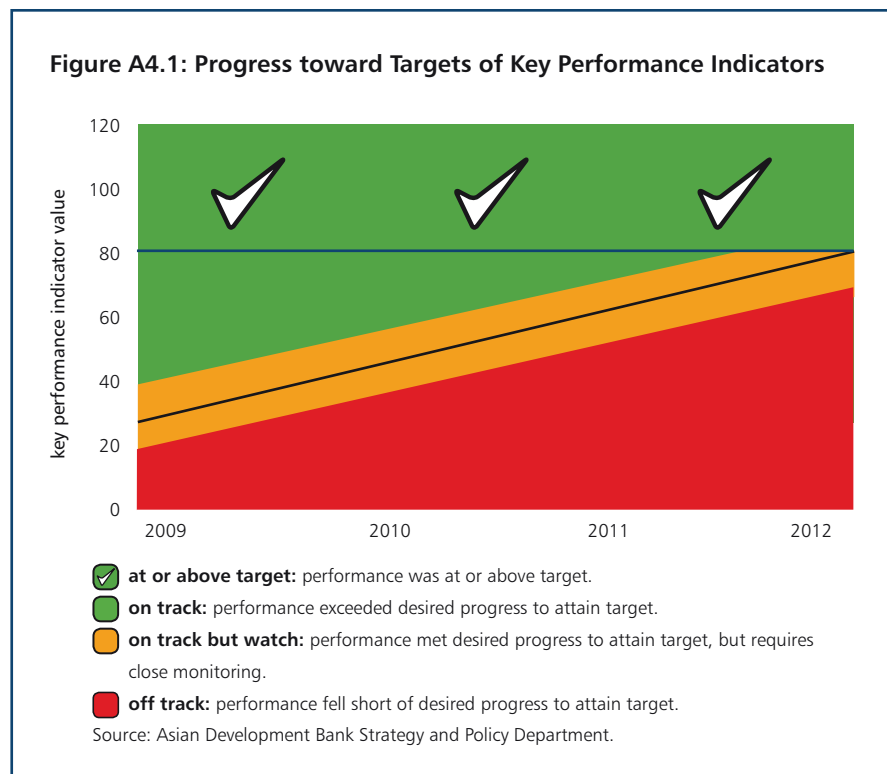
### Background

The performance scorecard in the *2010 Development Effectiveness Review (DEfR)* is based on a refined methodology. This appendix provides an overview of the improved rules by which signals for key performance indicators (KPIs) and composite indicators (representing the core performance areas in the summary scorecard) are determined.<sup>1</sup> The refined performance scorecard is designed to provide better information to the Board of Directors, Management, and stakeholders. The main benefit is to allow the scorecard system to reflect both the likelihood of attaining the 2012 targets (2015 for level 1) and annual change in an integrated signal.<sup>2</sup>

### Key Performance Indicators

Contrary to previous years, the colors green, amber, and red are now used to signal whether or not the KPI is on track to attain the 2012 target. By setting a baseline and target, implicit intermediate targets can be determined that need to be achieved to make attaining the 2012 target more likely. Comparing results with these implicit intermediate targets allows ADB to determine the progress of the KPI toward the 2012 target and assign a corresponding progress color (Figure A4.1).

Amber is assigned as long as the KPI progresses toward the target within a pre-determined



<sup>1</sup> Refer also to Supplementary Appendix A for the technical note on the development effectiveness review rating system.

<sup>2</sup> The previous system mainly captured annual change.











band.<sup>3</sup> This band allows for sufficient granularity and avoids frequent and unclear signal changes for KPIs that are progressing toward the target with minor fluctuations. Within the amber band, a KPI is considered on track for attaining the 2012 target, but requires close monitoring as it could easily become off track by remaining stable.

If the KPI performs worse than the lower border of the band, it is considered to be off track and red is assigned. If it performs better than the upper border of the band, the KPI is on track and green is assigned. Green with a check mark indicates that the KPI is at or above the target. Colors are only used to assess progress toward the target year. In that year, a target has been either achieved or not.

Annual deteriorations or improvements are represented by arrows rather than colors. Downward or upward arrows are shown if the change is large enough to justify a signal. No arrow is shown if annual change remains under a threshold of 3%.

The colors and arrows are combined in single integrated symbols (Table A4). This provides more information at a glance. For instance, a green box with a downward arrow means that performance is on track, but moving in the wrong direction. This might prompt Management to analyze this KPI in more detail. A red box with an upward arrow may show that measures are already paying off, although progress is still unsatisfactory.

**Table A4: Key Performance Indicator Signals**

Progress (toward achieving target)	Signal	Direction of Annual Change <sup>a</sup>	Actions <sup>b</sup>
<b>At or above target</b>			monitor or reconsider target
<b>On track</b> (exceeded desired progress to attain target)		improved	monitor
		stable	monitor
		deteriorated	monitor more frequently
<b>On track but watch</b> (met desired progress to attain target, but requires close monitoring)		improved	monitor more frequently
		stagnated	reinforce actions
		deteriorated	reinforce actions
<b>Off track</b> (fell short of desired progress to attain target)		improved	reinforce actions and consider new measures
		stagnated	decisive action needed
		deteriorated	decisive action needed

<sup>a</sup> Improved or deteriorated if annual change is at least 3%; stable or stagnated if change is less than 3%.

<sup>b</sup> Actions depend on the specific situation. Refer to Supplementary Appendix A for more information.

Source: Asian Development Bank Strategy and Policy Department.

<sup>3</sup> For simplicity, a constant slope is assumed. ADB has developed a nonparametric approach that classifies KPIs into three distinct bandwidth groups: 2.5%, 5.0%, and 7.5% of the average of baseline and target on each side of the line from baseline to target. The bandwidth classification is based on a parametric analysis of KPI volatility.






### Composite Indicators: Colors to Report Proportion of Off-Track Key Performance Indicators

The color of composite indicators is based on the percentage off-track (red) KPIs, which are the areas of immediate concern (Figure A4.2).

Consequently, the composite indicator ignores annual change in individual KPIs unless they resulted in an altered off-track status. The proposed composite rules allow for a more precise assessment than the previous system and stress whether underlying KPIs are on track for attaining targets.

**Figure A4.2: Performance of Composite Indicators**

-  **Good:** Two-thirds or more of key performance indicators (KPI) in the group are on track or above target.
-  **Mixed:** Less than two-thirds but more than half of KPIs in the group are on track or above target.
-  **Poor:** Half or less than half of KPIs in the group are on track or above target.

Exception: If half of KPIs are off track (red) and the other half exceed desired progress or are above target (green), a composite rating of amber, rather than red, is given.

Source: Asian Development Bank Strategy and Policy Department.

# Appendix 5

## Asia and Pacific Development Outcomes

Table A5.1: Millennium Development Goals in ADB Countries

Indicator	Earliest Data	Year	2005	Latest Data	Year	2015 Cutoff Value	2015 Projection	Progress	Target Achieved
Population living on less than \$1.25 (PPP) a day (%)	55.04	1990	27.59	24.99	2008	27.52	19.04	Early achiever	Yes
Children under-5 moderately or severely underweight (%)	37.55	1990	31.00	29.65	2007	18.77	25.44	Slow	No
Total net enrollment ratio in primary education, both sexes	74.85	1991	93.13	94.14	2009	95.00	95.48	On track	Yes
Pupils starting grade 1 who reach last grade of primary, both sexes (%)	79.70	1999	79.36	79.63	2008	95.00	81.32	Slow	No
Primary education completion rate, both sexes (%)	69.74	1991	88.80	90.70	2009	95.00	91.75	Slow	No
Gender parity index in primary level enrollment	0.85	1991	0.97	1.01	2009	0.95	1.08	Early achiever	Yes
Gender parity index in secondary level enrollment	0.72	1991	0.93	0.99	2009	0.95	1.11	Early achiever	Yes
Gender parity index in tertiary level enrollment	0.58	1991	0.81	0.91	2009	0.95	1.05	On track	Yes
Women in wage employment in the nonagriculture sector (%)	27.78	1990	30.00	30.87	2008	Increase	32.55		Yes <sup>a</sup>
Children under-5 mortality rate per 1,000 live births	89.54	1990	60.72	54.63	2008	29.85	45.87	Slow	No
Infant mortality rate (0–1 year) per 1,000 live births	65.36	1990	46.58	41.98	2008	21.79	35.96	Slow	No
Adults (15+) living with HIV (number, million)	3.79	2001	...	4.79	2009	Halt or reverse	...		No <sup>b</sup>

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Table A5.1 continued

Indicator	Earliest Data	Year	2005	Latest Data	Year	2015 Cutoff Value	2015 Projection	Progress	Target Achieved
Women (15+) living with HIV (number, million)	1.31	2001	...	1.72	2009	Halt or reverse	...		No <sup>b</sup>
Tuberculosis prevalence rate per 100,000 population	358.84	1990	213.00	183.95	2008	Halt or reverse	102.19	Early achiever	Yes
Tuberculosis death rate per 100,000 population	39.58	1990	25.87	22.75	2008	Halt or reverse	13.04	Early achiever	Yes
Land area covered by forest (%)	22.06	1990	21.92	21.92	2005	...	23.29	Early achiever	Yes
Protected area to total surface area (%)	7.57	1990	10.16	10.16	2009	...	12.56	Early achiever	Yes
Consumption of ozone-depleting CFCs (ODP tons)	64,347	1990	21,914	1,445.57	2008	...	0.00	Early achiever	Yes
CO <sub>2</sub> emissions (tons per capita) <sup>c</sup>	1.49	1990	2.49	2.79	2007	...	2.71		
Population using improved drinking water source, urban (%)	93.38	1990	95.22	95.48	2008	96.69	95.99	Slow	No
Population using improved drinking water source, rural (%)	62.28	1990	79.11	82.11	2008	81.14	86.66	Early achiever	Yes
Population using improved sanitation facilities, urban (%)	55.20	1990	62.22	62.52	2008	77.60	65.93	Slow	No
Population using improved sanitation facilities, rural (%)	26.63	1990	38.66	40.97	2008	63.32	48.54	Slow	No

... = not available, ADB = Asian Development Bank, CFC = chlorofluorocarbon, CO<sub>2</sub> = carbon dioxide, ODP = ozone depleting potential, PPP = purchasing power parity.

Note: Cutoff value is the absolute value that determines whether a country is treated as having achieved the Millennium Development Goals.

<sup>a</sup> ADB targets an increase from the baseline. "Target achieved" is based on recent performance compared with the baseline.

<sup>b</sup> ADB targets a decrease from or maintaining the baseline. "Target achieved" is based on recent performance compared with the baseline.

<sup>c</sup> As the amount of justifiable emissions for economic growth has not been established, this indicator is not being rated.

Sources: Regional aggregates are jointly prepared by staff from ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division as part of the regional partnership between ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals (estimates use a weighted average of actual country values, or imputed country values wherever data are missing for the year required). Population data are obtained from the United Nations, *World Population Prospects: The 2008 Revision*; and HIV indicator data are from UNAIDS, *Report on the Global AIDS Epidemic 2010*; and ADB Strategy and Policy Department.

Table A5.2: Millennium Development Goals in Asian Development Fund Countries

Indicator	Earliest Data	Year	2005	Latest Data	Year	2015 Cutoff Value	2015 Projection	Progress	Target Achieved
Population living on less than \$1.25 (PPP) a day (%)	60.38	1991	33.10	28.45	2008	30.19	19.99	Early achiever	Yes
Children under-5 moderately or severely underweight (%)	45.11	1991	33.18	32.34	2007	22.56	27.13	Slow	No
Total net enrollment ratio in primary education, both sexes	82.89	1991	86.76	86.72	2009	95.00	88.68	Slow	No
Pupils starting grade 1 who reach last grade of primary, both sexes (%)	74.90	1999	74.72	73.75	2008	95.00	74.15	Regressing or no progress	No
Primary education completion rate, both sexes (%)	77.57	1991	79.07	75.90	2009	95.00	75.74	Regressing or no progress	No
Gender parity index in primary level enrollment	0.83	1991	0.92	0.95	2009	0.95	1.02	On track	Yes
Gender parity index in secondary level enrollment	0.78	1991	0.92	0.96	2009	0.95	1.04	Early achiever	Yes
Gender parity index in tertiary level enrollment	0.62	1991	0.70	0.76	2009	0.95	0.83	Slow	No
Women in wage employment in the nonagriculture sector (%)	26.18	1990	26.40	27.08	2008	Increase	27.61		Yes <sup>a</sup>
Children under-5 mortality rate per 1,000 live births	114.83	1990	76.22	70.79	2008	38.28	63.13	Slow	No
Infant mortality rate (0–1 year) per 1,000 live births	81.79	1990	57.26	53.88	2008	27.26	48.32	Slow	No
Adults (15+) living with HIV (number, million)	0.36	2001	...	0.89	2009	Halt or reverse	...		No <sup>b</sup>
Women (15+) living with HIV (number, million)	0.14	2001	...	0.30	2009	Halt or reverse	...		No <sup>b</sup>
Tuberculosis prevalence rate per 100,000 population	486.63	1990	333.96	281.45	2008	Halt or reverse	152.24	Early achiever	Yes
Tuberculosis death rate per 100,000 population	55.59	1990	40.77	35.35	2008	Halt or reverse	20.43	Early achiever	Yes
Land area covered by forest (%)	30.70	1990	26.02	26.02	2005	...	26.41	Regressing or no progress	No
Protected area to total surface area (%)	4.00	1990	8.06	8.07	2009	...	12.83	Early achiever	Yes

continued on next page

Table A5.2 continued

Indicator	Earliest Data	Year	2005	Latest Data	Year	2015 Cutoff Value	2015 Projection	Progress	Target Achieved
Consumption of ozone-depleting CFCs (ODP tons)	8,103	1990	3,857.43	431.53	2008	...	0.00	Early achiever	Yes
CO <sub>2</sub> emissions (tons per capita) <sup>c</sup>	0.82	1990	1.06	1.15	2007	...	1.11		
Population using improved drinking water source, urban (%)	90.61	1990	90.80	90.84	2008	95.30	91.24	Slow	No
Population using improved drinking water source, rural (%)	65.42	1990	76.13	78.10	2008	82.71	81.87	Slow	No
Population using improved sanitation facilities, urban (%)	65.34	1990	69.78	70.67	2008	82.67	72.62	Slow	No
Population using improved sanitation facilities, rural (%)	25.66	1990	42.61	46.08	2008	62.83	55.54	Slow	No

... = not available, CFC = chlorofluorocarbon, CO<sub>2</sub> = carbon dioxide, ODP = ozone depleting potential, PPP = purchasing power parity.

## Notes:

1. Asian Development Fund (ADF) countries refer to a subset of Asian Development Bank (ADB) countries that have access to the ADF during the eighth replenishment of the ADF implementation period. This includes blend countries, which have access to both ADF and ordinary capital resources (Appendix 2).

2. Cutoff value is the absolute value that determines whether a country is treated as having achieved the Millennium Development Goals.

<sup>a</sup> ADB targets an increase from the baseline. "Target achieved" is based on recent performance compared with the baseline.

<sup>b</sup> ADB targets a decrease from or maintaining the baseline. "Target achieved" is based on recent performance compared with the baseline.

<sup>c</sup> As the amount of justifiable emissions for economic growth has not been established, this indicator is not being rated.

Sources: Regional aggregates are jointly prepared by staff from ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division as part of the regional partnership between ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals (estimates use a weighted average of actual country values, or imputed country values wherever data are missing for the year required). Population data are obtained from the United Nations, *World Population Prospects: The 2008 Revision*; and HIV indicator data are from UNAIDS, *Report on the Global AIDS Epidemic 2010*; and ADB Strategy and Policy Department.

Table A5.3: Millennium Development Goals in Asian Development Fund-Only Countries

Indicator	1990	Year	Latest	Year	2015 Cutoff Value	2015 Projection	Progress	Target Achieved
Population living on less than \$1.25 (PPP) a day (%)	63.07	1992	33.93	2008	31.54	24.44	On track	Yes
Children under-5 moderately or severely underweight (%)	43.02	1992	35.42	2007	21.51	30.36	Slow	No
Total net enrollment ratio in primary education, both sexes	77.83	1999	91.50	2009	95.00	94.34	Slow	No
Pupils starting grade 1 who reach last grade of primary, both sexes (%)	64.78	1999	70.68	2008	95.00	73.83	Slow	No
Primary education completion rate, both sexes (%)	51.89	1991	70.16	2009	95.00	70.88	Slow	No
Gender parity index in primary level enrollment	0.71	1991	0.85	2009	0.95	0.96	On track	Yes
Gender parity index in secondary level enrollment	0.57	1991	0.80	2009	0.95	0.93	Slow	No
Gender parity index in tertiary level enrollment	0.44	1991	0.52	2009	0.95	0.58	Slow	No
Women in wage employment in the nonagriculture sector (%)	29.64	1990	27.67	2008	Increase	28.01	Slow	No <sup>a</sup>
Children under-5 mortality rate per 1,000 live births	163.82	1990	144.42	2008	54.61	142.58	Slow	No
Infant mortality rate (0-1 year) per 1,000 live births	112.53	1990	98.22	2008	37.51	96.14	Slow	No
Adults (15+) living with HIV (number, million)	0.15	2001	0.14	2009	Halt or reverse	...	...	Yes <sup>b</sup>
Women (15+) living with HIV (number, million)	0.07	2001	0.06	2009	Halt or reverse	...	...	Yes <sup>b</sup>
Tuberculosis prevalence rate per 100,000 population	492.07	1990	295.84	2008	Halt or reverse	194.83	Early achiever	Yes
Tuberculosis death rate per 100,000 population	55.76	1990	37.08	2008	Halt or reverse	25.42	Early achiever	Yes
Land area covered by forest (%)	17.58	1990	15.36	2005	...	15.40	Regressing or no progress	No
Protected area to total surface area (%)	3.17	1990	10.82	2009	...	20.48	Early achiever	Yes
Consumption of ozone-depleting CFCs (ODP tons)	376.30	1990	73.43	2008	...	0.00	Early achiever	Yes
CO <sub>2</sub> emissions (tons per capita) <sup>c</sup>	0.79	1990	0.39	2007	...	0.34	...	...
Population using improved drinking water source, urban (%)	68.14	1990	86.13	2008	84.07	90.94	Early achiever	Yes
Population using improved drinking water source, rural (%)	43.45	1990	63.28	2008	71.73	75.32	On track	Yes
Population using improved sanitation facilities, urban (%)	57.99	1990	68.17	2008	79.00	74.28	Slow	No
Population using improved sanitation facilities, rural (%)	22.67	1990	35.71	2008	61.33	43.83	Slow	No

... = not available, CFC = chlorofluorocarbon, CO<sub>2</sub> = carbon dioxide, ODP = ozone depleting potential, PPP = purchasing power parity.

Notes:

1. Asian Development Fund (ADF) countries refer to a subset of Asian Development Bank (ADB) countries that have access only to the ADF during the eighth replenishment of the ADF implementation period (Appendix 2); and

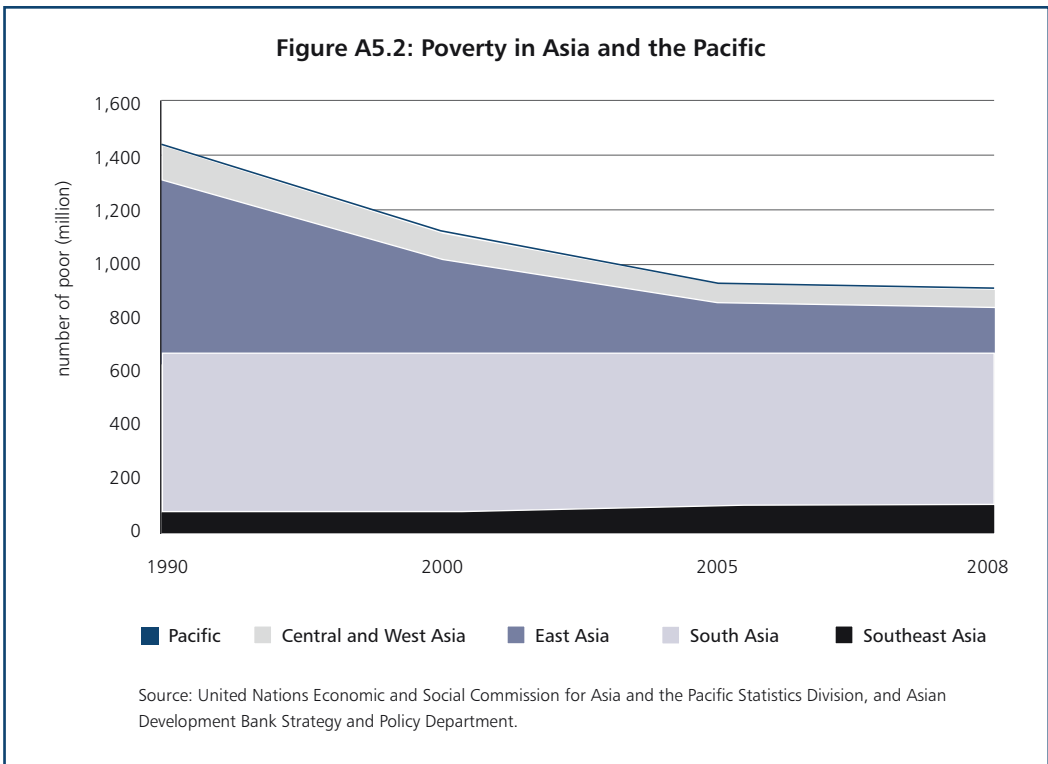
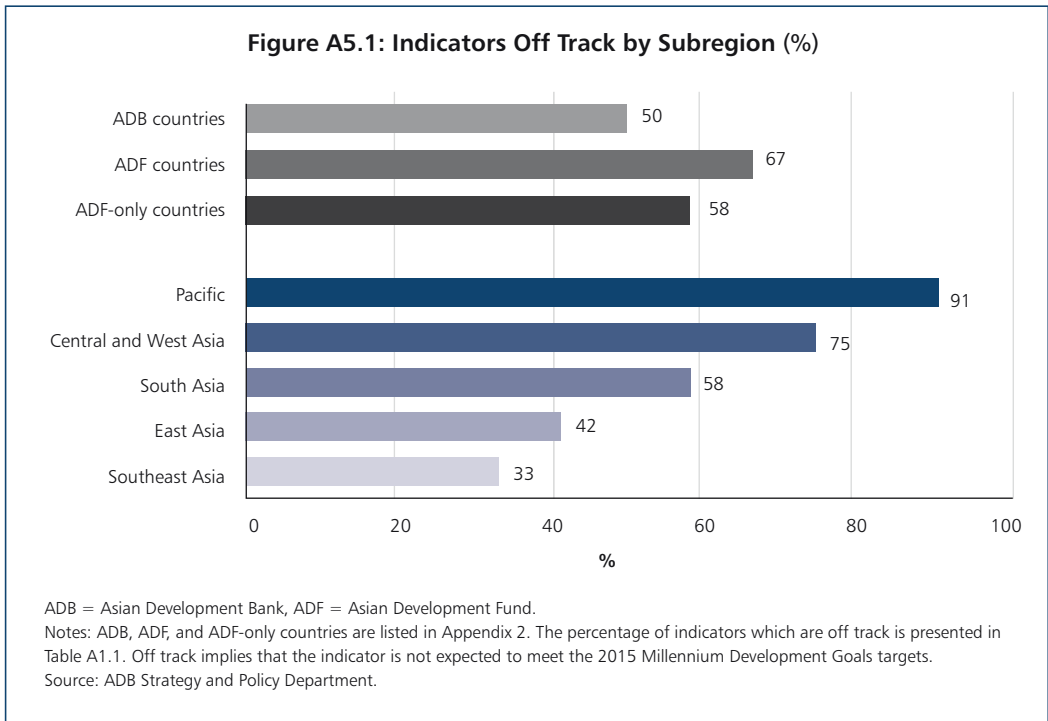
2. Cutoff value is the absolute value that determines whether a country is treated as having achieved the Millennium Development Goals.

<sup>a</sup> ADB targets an increase from the baseline. "Target achieved" is based on recent performance compared with the baseline.

<sup>b</sup> ADB targets a decrease from or maintaining the baseline. "Target achieved" is based on recent performance compared with the baseline.

<sup>c</sup> As the amount of justifiable emissions for economic growth has not been established, this indicator is not being rated.

Sources: Regional aggregates are jointly prepared by staff from ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division as part of the regional partnership between ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals (estimates use a weighted average of actual country values, or imputed country values wherever data are missing for the year required). Population data are obtained from the United Nations, *World Population Prospects: The 2008 Revision*; and HIV indicator data are from UNAIDS, *Report on the Global AIDS Epidemic 2010*; and ADB, Strategy and Policy Department.





# Appendix 6

## ADB Sector Outputs

Table A6.1: Delivery of Outputs Programmed in 2003–2006, Before or in 2010, by ADB and Asian Development Fund Operations

Sector and Core Sector Outputs	No. of Projects <sup>a</sup>		Outputs Programmed		No. of Projects <sup>c</sup>		Outputs Delivered		% Achieved	
	ADB	ADF	ADB	ADF	ADB	ADF	ADB	ADF	ADB	ADF
<b>Education</b>										
Classrooms built or upgraded (number)	14	12	20,847	16,683	13	12	20,007	16,844	96	101
Teachers trained (number)	14	12	29,121	28,121	13	11	23,583	20,722	81	74
Students benefiting from school improvement programs or direct support (number)	14	12	5,399,725	3,270,725	12	10	8,131,255	3,202,255	151	98
<b>Energy</b>										
Installed energy generation capacity (MW equivalent)	17	6	6,903	0.9	18	6	5,844	8	85	877 <sup>b</sup>
Transmission lines installed or upgraded (km)	13	6	3,634	932	17	6	3,191	893	88	96
Distribution lines installed or upgraded (km)	15	6	52,535	3,520	17	6	58,274	5,211	111	148
New households connected to electricity (number)	15	4	235,000	27,000	17	6	762,891	37,891	325	140
Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)	17	5	7,926,580	0	17	5	6,196,000	0	78	0
<b>Finance</b>										
Microfinance accounts opened or end borrowers reached (number)	13	6	2,198,374	68,374	13	5	1,963,880	101,000	89	148
Small and medium-sized enterprises loan accounts opened or end borrowers reached (number)	13	6	62,009	10,000	14	6	249,871	10,000	403	100

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Table A6.1 continued

Sector and Core Sector Outputs	No. of Projects <sup>a</sup>		Outputs Programmed		No. of Projects <sup>a</sup>		Outputs Delivered		% Achieved	
	ADB	ADF	ADB	ADF	ADB	ADF	ADB	ADF	ADB	ADF
<b>Transport</b>										
Expressways built or upgraded (km)	29	12	669	0	28	11	669	0	100	0
National highways, and provincial, district, and rural roads built or upgraded (km)	27	10	23,761	4,755	28	11	26,070	8,124	110	171
Railways constructed and/or upgraded (km)	29	12	1,202	648	28	11	1,202	648	100	100
Beneficiaries from road projects (number)	27	10	216,708,358	77,707,000	27	10	205,516,020	69,170,700	95	89
<b>Water</b>										
Water supply pipes installed or upgraded: length of network (km)	15	7	9,687	7,343	16	8	10,233	8,000	106	109
New households served with water supply (number)	18	9	3,202,318	572,181	19	10	3,095,766	995,381	97	174
Wastewater treatment capacity added (m <sup>3</sup> /day)	19	10	2,159,262	319,262	18	9	2,141,062	301,062	99	94
New households served with sanitation (number)	17	10	5,465,590	30,800	18	9	5,485,607	1,660,021	100	5,390 <sup>b</sup>
Land improved through irrigation services, drainage, and flood management (hectare)	17	8	56,233	35,000	18	9	89,247	45,138	159	129
<b>Total</b>	<b>106</b>	<b>62</b>			<b>81</b>	<b>40</b>			<b>130</b>	<b>104</b>
<b>Average % of output delivery</b>										

ADB = Asian Development Bank, ADF = Asian Development Fund, CO<sub>2</sub> = carbon dioxide, km = kilometer, MW = megawatt, m<sup>3</sup>/day = cubic meter per day, No. = number, tCO<sub>2</sub>-equiv/yr = tons of carbon dioxide equivalent per year.

<sup>a</sup> The number of projects with one or more outputs registered.

<sup>b</sup> Excluded in computing for the average achievement under ADF.

Sources: ADB project and program completion reports issued in 2004–2010 for outputs delivered, reports and recommendations of the President approved in 2003–2010 for outputs programmed, and regional departments.

Table A6.2: ADB's Core Sector Outputs

Sector and Core Sector Outputs	Outputs Delivered					Outputs Programmed				
	Baseline 2004–2007	2005–2008	2006–2009	2007–2010	Baseline 2009–2012	2010–2013	2011–2014	2012–2015	2013–2016	
<b>Education</b>										
Classrooms built or upgraded (number)	115,100	51,000	40,600	49,200	76,100	43,400	25,200	15,700	13,300	
Teachers trained (number)	564,000	598,200	332,400	318,600	1,518,000	927,400	481,600	449,200	211,000	
Students benefiting from school improvement programs or direct support (number)	19,650,000	18,413,000	7,859,000	12,965,000	22,515,000	8,190,000	2,900,000	2,688,000	2,596,000	
<b>Energy</b>										
Installed energy generation capacity (MW equivalent)	4,200	3,700	3,800	3,700	13,200	12,900	18,100	13,500	16,100	
Transmission lines installed or upgraded (km)	9,100	17,300	14,400	19,100	6,800	9,700	10,900	12,000	16,200	
Distribution lines installed or upgraded (km)	17,200	26,000	25,700	79,800	56,200	125,800	123,600	143,000	100,000	
New households connected to electricity (number)	751,900	2,334,000	2,317,000	3,768,000	447,500	2,170,000	2,868,000	2,938,000	5,215,000	
Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)	22,517,000	8,842,000	4,138,000	4,102,000	11,747,000	12,101,000	26,174,000	29,485,000	34,304,000	
<b>Finance</b>										
Microfinance accounts opened or end borrowers reached (number)	1,182,000	2,193,000	3,609,000	3,651,000	2,563,000	2,163,000	2,163,000	2,115,000	459,700	
Small and medium-sized enterprises loan accounts opened or end borrowers reached (number)	5,900	176,700	395,200	399,500	213,900	208,400	36,400	64,200	110,000	

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Table A6.2 continued

Sector and Core Sector Outputs	Outputs Delivered					Outputs Programmed				
	Baseline 2004–2007	2005–2008	2006–2009	2007–2010	Baseline 2009–2012	2010–2013	2011–2014	2012–2015	2013–2016	
<b>Transport</b>										
Expressways built or upgraded (km)	1,500	1,400	1,400	1,300	1,300	2,200	2,000	1,800	2,040	
National highways, and provincial, district, and rural roads built or upgraded (km)	26,900	39,100	42,100	44,200	48,000	39,600	46,500	76,500	74,100	
Railways constructed and/or upgraded (km)	2,400	3,200	2,600	1,700	2,800	2,700	3,700	6,100	4,300	
Beneficiaries from road projects (number)	410,163,000	422,042,000	429,973,000	396,828,000	222,164,000	209,199,000	267,749,000	267,325,000	262,043,000	
<b>Water</b>										
Water supply pipes installed or upgraded: length of network (km)	19,300	21,300	17,100	14,000	14,800	8,400	10,200	12,800	13,600	
New households served with water supply (number)	2,104,000	1,302,000	1,814,000	2,473,000	4,823,000	2,816,000	2,895,000	1,524,000	1,757,000	
Wastewater treatment capacity added (m <sup>3</sup> /day)	1,380,000	1,010,000	327,700	328,300	4,566,000	3,406,000	4,429,000	2,497,000	4,202,000	
New households served with sanitation (number)	1,501,000	1,159,000	237,500	187,000	9,393,000	7,858,000	7,954,000	5,395,000	3,747,000	
Land improved through irrigation services, drainage, and flood management (hectare)	1,556,000	1,169,000	1,231,000	13,137,000 <sup>a</sup>	2,682,000	2,306,000	2,533,000	2,519,000	1,202,000	

CO<sub>2</sub> = carbon dioxide, km = kilometer, MW = megawatt, m<sup>3</sup>/day = cubic meter per day, tCO<sub>2</sub>-equiv/yr = tons of carbon dioxide equivalent per year.

Note: Columns under “Outputs Delivered” refer to periods during which outputs were reported in project completion reports. Columns under “Outputs Programmed” refer to the periods during which outputs programmed are expected to be delivered. Outputs are assumed to be delivered and reported 6 years after they were programmed.

<sup>a</sup> Includes output of 1.8 million hectares improved through the Yellow River Flood Management Sector Project: ADB. 2010. *Project Completion Report: Yellow River Flood Management Sector Project in the People's Republic of China*. Manila.

Sources: Asian Development Bank, project and program completion reports issued in 2004–2010 for delivered outputs, reports and recommendations of the President approved in 2003–2010 for programmed outputs, regional departments, and Strategy and Policy Department.

**Table A6.3: ADB Core Sector Outputs Programmed for Delivery in 2009–2016**  
(Expanded Indicators)

<b>Sector and Core Sector Outputs</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Education</b>								
Classrooms built or upgraded (number)	42,400	18,600	10,700	4,300	9,700	445	1,200	1,900
Associated facilities built or upgraded (number)	5	989	5	8	1,400	2	86	300
Learning institutions built or upgraded (number)	175	9,000	873	1,700	1,900	40	10	177
Teachers trained (number)	731,100	461,200	77,000	249,100	140,100	15,400	44,700	11,000
Teachers trained pre-service (number)	105,000	150,000	0	0	7,900	0	1,500	0
Teacher participants in in-service training events (number)	626,100	305,200	76,400	249,100	132,200	15,400	43,200	11,000
Students benefiting (number)	16,114,000	5,446,000	706,300	247,700	1,790,000	156,000	494,200	156,000
Students benefiting from school improvement programs (number)	16,092,000	5,002,000	605,000	246,100	1,410,000	156,000	357,300	137,000
Students benefiting from direct support (number)	22,500	78,100	30,000	5,600	381,100	0	135,900	19,000
<b>Energy</b>								
Installed energy generation capacity (MW equivalent)	1,600	862	1,200	952	1,400	2,000	9,100	3,600
Transmission lines installed or upgraded (km)	2,200	2,100	1,600	902	5,100	3,300	2,800	5,000
Distribution lines installed or upgraded (km)	3,300	2,300	2,100	48,500	72,900	109	21,500	5,600
New households connected to electricity (number)	227,000	125,000	90,500	5,000	1,949,000	823,900	160,100	2,282,000
Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)	0	5,241,000	2,846,000	3,661,000	354,000	19,314,000	6,157,000	8,479,000
<b>Finance</b>								
Microfinance accounts opened or end borrowers reached (number)	400,000	0	162,900	2,000,000	0	0	115,100	344,600
Microfinance loans provided (\$ million)	54	0	15	236	8	0	13	200
Small and medium-sized enterprises loan accounts opened or end borrowers reached (number)	10,000	174,000	28,000	1,900	4,500	2,000	55,800	47,700
Small and medium-sized enterprises loans provided (\$ million)	23	50	69	100	219	16	393	282

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Table A6.3 continued

Sector and Core Sector Outputs	2009	2010	2011	2012	2013	2014	2015	2016
<b>Transport</b>								
Expressways built or upgraded (km)	259	592	308	134	1,100	406	139	398
National highways, and provincial, district, and rural roads built or upgraded (km)	16,900	6,600	7,700	16,800	8,500	13,500	37,700	14,400
Railways constructed and/or upgraded (km)	387	167	459	1,800	314	1,100	2,900	0
Beneficiaries from road projects (number)	51,194,000	28,817,000	93,159,000	48,995,000	38,228,000	87,367,000	92,735,000	43,713,000
<b>Water</b>								
Water supply pipes installed or upgraded: length of network (km)	10,400	56	2,900	1,500	3,900	1,900	5,400	2,400
New households served with water supply (number)	2,317,000	136,400	2,188,000	181,400	310,700	215,700	815,800	415,100
New households connected to water supply (piped) (number)	2,147,000	125,000	1,878,000	175,200	309,500	138,600	575,100	332,800
New households served with water supply (not piped) (number)	170,000	11,400	290,000	6,200	1,200	8,600	207,100	82,200
Already connected households with improved piped water supply	357,100	34,200	120,000	23,300	2,508,000	3,835,000	351,800	449,000
Wastewater treatment capacity added (m <sup>3</sup> /day)	1,550,000	0	2,241,000	775,300	390,000	1,023,000	308,600	2,481,000
Households served with new sanitation (number)	3,783,000	400	2,906,000	2,704,000	2,248,000	97,100	346,000	1,056,000
Households connected to new piped sanitation (number)	3,720,000	400	2,465,000	2,704,000	2,248,000	95,200	127,800	229,600
Households served with new sanitation (not piped) (number)	63,500	0	440,300	0	0	1,800	166,600	826,500
Land improved through irrigation services, drainage, and flood management (hectare)	537,300	73,100	401,200	1,670,000	161,100	300,300	387,600	352,700
Land improved through irrigation and drainage services (hectare)	440,900	72,900	342,100	1,667,000	68,100	290,000	143,700	101,400
Land improved through flood management (hectare)	96,300	233	59,000	282	93,000	10,300	5,400	227,800

km = kilometer, m<sup>3</sup>/day = cubic meter per day, MW = megawatt, tCO<sub>2</sub>-equiv/yr = tons of carbon dioxide equivalent per year.

Notes:

1. The development effectiveness review process assumes that programmed outputs are delivered 5 years after approval, and reported 1 year later in a project completion report. Indicators referred to in level 2 of the results framework are in black font; sub-indicators are in blue font.
2. Outputs for delivery in 2009 were programmed in 2003, and outputs for delivery in 2010 were programmed in 2004.
3. Totals of sub-indicators do not necessarily add up to the total of the indicator, as sometimes information was only available up to the level of the indicator.
4. Numbers are rounded to the nearest centennial or millennial.

Sources: Asian Development Bank, reports and recommendations of the President approved in 2003–2010, regional departments, and Strategy and Policy Department

Table A6.4: Asian Development Fund's Core Sector Outputs

Sector and Core Sector Outputs	Outputs Delivered					Outputs Programmed					
	Baseline 2004–2007	2005–2008	2006–2009	2007–2010	Baseline 2009–2012	2010–2013	2011–2014	2012–2015	2013–2016		
<b>Education</b>											
Classrooms built or upgraded (number)	112,000	50,600	33,900	34,800	71,400	39,300	25,200	15,300	12,800		
Teachers trained (number)	488,600	535,900	244,700	253,100	1,517,000	926,400	481,600	449,200	211,200		
Students benefiting from school improvement programs or direct support (number)	17,477,000	17,457,000	5,607,000	5,832,000	20,385,000	6,061,000	2,900,000	2,670,000	2,577,000		
<b>Energy</b>											
Installed energy generation capacity (MW equivalent)	252	23	19	19	8	41	598	1,500	1,900		
Transmission lines installed or upgraded (km)	2,200	3,300	3,500	6,000	1,200	1,600	1,600	1,700	2,300		
Distribution lines installed or upgraded (km)	17,000	9,600	9,300	9,800	3,800	2,200	543	2,700	4,600		
New households connected to electricity (number)	673,500	834,400	831,700	1,193,000	152,500	95,500	154,300	223,900	346,300		
Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)	4,308,500	2,000,000	2,000,000	2,000,000	1,200	1,200	251,200	395,000	1,191,000		
<b>Finance</b>											
Microfinance accounts opened or end borrowers reached (number)	1,182,000	2,150,600	1,833,000	1,875,000	433,000	33,000	33,000	40,100	325,000		
Small and medium-sized enterprises loan accounts opened or end borrowers reached (number)	5,800	176,600	395,000	398,800	202,000	202,000	29,800	57,600	57,600		

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Table A6.4 continued

Sector and Core Sector Outputs	Outputs Delivered					Outputs Programmed				
	Baseline 2004–2007	2005–2008	2006–2009	2007–2010	Baseline 2009–2012	2010–2013	2011–2014	2012–2015	2013–2016	
<b>Transport</b>										
Expressways built or upgraded (km)	162	162	176	176	0	0	0	0	0	
National highways, and provincial, district, and rural roads built or upgraded (km)	18,600	24,800	27,700	29,400	18,700	20,500	23,700	21,400	15,700	
Railways constructed and/or upgraded (km)	507	656	184	149	888	888	888	1,600	723	
Beneficiaries from road projects (number)	140,964,000	133,757,200	154,345,000	123,611,000	97,449,000	77,262,600	86,052,000	82,456,000	20,852,000	
<b>Water</b>										
Water supply pipes installed or upgraded: length of network (km)	8,600	7,400	7,000	9,200	11,100	5,100	6,400	9,300	8,800	
New households served with water supply (number)	415,800	310,200	575,800	1,670,000	1,292,600	656,800	770,000	569,600	562,000	
Wastewater treatment capacity added (m <sup>3</sup> /day)	235,000	240,700	5,700	5,700	572,600	253,000	278,000	86,800	376,800	
New households served with sanitation (number)	94,800	76,500	161,400	174,500	2,165,900	493,200	575,900	292,700	444,600	
Land improved through irrigation services, drainage, and flood management (hectare)	1,278,000	830,400	1,002,000	1,063,000	667,500	531,100	473,200	688,700	626,200	

CO<sub>2</sub> = carbon dioxide, km = kilometer, m<sup>3</sup>/day = cubic meter per day, MW = megawatt, tCO<sub>2</sub>-equi/yr = tons of carbon dioxide equivalent per year.

Note: Columns under "Outputs Delivered" refer to periods during which outputs were reported in project completion reports. Columns under "Outputs Programmed" refer to the periods during which outputs programmed are expected to be delivered. Outputs are assumed to be delivered and reported 6 years after they were programmed.

Sources: Asian Development Bank, project and program completion reports issued in 2004–2010 for delivered outputs, reports and recommendations of the President approved in 2003–2010 for programmed outputs, regional departments, and Strategy and Policy Department.

# Appendix 7

## Outcomes of Operations Completed in 2010

### ► Inclusive Economic Growth

Table A7.1: Geographical Scope of Completed and Ongoing Sovereign and Nonsovereign Operations (%)

Scope	Completed Sovereign and Nonsovereign Operations					Ongoing Sovereign and Nonsovereign Operations				
	2004–2007	2005–2008	2006–2009	2007–2010	2009–2012	2010–2013	2011–2014	2012–2015	2013–2016	
<b>ADB</b>										
<b>Geographical Scope</b>										
National	56	56	60	63	64	68	65	66	68	
Rural	29	28	27	27	25	20	21	20	17	
Urban	15	16	13	11	11	12	14	14	15	
<b>Regional</b>										
Nonregional	96	95	95	95	90	87	88	86	83	
Regional	4	5	5	5	10	13	12	14	16	
<b>ADF</b>										
<b>Geographical Scope</b>										
National	52	53	59	61	58	60	60	63	64	
Rural	35	35	32	31	33	31	28	25	23	
Urban	12	12	8	8	8	9	12	12	13	
<b>Regional</b>										
Nonregional	96	94	94	94	88	82	83	85	80	
Regional	4	6	6	6	12	18	17	15	20	

ADB = Asian Development Bank, ADF = Asian Development Fund.

Note: Columns under “Completed Operations” refer to periods during which outputs were reported in project completion reports. Columns under “Ongoing Operations” refer to the periods during which outputs programmed are expected to be delivered. Outputs are assumed to be delivered and reported 6 years after they were programmed.

Sources: ADB project and program completion reports issued in 2004–2010 for completed operations, reports and recommendations of the President approved in 2003–2010 for ongoing operations in 2009–2016, and Strategy and Policy Department.

**Table A7.2: Sovereign and Nonsovereign Sector Components Reviewed in 2008–2010 Project Completion Reports, by Sector Component and Effectiveness in the Achievement of Outcomes**

Sectors	Asian Development Bank						Asian Development Fund									
	2008		2009		2008–2010		2008		2009		2008–2010					
	Total No.	Effective %	Total No.	Effective %	Total No.	Effective %	Total No.	Effective %	Total No.	Effective %	Total No.	Effective %				
<b>A. Core Sectors</b>																
Infrastructure	53	79	36	84	51	61	140	74	28	75	25	80	35	63	88	72
Energy	10	100	7	71	9	67	26	81	5	100	5	60	4	75	14	79
Transport and communication	25	92	15	87	19	68	59	83	11	91	11	91	16	69	38	82
Water, sanitation, and waste management	18	50	14	86	23	52	55	60	12	50	9	78	15	53	36	58
Finance sector development	16	69	21	71	18	61	55	67	10	60	11	82	11	55	32	66
Education	13	92	10	70	7	57	30	77	11	91	8	63	5	40	24	71
<b>Subtotal (A)</b>	<b>82</b>	<b>79</b>	<b>67</b>	<b>78</b>	<b>76</b>	<b>61</b>	<b>225</b>	<b>72</b>	<b>49</b>	<b>76</b>	<b>44</b>	<b>77</b>	<b>51</b>	<b>59</b>	<b>144</b>	<b>70</b>
<b>B. Other Sectors</b>																
Agriculture	10	80	16	56	19	68	45	67	6	67	12	50	15	67	33	61
Health	0	0	1	0	8	75	9	67	0	0	1	0	8	75	9	67
Public sector management	10	60	11	64	13	77	34	68	8	25	8	63	7	86	23	57
Trade and industry	1	0	6	67	2	50	9	56	0	0	5	80	1	0	6	67
Disaster and emergency assistance	0	0	0	0	1	100	1	100	0	0	0	0	1	100	1	100
<b>Subtotal (B)</b>	<b>21</b>	<b>67</b>	<b>34</b>	<b>59</b>	<b>43</b>	<b>72</b>	<b>98</b>	<b>66</b>	<b>14</b>	<b>43</b>	<b>26</b>	<b>58</b>	<b>32</b>	<b>72</b>	<b>72</b>	<b>61</b>
<b>Total</b>	<b>103</b>	<b>77</b>	<b>101</b>	<b>71</b>	<b>119</b>	<b>65</b>	<b>323</b>	<b>71</b>	<b>63</b>	<b>68</b>	<b>70</b>	<b>70</b>	<b>83</b>	<b>64</b>	<b>216</b>	<b>67</b>

No. = number.

Notes:

1. Project completion reports (PCRs) issued in 2008–2010 include 78 issued in 2010 for core and other sector components, 63 in 2009, and 75 in 2008; and for Asian Development Fund operations, 57 PCRs were reviewed in 2010, 43 in 2009, and 45 in 2008. The extended annual review reports (XARRs) issued in 2008–2010 include 4 in 2008, 5 in 2009, and 6 in 2010;
  2. A project or program can have one or more than one sector component, of which each outcome is counted separately;
  3. Effectiveness ratings for 2008 and 2009 were updated to include nonsovereign sector operations;
  4. 2008 and 2009 estimates on other sector components were based on overall project completion report rating.
- Sources: Asian Development Bank, PCRs and XARRs issued in 2008–2010, and Strategy and Policy Department.

Table A7.3: Effectiveness Rates of Core Sector Components in Core and Other Operations, 2008–2010

Core Sectors/ ADB PCS Sectors	2010						2008–2010					
	Operations In the Sector		Sector Components In Other Operations		Total		Operations In the Sector		Sector Components In Other Operations		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Infrastructure</b>	<b>24</b>	<b>63</b>	<b>27</b>	<b>59</b>	<b>51</b>	<b>61</b>	<b>67</b>	<b>79</b>	<b>73</b>	<b>68</b>	<b>140</b>	<b>74</b>
Energy	6	67	3	67	9	67	17	88	9	67	26	81
ANR	0	0	1	0			0	0	2	50		
Multisector	0	0	1	100			0	0	6	67		
WSMIS	0	0	1	100			0	0	1	100		
<b>Transport and Communication</b>	<b>8</b>	<b>88</b>	<b>11</b>	<b>55</b>	<b>19</b>	<b>68</b>	<b>33</b>	<b>88</b>	<b>26</b>	<b>77</b>	<b>59</b>	<b>83</b>
ANR	0	0	6	50			0	0	12	75		
Multisector	0	0	2	100			0	0	11	91		
WSMIS	0	0	3	33			0	0	3	33		
<b>Water, Sanitation, and Waste Management</b>	<b>10</b>	<b>40</b>	<b>13</b>	<b>62</b>	<b>23</b>	<b>52</b>	<b>17</b>	<b>53</b>	<b>38</b>	<b>63</b>	<b>55</b>	<b>60</b>
ANR	0	0	9	67			0	0	19	79		
Multisector	0	0	3	33			0	0	18	44		
WSMIS	0	0	1	100			0	0	1	100		
<b>Finance Sector Development</b>	<b>10</b>	<b>70</b>	<b>8</b>	<b>50</b>	<b>18</b>	<b>61</b>	<b>31</b>	<b>74</b>	<b>24</b>	<b>58</b>	<b>55</b>	<b>67</b>
ANR	0	0	6	33			0	0	11	55		
Multisector	0	0	0	0			0	0	6	50		
Industry and trade	0	0	1	100			0	0	6	67		
WSMIS	0	0	1	100			0	0	1	100		
<b>Education</b>	<b>5</b>	<b>80</b>	<b>2</b>	<b>0</b>	<b>7</b>	<b>57</b>	<b>21</b>	<b>86</b>	<b>9</b>	<b>56</b>	<b>30</b>	<b>77</b>
ANR	0	0	0	0			0	0	1	100		
Multisector	0	0	2	0			0	0	8	50		
<b>Total</b>	<b>39</b>	<b>67</b>	<b>37</b>	<b>54</b>	<b>76</b>	<b>61</b>	<b>119</b>	<b>79</b>	<b>106</b>	<b>65</b>	<b>225</b>	<b>72</b>

ADB = Asian Development Bank, ANR = agriculture and natural resources, No. = number, PCS = project classification system, WSMIS = water supply and other municipal infrastructure and services.

Notes: Core sectors include infrastructure (energy; transport and communication; and water, sanitation, and waste management), finance sector development, and education. ADB PCS sectors include ANR, education, energy, finance, health and social protection, industry and trade, multisector, public sector management, transport and information and communication technology, and WSMIS. The total refers to sector components in and outside the sector.

Sources: ADB project completion reports and extended annual review reports issued in 2008–2010, and Strategy and Policy Department.

Table A7.4: Outcomes Achieved by Program Loans Reviewed in 2008–2010 (%)

Outcomes Achieved by Program Loans Reviewed	2010 <sup>a</sup>		2008–2010 <sup>b</sup>	
	Programs Targeting Specific Outcome %	Programs Achieving Targeted Outcome %	Programs Targeting Specific Outcome %	Programs Achieving Targeted Outcome %
Sector policy improved	100	67	100	73
Public financial management improved	87	69	95	73
Procurement regulations and operations improved	27	75	55	53
Level of corruption reduced	40	67	51	46
Transparency and public disclosure enhanced	73	73	91	82
Decentralization improved	20	33	45	44
Institutions improved	100	73	98	72
Human resources developed and/or capacity development of staff achieved	73	82	89	63
Service delivery improved	87	46	96	60
Involvement of civil society improved and/or stakeholders empowered	47	71	73	60
Gender and development mainstreamed and/or advanced	40	0	60	42
Private sector role improved	100	87	95	62
Public–private partnerships developed or established	67	80	58	47

<sup>a</sup> Covering 12 program completion reports issued in 2010 for 15 program loans, of which 5 were subprograms of 2 program clusters.

<sup>b</sup> Covering 55 program loans reviewed in 2008–2010. Policy-based program loans were included while crisis-related budget support was excluded.

Sources: Asian Development Bank program completion reports issued in 2008–2010, and Strategy and Policy Department.

**Table A7.5: Types of Policy Conditions Included in Policy Matrices of Program Loans Reviewed in 2008–2010**

Policy Conditions	2010		2008–2010	
	No.	%	No.	%
Legislation, laws, executive decrees, draft legislation, new policies and frameworks	51	14	258	17
Directives, agency protocols, resolutions, implementing rules and regulations	53	14	212	14
Plans and programs	55	15	189	13
Implementation, establishment or restructuring of units, consultations, awareness-raising activities, establishment of databases and monitoring mechanisms	147	40	542	36
Continuation of reforms	13	4	34	2
Additional human and financial resources	19	5	113	7
Review of implementation, audit	16	4	49	3
Divestment, privatization, outsourcing	1	0	53	4
Study	11	3	59	4
<b>Total</b>	<b>366</b>	<b>100</b>	<b>1,509</b>	<b>100</b>

Notes: Only policy-based program loans were included. Numbers may not sum precisely because of rounding.

Sources: Asian Development Bank program completion reports (PCRs) issued in 2008–2010 which included 12 PCRs issued in 2010 covering 15 program loans, of which 5 were subprograms of 2 program clusters; and Strategy and Policy Department.

**Table A7.6: Compliance with Policy Conditions in Program Loans Reviewed in 2008–2010**

Status of Compliance	2010		Total by Status (2008–2010)	
	No.	%	No.	%
Fully complied with	279	76	1,146	76
Fully complied with but late	13	4	117	8
Substantially complied with	20	5	85	6
Partially complied with	20	5	58	4
Not complied with	11	3	27	2
Waived or cancelled	23	6	76	5
<b>Total</b>	<b>366</b>	<b>100</b>	<b>1,509</b>	<b>100</b>

Notes: Only policy-based program loans were included. Numbers may not sum precisely because of rounding.

Sources: Asian Development Bank program completion reports (PCRs) issued in 2008–2010 which included 12 PCRs issued in 2010 covering 15 program loans, of which 5 were subprograms of 2 program clusters; and Strategy and Policy Department.

**Table A7.7: Intended and Achieved Thematic Results in 2010 Project Completion Reports for ADB Core and Other Sovereign Operations Sector Components (%)**

Thematic Results	Infrastructure			Finance			Education			Total Core Sectors			Other Sectors			Total Core and Other Sectors		
	Sector Component Targeting Specific Result	Effective in Achieving Target	Sector Component Targeting Specific Result	Effective in Achieving Target	Sector Component Targeting Specific Result	Effective in Achieving Target	Sector Component Targeting Specific Result	Effective in Achieving Target	Sector Component Targeting Specific Result	Effective in Achieving Target	Sector Component Targeting Specific Result	Effective in Achieving Target	Sector Component Targeting Specific Result	Effective in Achieving Target	Sector Component Targeting Specific Result	Effective in Achieving Target	Sector Component Targeting Specific Result	Effective in Achieving Target
Gender equity advanced and women empowered	74	59	54	57	43	100	43	73	57	65	61	70	58					
Human and institutional capacity developed	98	65	100	69	43	100	43	99	64	88	63	95	64					
Governance improved	88	59	69	67	67	86	67	84	61	86	76	85	67					
Private sector role expanded and/or improved	40	40	77	60	40	71	40	50	46	58	52	53	48					
Regional cooperation and integration developed	8	50	23	100	0	0	0	10	71	2	100	7	75					

Sources: Asian Development Bank project completion reports issued in 2010, and Strategy and Policy Department.



**Table A7.8: Thematic Results Achieved in Core Sectors Reported in 2008–2010 Project Completion Reports for Asian Development Bank Sovereign Operations Sector Components (%)**

Thematic Results	Infrastructure			Finance			Education			Total Core Sectors	
	2010	2008–2010	2010	2008–2010	2010	2008–2010	2010	2008–2010	2010	2008–2010	
Gender equity advanced and women empowered	44	38	31	37	43	50	41	40	41	40	
Human and institutional capacity developed	64	42	69	53	43	58	63	47	63	47	
Governance improved	52	39	46	57	57	60	51	46	51	46	
Private sector role expanded and/or improved	16	21	46	43	29	26	23	27	23	27	
Regional cooperation and integration developed	4	2	23	7	0	0	7	2	7	2	

ADB = Asian Development Bank.

Note: Infrastructure sector components include energy; transport and communication; and water, sanitation, and waste management services.

Sources: ADB project completion reports issued in 2008–2010, which included 49 issued in 2008 in core sectors, 47 in 2009, and 51 in 2010; and Strategy and Policy Department.

**Table A7.9: Intended and Achieved Thematic Results in 2010 Project Completion Reports for Core and Other Sector Components Supported by Asian Development Fund (%)**

Thematic Results	Infrastructure			Finance			Education			Total Core Sectors			Other Sectors			Total Core and Other Sectors		
	Sector Component		Effective in Achieving Target	Sector Component		Effective in Achieving Target	Sector Component		Effective in Achieving Target	Sector Component		Effective in Achieving Target	Sector Component		Effective in Achieving Target	Sector Component		Effective in Achieving Target
	Targeting Specific Result	Targeting Specific Result		Targeting Specific Result	Targeting Specific Result		Targeting Specific Result	Targeting Specific Result		Targeting Specific Result	Targeting Specific Result							
Gender equity advanced and women empowered	77	63	67	100	40	75	61	75	63	75	61	75	63	75	61	75	61	
Human and institutional capacity developed	100	57	73	100	40	100	59	84	56	84	58	84	56	94	58	94	58	
Governance improved	83	55	63	80	50	80	56	84	74	84	63	84	74	82	63	82	63	
Private sector role expanded and/or improved	29	30	63	60	33	41	43	56	50	56	46	56	50	47	46	47	46	
Regional cooperation and integration developed	11	50	100	0	0	14	71	6	50	6	67	6	50	11	67	11	67	

Sources: Asian Development Bank project completion reports issued in 2010, and Strategy and Policy Department.

**Table A7.10: Thematic Results Achieved in Core Sectors Reported in 2008–2010 Project Completion Reports for Core Sector Components Supported by Asian Development Fund (%)**

Thematic Results	Infrastructure		Finance		Education		Total Core Sectors	
	2010	2008–2010	2010	2008–2010	2010	2008–2010	2010	2008–2010
Gender equity advanced and women empowered	49	39	36	44	40	50	45	42
Human and institutional capacity developed	57	42	73	59	40	52	59	47
Governance improved	46	32	45	66	40	50	45	42
Private sector role expanded and/or improved	9	16	45	50	20	25	18	25
Regional cooperation and integration developed	6	2	27	9	0	0	10	3

Note: Infrastructure sector components include energy; transport and communication; and water, sanitation, and waste management services.

Sources: Asian Development Bank project completion reports (PCRs) issued in 2008–2010 for core sector components funded by the Asian Development Fund, which includes 43 PCRs issued in 2008; 39 in 2009; and 35 in 2010; and Strategy and Policy Department.

Table A7.11: Intended and Achieved Thematic Results in 2010 Technical Assistance Completion Reports (%)

Thematic Results	Infrastructure			Finance			Education			Total Core Sectors			Other Sectors			Total Core and Other Sectors		
	TCRs			TCRs			TCRs			TCRs			TCRs			TCRs		
	Targeting Specific Result	Effective in Achieving Target	Effective in Achieving Target	Targeting Specific Result	Effective in Achieving Target	Effective in Achieving Target	Targeting Specific Result	Effective in Achieving Target	Effective in Achieving Target	Targeting Specific Result	Effective in Achieving Target	Effective in Achieving Target	Targeting Specific Result	Effective in Achieving Target	Effective in Achieving Target	Targeting Specific Result	Effective in Achieving Target	Effective in Achieving Target
Gender equity advanced and women empowered	0	0	100	5	100	0	0	0	1	100	3	50	2	67				
Human and institutional capacity developed	77	61	80	79	80	100	100	100	78	69	52	86	65	76				
Governance improved	60	61	87	79	87	67	100	100	65	71	52	78	59	74				
Private sector role expanded and/or improved	30	64	82	58	82	0	0	0	36	72	23	75	30	73				
Environmental sustainability	40	89	0	0	0	0	0	0	28	89	9	100	18	92				
Regional cooperation and integration developed	26	58	100	26	100	0	0	0	25	71	33	91	29	83				

TCR = technical assistance completion report.

Sources: Asian Development Bank TCRs issued in 2010, and Strategy and Policy Department.

## ► Environmentally Sustainable Growth

Table A7.12: Achievement of Environmental Results in Asian Development Fund Infrastructure Sector Components Reported in 2008–2010 Project Completion Reports

Environment Results	Sectors	2010			2008–2010				
		No.	Sector Component with Environment Target %	Effective in Achieving Target %	Sector Component with Environment Target %	Effective in Achieving Target %	Sector Component with Achieved Environment Target %		
CO <sub>2</sub> emissions reduced	Energy and Transport	20	25	60	15	30	17	60	10
Clean energy supported	Energy	4	50	50	25	14	36	80	29
Environment improved	WSWM	15	73	45	33	36	81	66	53
Environmental management improved	Energy, Transport, and WSWM	35	46	63	29	57	42	67	28
Environmental awareness improved	Energy, Transport, and WSWM	35	29	90	26	56	39	73	29
<b>Total Infrastructure Components</b>		<b>35</b>	<b>69</b>	<b>75</b>	<b>51</b>	<b>88</b>	<b>74</b>	<b>74</b>	<b>55</b>

CO<sub>2</sub> = carbon dioxide; No. = number; WSWM = water, sanitation, and waste management.

Notes: A component may have multiple environmental targets or achievements. Results were based on statements in the project completion reports that contributed to achieving clean water supply and sanitation schemes, e.g., reduced pollution load in water bodies, reduced incidence of water-borne diseases, and improved collection of untreated sewage.

Sources: Asian Development Bank project completion reports issued in 2008–2010, and Strategy and Policy Department.

### ► Regional Integration

Table A7.13: Completed Technical Assistance Projects Supporting Regional Integration

TA Project Title	DMC	TA Type	Amount (\$'000)	Sector	TCR Rating	Thematic Result
Promotion of Private Sector Participation in the Power Sector	Bangladesh	PATA	600	Energy	S	...
Central Asia Regional Economic Cooperation Members Electricity Regulators Forum	Regional	CDTA	500	Energy	S	E
Greater Mekong Subregion Regional Power Trade Coordination and Development	Regional	PATA	1,200	Energy	S	...
Central Asia–South Asia Regional Electricity Market	Regional	PATA	3,000	Energy	PS	LE
Coordinating the Greater Mekong Subregion North–South Economic Corridor Bridge Project	Regional	PATA	515	Transport and ICT	S	E
Cross-Border Agreement Among the Kyrgyz Republic, the People's Republic of China, and the Republic of Tajikistan	Regional	PATA	500	Transport and ICT	S	E
Rolling Out Air Quality Management in Asia	Regional	PATA	3,582	Transport and ICT	S	E
BIMSTEC Transport Infrastructure and Logistics Study	Regional	PATA	960	Transport and ICT	S	E
Aviation Legislative and Regulatory Review	Regional	PATA	582	Transport and ICT	PS	LE
Capacity Development for Irrigation and Water Resources Management	Afghanistan	CDTA	755	WSMIS	S	IE
Promoting Effective Water Management Policies and Practices – Phase 51	Regional	PATA	6,202	WSMIS	S	E
Supporting the Asia–Pacific Water Forum	Regional	PATA	1,000	WSMIS	S	E
Diagnostic Studies for Secured Transactions Reforms in the Pacific Region	Regional	PATA	818	Finance	S	E
Supporting Enhanced Cooperation among Southeast Asian Equity Markets	Regional	PATA	500	Finance	S	E

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Table A7.13 *continued*

TA Project Title	DMC	TA Type	Amount (\$'000)	Sector	TCR Rating	Thematic Result
Enhancing Financial Disclosure Standards in Armenia, Azerbaijan, and Georgia	Regional	PATA	600	Finance	S	E
Insolvency Law Reform	Regional	PATA	610	Finance	S	E
Capacity Building and Regional Cooperation of Selected Credit Rating Agencies in Asia	Regional	CDTA	600	Finance	HS	HE
Strengthening Capacity and Regional Cooperation in Advanced Agricultural Science and Technology in the Greater Mekong Subregion	Regional	CDTA	1,000	ANR	S	E
Ninth Agriculture and Natural Resources Research at International Agricultural Research Centers	Regional	PATA	3,000	ANR	S	E
Expansion of Subregional Cooperation in Agriculture in the Greater Mekong Subregion	Regional	CDTA	1,200	ANR	S	E
Strengthening Human Resource Development Cooperation in the Greater Mekong Subregion	Regional	CDTA	222	Health and social protection	HS	HE
Awareness and Prevention of HIV/AIDS and Human Trafficking	Mongolia	PATA	350	Health and social protection	S	LE
Logistics Development and Capacity Building in Xinjiang Uygur Autonomous Region	PRC	CDTA	425	Industry and trade	S	E
Long-Term Scenarios for Asian Growth and Trade, 2005–2020	Regional	PATA	300	Industry and trade	S	E
Regional Trade Facilitation and Customs Cooperation Program (Phase 2)	Regional	PATA	900	Industry and trade	S	E
Capacity Development of Selected Developing Member Countries on the Implementation of the Trade Facilitation Agreement of the World Trade Organization	Regional	CDTA	450	Industry and trade	U	E
Support for Customs, Immigration, Quarantine, and Security Harmonization in the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area	Regional	PATA	600	Industry and trade	S	E

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Table A7.13 *continued*

TA Project Title	DMC	TA Type	Amount (\$'000)	Sector	TCR Rating	Thematic Result
Capacity Building for the Neighboring Countries Economic Development Cooperation Agency	Thailand	CDTA	200	PSM	S	E
Policy Research Networking to Strengthen Policy Reforms	India	PATA	700	PSM	S	E
Technical Training and Capacity Building in Support of the ASEAN Economic Surveillance Process (Phase 3)	Regional	CDTA	253	PSM	S	E
Technical Training and Capacity Building in Support of ASEAN Economic Surveillance Process (Phase 4)	Regional	CDTA	310	PSM	S	E
Strengthening Governance and Accountability in Pacific Island Countries	Regional	CDTA	1,579	PSM	S	E
Strengthening the Audit Capability of Members of the Asian Organization of Supreme Audit Institutions	Regional	CDTA	650	PSM	S	E
Supporting Strengthened Regional Cooperation among Pacific Developing Member Countries	Regional	PATA	1,000	PSM	S	E
Capacity Building of Ministries of Finance in Selected DMCs for the ASEAN Surveillance Process (Phase 2)	Regional	CDTA	300	PSM	S	E
Asia Regional Information Center	Regional	PATA	780	PSM	S	E
Promoting Environmental Investment in Asia and the Pacific	Regional	PATA	400	PSM	S	E
Strengthening Economic and Financial Monitoring in Selected ASEAN +3 Countries	Regional	CDTA	600	PSM	S	E
A Regional Review of the Economics of Climate Change in Southeast Asia	Regional	PATA	904	PSM	HS	HE
Comprehensive Midterm Review of the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area Road Map to Development	Regional	PATA	300	PSM	PS	LE

... = not available, ANR = agriculture and natural resources, ASEAN = Association of Southeast Asian Nations, BIMSTEC = Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, CDTA = Capacity development technical assistance, DMC = developing member country, E = effective, HE = highly effective, HS = highly satisfactory, ICT = information and communication technology, IE = ineffective, LE = less effective, PATA = policy and advisory technical assistance, PRC = People's Republic of China, PS = partly satisfactory, PSM = public sector management, S = satisfactory, TA = technical assistance, TCR = technical assistance completion report, U = unsatisfactory, WSMIS = water supply and other municipal infrastructure and services. Note: Of 138 TCRs circulated in 2010, 83 were advisory TA and 55 regional TA; and 40 of 138 TA projects completed had regional cooperation and integration as a theme. Sources: Asian Development Bank, TCRs issued in 2010, and Strategy and Policy Department.

# Appendix 8

## Sovereign and Nonsovereign Operations at and after Completion

**Table A8.1: Number of Project Completion Reports, Validation Reports, and Project Performance Evaluation Reports Issued for Sovereign Operations in 2004–2010**

Year	PCR	PVR	PPER	Total
2004	73	0	1	74
2005	56	0	3	59
2006	50	0	6	56
2007	48	0	10	58
2008	75	30 <sup>a</sup>	5 <sup>b</sup>	110
2009	63	43 <sup>c</sup>	9	115
2010	78 <sup>d</sup>	45 <sup>e</sup>	9	132

PCR = project completion report, PPER = project performance evaluation report, PVR = PCR validation report.

<sup>a</sup> Includes 7 PVRs of 2008 PCRs.

<sup>b</sup> Includes 2 PPERs on projects for which PCRs were prepared in 2008.

<sup>c</sup> Includes 3 PVRs of 2009 PCRs.

<sup>d</sup> 78 PCRs for 81 projects.

<sup>e</sup> Includes 3 PVRs of 2010 PCRs.

Sources: Asian Development Bank PCRs issued in 2004–2010, Central Operations Services Office, Independent Evaluation Department, and Strategy and Policy Department.

**Table A8.2: Successful Projects Based on Completion Reports Issued for Sovereign Operations in 2004–2010**

Year	Asian Development Bank		Asian Development Fund	
	No. of Projects Reviewed	% of Projects Rated Successful <sup>a</sup>	No. of Projects Reviewed	% of Projects Rated Successful <sup>a</sup>
2004	73	67	40	65
2005	56	73	33	88
2006	50	78	29	76
2007	48	58	31	68
2008	75	67	45	62
2009	63	63	42	64
2010	81	68	58	69

No. = number.

Note: The percentage successful includes projects rated successful or highly successful. Excluded are projects rated partly successful or unsuccessful.

<sup>a</sup> Where available, project performance evaluation report (PPER) ratings are taken as the final rating. If no PPER was prepared, an available project completion report (PCR) validation report (PVR) rating is used. Otherwise, the PCR ratings are used. Counting of *successful* projects rated in PCRs, PVRs, and PPERs is based on the year of PCR circulation.

Sources: Asian Development Bank PCRs issued in 2004–2010, Central Operations Services Office, Independent Evaluation Department, and Strategy and Policy Department.

**Table A8.3: Success Ratings by Country and Period for Sovereign Operations, Based on Project Completion Reports, 1995–2010**

Country	1995–1998		1999–2001		2002–2004		2005–2007		2008–2010		1995–2010	
	No.	% S	No.	% S	No.	% S	No.	% S	No.	% S	No.	% S
Afghanistan	0	0	0	0	0	0	0	0	4	75	4	75
Armenia	0	0	0	0	0	0	0	0	1	100	1	100
Azerbaijan	0	0	0	0	0	0	0	0	1	100	1	100
Bangladesh	16	69	16	69	13	85	13	85	8	75	66	76
Bhutan	4	75	0	0	3	100	4	100	2	100	13	92
Cambodia	1	100	2	100	4	75	5	80	10	90	22	86
Cook Islands	3	33	4	75	1	100	1	100	1	100	10	70
Fiji	1	0	1	100	0	0	0	0	2	50	4	50
FSM	0	0	1	100	1	0	1	100	2	50	5	60
Georgia	0	0	0	0	0	0	0	0	2	100	2	100
India	9	56	9	67	11	73	4	75	10	60	43	65
Indonesia	27	74	16	56	26	65	27	56	20	70	116	65
Kazakhstan	0	0	3	100	3	67	2	0	2	50	10	60
Kiribati	1	0	0	0	0	0	0	0	1	0	2	0
Korea, Republic of	3	67	1	100	0	0	0	0	0	0	4	75
Kyrgyz Republic	0	0	3	67	4	100	7	86	6	50	20	75
Lao PDR	7	71	7	86	6	83	7	86	9	67	36	78
Malaysia	6	67	5	60	3	100	2	50	0	0	16	69
Maldives	2	100	0	0	0	0	2	50	2	100	6	83
Mongolia	1	0	7	71	6	67	2	100	9	56	25	64
Nauru	0	0	0	0	1	0	0	0	0	0	1	0
Nepal	17	41	11	64	8	75	5	60	7	57	48	56
Pakistan	22	45	15	47	20	60	11	82	33	21	101	45
Papua New Guinea	8	38	1	0	6	33	2	0	6	33	23	30
Philippines	14	36	11	55	15	47	17	41	14	71	71	49
PRC	12	83	16	81	27	81	13	100	15	100	83	88
Regional	0	0	0	0	0	0	0	0	2	100	2	100
RMI	1	0	1	0	5	40	1	0	1	0	9	22
Samoa	4	50	0	0	1	100	2	0	1	100	8	50
Solomon Islands	2	100	0	0	1	0	0	0	1	100	4	75
Sri Lanka	11	45	12	75	8	50	7	57	14	79	52	63
Tajikistan	0	0	0	0	3	67	3	100	8	100	14	93
Thailand	7	100	7	100	10	80	2	100	0	0	26	92
Timor-Leste	0	0	0	0	2	50	2	0	2	50	6	33
Tonga	3	67	3	33	0	0	1	0	0	0	7	43
Tuvalu	0	0	0	0	1	100	0	0	0	0	1	100
Uzbekistan	0	0	0	0	1	0	4	50	8	63	13	54
Vanuatu	0	0	3	67	2	50	0	0	0	0	5	60
Viet Nam	0	0	3	100	9	89	9	100	15	93	36	94
Pacific Islands <sup>a</sup>	13	38	13	62	12	50	6	33	8	50	52	48
<b>Total</b>	<b>182</b>	<b>59</b>	<b>158</b>	<b>68</b>	<b>201</b>	<b>69</b>	<b>156</b>	<b>69</b>	<b>219</b>	<b>66</b>	<b>916</b>	<b>66</b>

0 = nil, FSM = Federated States of Micronesia, Lao PDR = Lao People's Democratic Republic, No. = number, PRC = People's Republic of China, RMI = Republic of the Marshall Islands, S = successful or highly successful.

<sup>a</sup> Includes Cook Islands, Fiji, FSM, Kiribati, Nauru, RMI, Samoa, Tonga, Tuvalu, Vanuatu.

Sources: Asian Development Bank project completion reports, project completion validation reports, and project performance evaluation reports issued in 1995–2010; and Strategy and Policy Department.

**Table A8.4: Success Rates of Sovereign Operations by Sector, 1995–2010**

Sector	1995–1998		1999–2001		2002–2004		2005–2007		2008–2010		1995–2010	
	No.	% S	No.	% S	No.	% S	No.	% S	No.	% S	No.	% S
Agriculture and natural resources	51	41	37	51	36	56	35	51	46	70	205	54
Education	12	50	12	83	24	79	14	71	20	80	82	74
Energy	25	76	24	75	30	80	18	83	14	79	111	78
Finance	17	41	14	57	19	68	9	78	20	40	79	54
Health and social protection	4	75	6	33	14	57	8	88	8	88	40	68
Industry and trade	9	44	8	75	3	33	5	40	9	56	34	53
Multisector	11	64	5	80	8	88	12	67	26	73	62	73
Public sector management	0	0	4	50	9	33	9	56	21	62	43	53
Transport and ICT	38	84	32	84	32	81	27	85	32	72	161	81
Water and other municipal infrastructure and services	15	53	16	75	26	65	19	63	23	48	99	61
<b>Total</b>	<b>182</b>	<b>59</b>	<b>158</b>	<b>68</b>	<b>201</b>	<b>69</b>	<b>156</b>	<b>69</b>	<b>219</b>	<b>66</b>	<b>916</b>	<b>66</b>

ICT= information and communication technology, No. = number, S = successful or highly successful.

Sources: Asian Development Bank project completion reports, project completion validation reports, and project performance evaluation reports issued in 1999–2010; and Strategy and Policy Department.

**Table A8.5: Successful Sovereign Operations by Country Grouping, Based on Project Completion Reports, 2004–2010**

Year	OCR-Only Countries		Blend Countries		ADF-Only Countries		FCAS Countries <sup>a</sup>	
	No.	% of Total Projects Rated Successful	No.	% of Total Projects Rated Successful	No.	% of Total Projects Rated Successful	No.	% of Total Projects Rated Successful
2004	20	71	19	59	10	77	7	58
2005	9	82	21	70	11	73	4	57
2006	11	73	17	74	11	92	7	70
2007	6	43	14	64	8	67	3	50
2008	12	80	23	61	13	65	7	47
2009	9	82	17	50	14	78	8	73
2010	12	71	25	63	18	75	15	71

ADF = Asian Development Fund, FCAS = fragile and conflict-affected situations, No. = number, OCR = ordinary capital resources. Note: Excludes regional projects.

<sup>a</sup> Classification of countries in FCAS is based on the country performance assessment ratings during the baseline period 2004–2006. See Appendix 2 for country groupings.

Source: Asian Development Bank Strategy and Policy Department.

**Table A8.6: Success Rates of Nonsovereign Operations by Sector, 2008–2010**

Sector	2008–2010	
	No.	% S
Agriculture and natural resources	0	0
Education	0	0
Energy	3	100
Finance	11	73
Health and social protection	0	0
Industry and trade	0	0
Multisector	0	0
Public sector management	0	0
Transport and ICT	1	100
Water and other municipal infrastructure and services	0	0
<b>Total</b>	<b>15</b>	<b>80</b>

ICT= information and communication technology, No. = number, S = successful or highly successful.

Sources: Asian Development Bank extended annual review reports issued in 2008–2010, and Strategy and Policy Department.

**Table A8.7: Success Ratings by Country and Period for Nonsovereign Operations, Based on Project Completion Reports, 2008–2010**

Country	Classification	2008–2010	
		No.	% S
Afghanistan	ADF only	1	100
Azerbaijan	Blend	2	100
Bangladesh	Blend	2	100
PRC	OCR only	3	67
India	OCR only	2	50
Mongolia	ADF only	1	100
Philippines	OCR only	1	100
Thailand	OCR only	1	100
Regional		2	50
<b>Total</b>		<b>15</b>	<b>80</b>

ADF = Asian Development Fund, OCR = ordinary capital resources, No. = number, PRC = People's Republic of China, S = successful or highly successful.

Note: See Appendix 2 for classification of countries.

Sources: Asian Development Bank extended annual review reports issued in 2008–2010, and Strategy and Policy Department.

**Table A8.8: List of 2010 Project Completion Reports and Extended Annual Review Reports Reviewed**

Sector/ Loan No.	Country	Project or Program Title	PCR Rating	Sector Component	Effectiveness Rating
<b>Energy</b>					
1730/1731	Bangladesh	Dhaka Power System Upgrade	S	Energy	E
1968	India	State Power Sector Reform	PS	Energy	LE
2036	India	Assam Power Sector Development Program (program loan)	S	Energy	E
2282	Philippines	Power Sector Development Program	S	Energy	LE
1929/1930	Sri Lanka	Power Sector Development Program	PS	Energy	E
7244/2255	PRC	Municipal Natural Gas Infrastructure Development	HS	Energy	HE
<b>Transport and ICT</b>					
0017	Timor-Leste	Road Sector Improvement	S	Transport	E
1838	PRC	Shaanxi Roads Development	S	Transport	E
1952	Bangladesh	Rural Infrastructure Improvement	S	Transport	HE
1989	Lao PDR	Greater Mekong Subregion: Northern Economic Corridor	S	Transport WSWM	E E
2062	Tajikistan	Dushanbe–Kyrgyz Border Road Rehabilitation (Phase 1)	HS	Transport	E
2140	Afghanistan	Andkoy–Qaisar Road	S	Transport	E
2222	Viet Nam	Greater Mekong Subregion: Kunming–Haiphong Transport Corridor—Noi Bai–Lao Cai Highway Technical Assistance	S	Transport	E
1892/1893	Pakistan	Road Sector Development Program-Provincial Sector Development Program	PS	Transport	LE
<b>Water and Other Municipal Infrastructure and Services</b>					
1745	Philippines	Pasig River Environmental Management and Rehabilitation Sector Development Program (policy loan)	U	WSWM	I
1755	Nepal	Small Towns Water Supply and Sanitation Sector	S	WSWM	E
1812	Papua New Guinea	Provincial Towns Water Supply and Sanitation	PS	WSWM	LE
1842	Uzbekistan	Urban Water Supply	S	WSWM	E
1843	Philippines	Mindanao Basic Urban Services Sector	PS	WSWM Transport	LE LE
1854	Pakistan	North-West Frontier Province Urban Development Sector	U	WSWM Transport	I I
1907	Mongolia	Integrated Development of Basic Urban Services in Provincial Towns	PS	WSWM	LE
1985	PRC	Hebei Province Wastewater Management	S	WSWM	E
1994	Lao PDR	Small Towns Development Sector	S	WSWM Energy Transport Finance	E E E E

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Table A8.8 *continued*

Sector/ Loan No.	Country	Project or Program Title	PCR Rating	Sector Component	Effectiveness Rating
2006	Kazakhstan	Rural Area Water Supply and Sanitation Sector	PS	WSWM	LE
2229	Pakistan	Mega City Development Project (TA loan)	U	PSM	I
<b>Education</b>					
1830	Bhutan	Basic Skills Development	S	Education	E
1961	Uzbekistan	Education Sector Development	PS	Education	E
2053	Tajikistan	Education Sector Reform	S	Education	E
2093	Uzbekistan	Second Textbook Development	S	Education	E
2135	Pakistan	Restructuring of the Technical Education and Vocational Training System (North-West Frontier Province)	U	Education	LE
<b>Finance</b>					
1811	Nepal	Corporate and Financial Government	U	Finance	LE
1932	Viet Nam	Second Financial Sector Program Loan Cluster (Subprogram 1)	S	Finance	E
1946	Lao PDR	Banking Sector Reform Program	PS	Finance	E
2118	Viet Nam	Second Financial Sector Program Loan Cluster (Subprogram 2)	S	Finance	E
2224	Kyrgyz Republic	Banking Sector and Capital Market Development Program	PS	Finance	LE
7229/2233-002/2365	Azerbaijan	Bank Respublika-Private Banks and Leasing Companies in Azerbaijan	S	Finance	E
7229/2233-001	Azerbaijan	Azerigazbank	S	Finance	E
7219	PRC	Bank of China Ltd.	HS	Finance	HE
7199	Afghanistan	Afghanistan International Bank	HS	Finance	HE
7105	India	Sara Fund	PS	Finance	LE
<b>Agriculture and Natural Resources</b>					
1146	Pakistan	Chashma Right Bank Irrigation	S	WSWM	E
			S	Agriculture	E
1453	Philippines	Bukidnon Integrated Area Development	PS	Transport	LE
				WSWM	LE
				Agriculture	LE
1672	Pakistan	Malakand Rural Development	U	Finance	I
				Energy	I
				Transport	I
				WSWM	I
				Agriculture	I
1716	Sri Lanka	Coastal Resources Management	S	Agriculture	E
1736	Mongolia	Cadastral Survey and Land Registration	PS	Agriculture	LE
1744	Sri Lanka	Forest Resources Management Sector	S	Agriculture	LE
1767	Sri Lanka	Protected Area Management and Wildlife Conservation	S	Agriculture	E

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Table A8.8 *continued*

Sector/ Loan No.	Country	Project or Program Title	PCR Rating	Sector Component	Effectiveness Rating
1770	Indonesia	Marine and Coastal Resources Management	S	Agriculture	E
1771	Bangladesh	Chittagong Hill Tracts Rural Development	S	Finance Transport	E E
1787	Pakistan	North-West Frontier Province Barani Area Development (Phase 2)	S	Finance Transport WSWM Agriculture	LE E E E
4357 (L)	PRC	Capacity Building to Combat Land Degradation	S	Agriculture	E
1913/1914	Sri Lanka	Plantation Development	S	Finance Agriculture	E E
2017	Uzbekistan	Grain Productivity Improvement	S	Finance WSWM Agriculture	LE E E
1980	Tajikistan	Agriculture Rehabilitation	S	WSWM Agriculture	E E
1939	Cambodia	Tonle Sap Environmental Management	S	Agriculture	E
1934	Pakistan	Sindh Rural Development	U	Transport Agriculture	I I
1883	Viet Nam	Central Region Livelihood Improvement	S	Agriculture	HE
1849	Sri Lanka	Southern Province Rural Economic Advancement	S	Finance Transport Agriculture	LE E E
1835	PRC	Yellow River Flood Management Sector	S	WSWM	E
1833	Uzbekistan	Ak Altin Agricultural Development	PS	Agriculture WSWM	LE LE
1788	Lao PDR	Decentralized Irrigation Development and Management Sector	S	WSWM	E
<b>Health and Social Protection</b>					
1749	Lao PDR	Primary Health Care Expansion	S	Health	E
1810	Indonesia	Decentralized Health Services I	S	Health	E
1837	Mongolia	Social Security Sector Development (Program)	S	PSM	E
1940	Cambodia	Health Sector Support	S	Health	E
1998	Mongolia	Second Health Sector Development	S	Health	E
2007	Kyrgyz Republic	Community-Based Early Childhood Development	S	Health	E
2054	Tajikistan	Health Sector Reform	S	Health	E
<b>Industry and Trade</b>					
2186	Philippines	Small and Medium-Sized Enterprises Development Support	S	Finance Industry	E E
2230	Pakistan	Rural Enterprise Modernization	U	Industry	I

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Table A8.8 *continued*

Sector/ Loan No.	Country	Project or Program Title	PCR Rating	Sector Component	Effectiveness Rating
<b>Multisector</b>					
0152	Tajikistan	Crisis Recovery Support Program	S	PSM	E
1742	Kyrgyz Republic	Community-Based Infrastructure Services Sector	PS	WSWM	LE
1816	FSM	Basic Social Services	PS	Education Health	LE LE
1924	PRC	Efficient Utilization of Agricultural Wastes	S	Energy Transport Agriculture	E E E
2144/2145	Pakistan	Punjab Devolved Social Services Program	PS	Education WSWM Health	LE LE LE
2174	Cook Islands	Cyclone Emergency Assistance	S	Disaster and emergency assistance	E
2221	Indonesia	Rural Infrastructure Support	S	Transport WSWM	E E
2469	Georgia	Emergency Assistance for Postconflict Recovery	S	PSM	E
2529	Armenia	Crisis Recovery Support Program	S	PSM	E
2531	Georgia	Growth Recovery Support Program	S	PSM	E
<b>Public Sector Management</b>					
1703	Papua New Guinea	Financial Management	U	PSM	I
1873	FSM	Private Sector Development (Program)	S	PSM	E
2126	Indonesia	State Audit Reform Sector Development Program	PS	PSM	LE
2315	Philippines	Development Policy Support Program Cluster	S	PSM	E
2450	Philippines	Development Policy Support Program Cluster (Subprogram 2)	S	PSM	E
2543	Kazakhstan	Countercyclical Support Loan	HS	PSM	E
2545	Philippines	Development Policy Support Program Cluster (Subprogram 3)	S	PSM	E

E = effective; FSM = Federated States of Micronesia; HE = highly effective; HS = highly successful; I = ineffective; ICT = information and communication technology; Lao PDR = Lao People's Democratic Republic; LE = less effective; PCR = project completion report; PRC = People's Republic of China; PS = partly successful; PSM = public sector management; S = successful; TA = technical assistance; U = unsuccessful; WSWM = water, sanitation, and waste management.

## Notes:

1. The review covered 78 PCRs for 81 sovereign projects and 6 extended annual review reports. A project or program can have either one or more than one sector component, of which each outcome is counted separately.
2. The first column refers to sectors in ADB's project classification system. It includes agriculture and natural resources, education, energy, finance, health and social protection, industry and trade, multisector, public sector management, transport and ICT, and water and other municipal infrastructure and services.
3. The column on "Sector Component" follows Strategy 2020 core operational areas of infrastructure (energy, transport and communication, and WSWM), finance sector development, and education. It also includes other areas of operations such as health, agriculture, disaster and emergency assistance, industry, and PSM.

Sources: Asian Development Bank project completion reports and extended annual review reports issued in 2010, and Strategy and Policy Department.

# Appendix 9

## Technical Assistance Projects at Completion

**Table A9.1: Successful Technical Assistance Projects Based on Completion Reports Issued in 2004–2010**

Year	Asian Development Bank		Asian Development Fund	
	No. of TA Projects Rated <i>Successful</i>	% of TA Projects Rated <i>Successful</i>	No. of TA Projects Rated <i>Successful</i>	% of TA Projects Rated <i>Successful</i>
2004	128	79	104	79
2005	126	79	94	76
2006	135	80	100	78
2007	110	81	78	77
2008	142	73	104	69
2009	137	75	105	73
2010	108	78	89	78

No. = number, TA = technical assistance.

Notes: The percentage successful includes projects rated successful or highly successful. Excluded are projects rated partly successful or unsuccessful. Excludes project preparatory TA projects.

Sources: Asian Development Bank TA completion reports for advisory and regional TA projects issued in 2004–2010, Central Operations Services Office, and Strategy and Policy Department.

**Table A9.2: Technical Assistance Projects Completed in 2010 by Rating**

Sector	Total	Highly Successful		Successful		Partly Successful		Unsuccessful	
		No.	%	No.	%	No.	%	No.	%
<b>Core Areas of ADB Operations</b>	<b>69</b>	<b>7</b>	<b>10</b>	<b>42</b>	<b>61</b>	<b>18</b>	<b>26</b>	<b>2</b>	<b>3</b>
Infrastructure	47	5	11	26	55	15	32	1	2
Energy	18	2	11	9	50	7	39	0	0
Transport and communication	15	2	13	8	53	4	27	1	7
Water, sanitation, and waste management	12	1	8	7	58	4	33	0	0
Other infrastructure	2	0	0	2	100	0	0	0	0
Finance sector development	19	2	11	13	68	3	16	1	5
Education	3	0	0	3	100	0	0	0	0
<b>Other Areas of Operations</b>	<b>69</b>	<b>10</b>	<b>14</b>	<b>49</b>	<b>71</b>	<b>7</b>	<b>10</b>	<b>3</b>	<b>4</b>
Agriculture	9	2	22	7	78	0	0	0	0
Health	8	1	13	6	75	1	13	0	0
Industry	8	0	0	6	75	0	0	2	25
Public sector management	44	7	16	30	68	6	14	1	2
<b>Total</b>	<b>138</b>	<b>17</b>	<b>12</b>	<b>91</b>	<b>66</b>	<b>25</b>	<b>18</b>	<b>5</b>	<b>4</b>

ADB = Asian Development Bank, No. = number.

Notes: Project preparatory technical assistance projects are excluded. Total of highly successful and successful projects is reflected in Table A9.1.

Sources: ADB technical assistance completion reports for advisory and regional technical assistance projects issued in 2004–2010, Central Operations Services Office, and Strategy and Policy Department.

**Table A9.3: Successful Advisory Technical Assistance Projects by Country Grouping Based on Completion Reports Issued in 2004–2010**

Year	OCR-Only Countries		Blend Countries		ADF-Only Countries		FCAS Countries <sup>a</sup>	
	No.	% of Total TCRs Rated Successful	No.	% of Total TCRs Rated Successful	No.	% of Total TCRs Rated Successful	No.	% of Total TCRs Rated Successful
2004	24	80	37	70	34	77	17	57
2005	32	89	29	73	27	71	18	95
2006	35	85	24	71	32	78	18	75
2007	32	94	32	74	16	62	9	45
2008	38	86	27	57	38	72	21	60
2009	32	82	24	67	31	62	19	53
2010	18	78	19	63	21	72	17	74

ADF = Asian Development Fund, FCAS = fragile and conflict-affected situations, No. = number, OCR = ordinary capital resources, TCR = technical assistance completion report.

Note: Excludes regional technical assistance.

<sup>a</sup> Classification of countries in FCAS is based on the country performance assessment ratings during the baseline period 2004–2006. See Appendix 2 for country groupings.

Sources: Asian Development Bank TCRs for advisory technical assistance projects issued in 2004–2010, Central Operations Services Office, and Strategy and Policy Department.

# Appendix 10

## New Portfolio Performance Rating System

A system to provide Management with early warning of potential problem projects is good portfolio management practice. It enables project executing agencies and the Asian Development Bank (ADB) to identify implementation problems and conduct effective remedial measures to get projects back on track. Performance indicators commonly measure project inputs (procurement and disbursement), results (output achievement), and risks (reputational and other).<sup>1</sup> Effective early warning requires both candor and the balancing of optimism with realism in assessing project implementation. However, many agencies' project ratings during implementation tend to be too optimistic compared with success ratings at project completion.

In January 2011, in response to long-standing concerns regarding the integrity of ADB project performance ratings, Management introduced a more objective portfolio performance rating system. Although the previous rating system, which was in operation from 2002 to 2010, was based on an extensive set of indicators, the new system focuses on a more limited set of objective benchmarks. The scope for subjectivity has been reduced, and rating modifications that were practiced under the old system have been disallowed. The new system has been integrated into the eOperations Projects automated project performance reporting system, launched in January 2011.

**Performance indicators.** The new portfolio performance rating system enables detailed project monitoring by incorporating all indicators and targets in the project's design and monitoring framework. In addition, it uses the following five key performance indicators to rate the status of ongoing projects:

- **Technical** (assessment of progress toward outputs). This composite indicator measures how problems (if any) identified in external supervision consultant's reports and/or review mission reports are being addressed.<sup>2</sup> Examples of problems include low quality standards, delays in meeting key project conditions, inadequate implementation arrangements, and cost overruns that require additional financing.<sup>3</sup>
- **Procurement** (assessment of the conversion of inputs into outputs). This indicator measures progress in awarding contracts by comparing the difference between the cumulative actual contract award values and the original projected contract award values over the life of the project, starting at loan effectiveness. The original contract award projections (the "S-curve") are derived from the project administration manual. The actual contract award values are derived on a quarterly basis from the financial system.

<sup>1</sup> ADB reviewed the portfolio performance monitoring systems of four comparator agencies in 2010, including the African Development Bank, the Inter-American Development Bank, the International Fund for Agricultural Development, and the World Bank. The following indicators are common to all four agencies: (i) implementation delays, (ii) counterpart funding availability, (iii) procurement performance, (iv) disbursement rates, (v) project management, and (vi) a country's project implementation track record. In addition, covenant or safeguard compliance, audit timeliness and quality, and performance of monitoring and evaluation system are common to at least two agencies. This review, together with inputs from executing agency staff and ADB staff and Management, informed the development of ADB's new portfolio performance rating system.

<sup>2</sup> For more information on indicator definitions and their application to project rating and aggregate rating of ADB's portfolio, see ADB. 2011. Project Performance Monitoring. *Project Administration Instructions*. PAI 5.08. Manila.

<sup>3</sup> Where more than one problem is being addressed, each problem is rated as either being addressed or not. To calculate the overall technical indicator rating, a Yes rating is given a value of 1 and a No rating a value of 0. The sum of these ratings is divided by the total number of problems and a threshold level is applied to define the indicator status (Table A10).

- **Disbursement** (assessment of the conversion of inputs into outputs). This indicator compares the difference between the cumulative actual projected disbursements and the original projected disbursements over the life of the project, starting at loan effectiveness. The original disbursement projections (the S-curve) are derived from the project administration manual. The actual disbursement values are derived from the financial system on a quarterly basis.
- **Financial management** (assessment of fiduciary risks). This composite indicator assesses compliance with audit and accounts covenants, in particular the receipt of an acceptable annual audit report on time. The acceptability of an audit report with audit qualifications is assessed by an ADB financial management specialist.<sup>4</sup>
- **Safeguards** (assessment of reputational risks). This composite indicator assesses compliance with ADB's Safeguard Policy Statement, as reflected in loan or grant agreement covenants for environment, involuntary resettlement, and Indigenous Peoples.

The portfolio performance indicators and rating system apply to all project loans and

grants, including sector development projects, guarantees, multitranche financing facility periodic financing requests, and projects financed under the Japan Fund for Poverty Reduction. They do not apply to program loans and grants, multitranche financing facilities, and technical assistance projects.<sup>5</sup>

**Indicator assessment.** A red, amber, or green traffic light signal is assigned to each of the five key performance indicators to indicate their status with reference to given thresholds (Table A10). The same system is also applied to aggregate the individual indicators into a single project rating.

**Project rating.** The five indicator ratings are combined into a single project rating by generating an average rating score for the project and aggregating the averages as follows: Each individual rating is assigned a score (green = 1 point, amber = 0.5 points, red = 0 points), and the assigned values for each of the five indicators are summed and divided by 5 to produce an overall project rating score of between 0 and 1. A project with a score greater than or equal to 0.90 is rated *on track* (green); a project with a score of 0.70–0.89 is rated a *potential problem* (amber); and a project with a score of less than or equal to 0.69 is rated an *actual problem* (red), and is *at-risk*.

**Table A10: Project Performance Rating System**

Status	Rating	Threshold
On Track	Green	<ul style="list-style-type: none"> <li>• The S-curve for either actual disbursement or contract award is <math>\geq 90\%</math> of original projection</li> <li>• Technical: overall rating <math>\geq 0.90</math></li> </ul>
Potential Problem	Amber	<ul style="list-style-type: none"> <li>• Financial management and safeguard compliance are rated <i>satisfactory</i></li> <li>• The S-curve for either actual disbursement or contract award is 75%–90% of original projection</li> <li>• Technical: overall rating 0.70–0.89</li> <li>• Financial management and safeguard compliance are rated <i>partly satisfactory</i></li> </ul>
Actual Problem	Red	<ul style="list-style-type: none"> <li>• The S-curve for either actual disbursement or contract award is less than 75% of original projection</li> <li>• Technical: overall rating <math>\leq 0.69</math></li> <li>• Financial management and safeguard compliance are rated <i>unsatisfactory</i></li> </ul>

Source: Asian Development Bank. 2011. Project Performance Monitoring. *Project Administration Instructions*. PAI 5.08. Manila.

<sup>4</sup> ADB's *Project Administration Instructions*, Section 5.07 defines the parameters of an assessment of acceptability.

<sup>5</sup> Programs follow a separate performance assessment process: for a single tranche program where the tranche is disbursed soon after the loan is effective, performance is considered on track; for a multitranche program, its performance is reported in the Board paper requesting approval for the subsequent tranche. Performance of multitranche financing facilities is assessed by rating individual periodic financing requests under the new portfolio performance rating system. The performance status of technical assistance projects is assessed by the separate technical assistance performance rating system.

# Appendix 11

## Disbursements

**Table A11.1: Annual Disbursements for Sovereign Operations, 2008–2010**  
(\$ million)

Item	Asian Development Bank <sup>a</sup>			Asian Development Fund <sup>b</sup>		
	2008	2009 <sup>c</sup>	2010 <sup>c</sup>	2008	2009	2010
Project loans	4,473	4,889	4,977	1,329	1,303	1,116
Program loans	3,447	2,761	1,365	713	897	455
ADF grants	177	347	358	177	347	358
<b>Total Disbursements<sup>d</sup></b>	<b>8,098</b>	<b>7,996</b>	<b>6,701</b>	<b>2,220</b>	<b>2,548</b>	<b>1,929</b>

ADF = Asian Development Fund.

<sup>a</sup> Combined sovereign loans (ordinary capital resources and ADF) and ADF grants.

<sup>b</sup> ADF grants and loans.

<sup>c</sup> Excludes operations financed by the Countercyclical Support Facility.

<sup>d</sup> Numbers may not sum precisely because of rounding.

Source: Asian Development Bank Controller's Department.

**Table A11.2: Disbursements for Sovereign Operations in 2010 by Country Grouping**

OCR-Only Countries		Blend Countries <sup>a</sup>		ADF-Only Countries		FCAS Countries <sup>b</sup>	
Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
\$ million	%	\$ million	%	\$ million	%	\$ million	%
3,179	26	2,804	21	716	20	590	15

ADF = Asian Development Fund, FCAS = fragile and conflict-affected situations, OCR = ordinary capital resources.

Note: Regional projects are excluded and the list of countries under each country group is in Appendix 2.

<sup>a</sup> Excludes operations financed by the Countercyclical Support Facility.

<sup>b</sup> Classification of countries in FCAS is based on the country performance assessment ratings during the baseline period 2004–2006.

See Appendix 2 for country groupings.

Sources: Asian Development Bank Controller's Department and Strategy and Policy Department.

**Table A11.3: Disbursements for Nonsovereign Operations in 2010 by Country Grouping**

ADB Countries		OCR Countries <sup>a</sup>		ADF Countries <sup>a</sup>	
Amount	Ratio	Amount	Ratio	Amount	Ratio
\$ million	%	\$ million	%	\$ million	%
865	51	415	45	267	70

ADB = Asian Development Bank, ADF = Asian Development Fund, OCR = ordinary capital resources.

Note: The list of countries under each country group is in Appendix 2.

<sup>a</sup> Excludes regional projects but included in the amount for ADB countries in the first column.

Sources: ADB Controller's Department and Strategy and Policy Department.

# Appendix 12

## Cofinancing

**Table A12.1: Direct Value-Added Cofinancing, 2004–2010**

Year	Asian Development Bank		Asian Development Fund	
	Amount Cofinanced by	Cofinancing Ratio	Amount Cofinanced by	Cofinancing Ratio
	Partners		Partners	
	\$ million	%	\$ million	%
2004	273	5	102	8
2005	346	6	223	14
2006	1,249	17	271	18
2007	695	7	209	9
2008	1,191	11	146	6
2009	3,679	32	284	9
2010	4,500	36	751	24

Note: Direct value-added cofinancing involves active coordination and formal agreements among financing partners that bring about defined client benefits, including contractual commitments by the Asian Development Bank to facilitate mobilization, administration, or participation in cofinancing.

Source: Asian Development Bank Office of Cofinancing Operations.

**Table A12.2: Non-Direct Value-Added Cofinancing, 2004–2010**  
(\$ million)

Year	Official	Commercial	Total
2004	407	1,246	1,652
2005	1,943	5,186	7,128
2006	299	4,118	4,417
2007	381	1,848	2,230
2008	2,785	10,416	13,201
2009	4,787	1,098	5,886
2010	892	2,474	3,366

Source: Asian Development Bank Office of Cofinancing Operations.



# Appendix 13

## Strategic Focus in Operations

Table A13.1: Financing for Strategy 2020 Core Operational Areas  
(2010 approvals)

Item	Asian Development Bank		Asian Development Fund	
	Amount \$ million	%	Amount \$ million	%
<b>A. Financing for Core Sectors</b>	<b>12,508</b>	<b>90</b>	<b>2,585</b>	<b>81</b>
Infrastructure	10,107	72	2,211	70
Energy	3,478	25	354	11
Transport and communication	4,689	34	1,079	34
Water, sanitation, and waste management	1,002	7	430	14
Others <sup>a</sup>	938	7	346	11
Finance sector development	1,976	14	191	6
Education	426	3	184	6
<b>B. Financing for Other Areas</b>	<b>1,466</b>	<b>10</b>	<b>595</b>	<b>19</b>
Agriculture	233	2	146	5
Health	461	3	216	7
Industry	10	0	10	0
Public sector management	762	5	223	7
<b>C. Operations under B with Environment or Regional Cooperation and Integration as Theme</b>	<b>309</b>	<b>2</b>	<b>223</b>	<b>7</b>
<b>Total Financing (A+B)</b>	<b>13,975</b>	<b>100</b>	<b>3,180</b>	<b>100</b>
<b>Total Financing for Core Operational Areas (A+C)</b>	<b>12,818</b>	<b>92</b>	<b>2,808</b>	<b>88</b>

0 = nil.

Notes: Financing approved for sovereign (including Asian Development Fund grants) and nonsovereign operations. Financing for multisector projects are broken down into their respective sector components. Numbers may not sum precisely because of rounding.

<sup>a</sup> Includes projects with several infrastructure components (e.g., urban sector development and disaster rehabilitation), and public sector management projects and programs supporting policy reforms in core sectors.

Sources: Asian Development Bank reports and recommendations of the President approved in 2010, Central Operations Services Office, and Strategy and Policy Department.

**Table A13.2: New Projects Supporting Strategy 2020 Selected Thematic Areas  
(2010 approvals)**

Item	Asian Development Bank		Asian Development Fund	
	No. of Projects	Amount \$ million	No. of Projects	Amount \$ million
Environment sustainability	53	4,958	21	950
Private sector development	48	4,335	17	510
Regional cooperation and integration	26	3,237	14	781
Gender equity <sup>a</sup>	44	3,700	30	1,741

No. = number.

Note: Excludes supplementary financing.

<sup>a</sup> Includes projects identifying gender as a theme under the Asian Development Bank's project classification system and other projects with effective gender mainstreaming.

Sources: Asian Development Bank reports and recommendations of the President approved in 2010, Central Operations Services Office, Regional and Sustainable Development Department, and Strategy and Policy Department.

**Table A13.3: Financing for Strategy 2020 Core Operational Areas by Country Grouping**  
(2010 approvals)

Item	OCR-Only Countries		Blend Countries		ADF-Only Countries	
	Amount \$ million	%	Amount \$ million	%	Amount \$ million	%
<b>A. Financing for Core Sectors</b>	<b>3,776</b>	<b>86</b>	<b>7,044</b>	<b>91</b>	<b>1,214</b>	<b>87</b>
Infrastructure	2,626	60	6,330	82	1,091	79
Energy	1,019	23	2,189	28	231	17
Transport and communication	1,198	27	2,854	37	636	46
Water, sanitation, and waste management	343	8	469	6	169	12
Others <sup>a</sup>	66	1	817	11	55	4
Finance sector development	950	22	523	7	88	6
Education	200	5	191	2	35	3
<b>B. Financing for Other Areas</b>	<b>627</b>	<b>14</b>	<b>664</b>	<b>9</b>	<b>175</b>	<b>13</b>
Agriculture	87	2	71	1	75	5
Health	200	5	201	3	60	4
Industry	0	0	10	0	0	0
Public sector management	340	8	382	5	41	3
<b>C. Operations under B with Environment or Regional Cooperation as Theme</b>	<b>87</b>	<b>2</b>	<b>97</b>	<b>1</b>	<b>126</b>	<b>9</b>
<b>Total Financing (A+B)</b>	<b>4,403</b>	<b>100</b>	<b>7,708</b>	<b>100</b>	<b>1,389</b>	<b>100</b>
<b>Total Financing for Core Operational Areas (A+C)</b>	<b>3,863</b>	<b>88</b>	<b>7,141</b>	<b>93</b>	<b>1,339</b>	<b>96</b>

0 = nil, ADF = Asian Development Fund, OCR = ordinary capital resources.

Notes:

- Financing approved for sovereign (including Asian Development Fund grants) and nonsovereign operations. Financing for multisector projects are broken down into their respective sector components.
- The country groupings differ from those presented in Appendix 2. Groupings in this table follow the classification of countries with access to ADF during its ninth replenishment period (2009–2012). OCR-only countries include the People's Republic of China, Cook Islands, Fiji, Indonesia, Kazakhstan, Malaysia, the Philippines, Thailand, and Turkmenistan, as well as India, which is a blend country without access to the ADF since 1986. Blend countries are Armenia, Azerbaijan, Bangladesh, Georgia, Republic of the Marshall Islands, Federated States of Micronesia, Pakistan, Palau, Papua New Guinea, Sri Lanka, Uzbekistan, and Viet Nam. ADF-only countries include Afghanistan, Azerbaijan, Bhutan, Cambodia, Kiribati, Kyrgyz Republic, the Lao People's Democratic Republic, Maldives, Mongolia, Nauru, Nepal, Samoa, Solomon Islands, Tajikistan, Timor-Leste, Tonga, Tuvalu, and Vanuatu.
- Excludes 6 regional nonsovereign projects, which accounts for the difference with totals in Table A12.1.
- Numbers may not sum precisely because of rounding.

<sup>a</sup> Includes projects with several infrastructure components (e.g., urban sector development and disaster rehabilitation), and public sector management projects and programs supporting policy reforms in core sectors.

Sources: Asian Development Bank reports and recommendations of the President approved in 2010, Central Operations Services Office, and Strategy and Policy Department.

**Table A13.4: Technical Assistance for Strategy 2020 Core Operational Areas**  
(2010 approvals)

Item	ADB Total		OCR-Only		Blend Countries		ADF-Only Countries		FCAS		Regional TA	
	Amount (\$'000)	%	Amount (\$'000)	%	Amount (\$'000)	%	Amount (\$'000)	%	Amount (\$'000)	%	Amount (\$'000)	%
<b>A. Financing for Core Sectors</b>	<b>205,098</b>	<b>63</b>	<b>34,242</b>	<b>64</b>	<b>81,339</b>	<b>87</b>	<b>28,423</b>	<b>63</b>	<b>10,950</b>	<b>81</b>	<b>61,094</b>	<b>46</b>
Infrastructure	129,858	40	30,067	56	27,814	30	23,823	53	10,950	81	48,154	36
Energy	37,865	12	7,497	14	6,510	7	11,658	26	1,500	11	12,200	9
Transport and communication	25,938	8	7,550	14	7,623	8	5,465	12	8,550	63	5,300	4
Water, sanitation, and waste management	42,614	13	9,020	17	8,694	9	5,350	12	900	7	19,550	15
Others <sup>b</sup>	23,442	7	6,000	11	4,988	5	1,350	3	0	0	11,104	8
Finance sector development	19,965	6	3,675	7	1,100	1	2,250	5	0	0	12,940	10
Education	55,275	17	500	1	52,425	56	2,350	5	0	0	0	0
<b>B. Financing for Other Areas</b>	<b>121,439</b>	<b>37</b>	<b>19,375</b>	<b>36</b>	<b>12,060</b>	<b>13</b>	<b>16,730</b>	<b>37</b>	<b>2,540</b>	<b>19</b>	<b>72,474</b>	<b>54</b>
Agriculture	15,908	5	2,150	4	350	0	3,840	9	0	0	9,568	7
Health	3,740	1	700	1	1,090	1	200	0	165	1	1,750	1
Disaster and emergency	1,720	1	0	0	220	0	0	0	0	0	1,500	1
Industry	10,406	3	225	0	0	0	1,650	4	0	0	8,531	6
Public sector management	89,665	27	16,300	30	10,400	11	11,040	24	2,375	18	51,125	38
<b>C. Operations under B with Environment or Regional Cooperation as Theme</b>	<b>77,739</b>	<b>24</b>	<b>1,425</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>5,735</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>70,579</b>	<b>53</b>
<b>Total Financing (A+B)</b>	<b>326,537</b>	<b>100</b>	<b>53,617</b>	<b>100</b>	<b>93,399</b>	<b>100</b>	<b>45,153</b>	<b>100</b>	<b>13,490</b>	<b>100</b>	<b>133,568</b>	<b>100</b>
<b>Total Financing for Core Operational Areas (A+C)</b>	<b>282,837</b>	<b>87</b>	<b>35,667</b>	<b>67</b>	<b>81,339</b>	<b>87</b>	<b>34,158</b>	<b>76</b>	<b>10,950</b>	<b>81</b>	<b>131,673</b>	<b>99</b>

0 = nil, ADB = Asian Development Bank, ADF = Asian Development Fund, FCAS = fragile and conflict-affected situations, OCR = ordinary capital resources, TA = technical assistance.

Note: The country groupings differ from those presented in Appendix 2. Groupings in this table follow the classification of countries with access to ADF during its ninth replenishment period (2009–2012). OCR-only countries include the People's Republic of China, Cook Islands, Fiji, Indonesia, Kazakhstan, Malaysia, the Philippines, Thailand, and Turkmenistan, as well as India, which is a blend country without access to the ADF since 1986. Blend countries are Armenia, Azerbaijan, Bangladesh, Georgia, Republic of the Marshall Islands, Federated States of Micronesia, Pakistan, Palau, Papua New Guinea, Sri Lanka, Uzbekistan, and Viet Nam. ADF-only countries include Afghanistan, Azerbaijan, Bhutan, Cambodia, Kiribati, Kyrgyz Republic, the Lao People's Democratic Republic, Maldives, Mongolia, Nauru, Nepal, Samoa, Solomon Islands, Tajikistan, Timor-Leste, Tonga, Tuvalu, and Vanuatu.

<sup>a</sup> ADB identifies countries in FCAS based on country performance assessment (CPA) rankings and conflict considerations. The list used in the analysis is based on the lowest ranked countries in 2010 CPA.

<sup>b</sup> Includes multisector TA projects with several infrastructure components.

Source: ADB Strategy and Policy Department.

# Appendix 14

## Knowledge Management

**Table A14.1: List of Selected Flagship Publications and Knowledge Products Led by Regional Departments**

Operational Area/Title of Publication	Region
<b>Energy</b>	
Integrated Energy Sector Recovery Report and Plan	Central and West Asia
<b>Transport</b>	
East Asia Transport and Communication Knowledge Database Project (Pilot)	East Asia
Sustainable Transport Initiative Operational Plan	East Asia
Toolkit for Urban Transport (Bus Transport) through Public–Private Partnerships for the State of Maharashtra (CRISIL Assisted Study under Government of India–ADB PPP Initiative Knowledge Series)	South Asia
Bridges Across Oceans: Initial Impact Assessment of the Philippines Nautical Highway System and Lessons for Southeast Asia	Southeast Asia
Connecting Greater Mekong Subregion Railways: A Strategic Framework	Southeast Asia
<b>Water</b>	
Higher Water Tariff for Less River Pollution-Evidence from the Min River and Fuzhou City in the People’s Republic of China	East Asia
An Assessment of Demand for Improved Household Water Services in South West Sri Lanka (a book chapter on Environmental Valuation in South Asia published by Cambridge University Press)	South Asia
Lessons from Private Sector Participation in Water Supply and Sanitation Sector in Developing Countries (a book chapter on Water Institutions and Development published by Cambridge University Press)	South Asia
Climate Change Adaptation in Himachal Pradesh: Sustainable Strategies for Water Resources	South Asia
Toolkit for Public–Private Partnership in Urban Water Supply for Maharashtra (CRISIL Assisted Study under Government of India–ADB PPP Initiative Knowledge Series)	South Asia
Scoping Study for Integrated Water Resources Management in Karnataka	South Asia
Water: Vital for Viet Nam’s Future	Southeast Asia
Sanitation Finance in Rural Cambodia	Southeast Asia
<b>Finance</b>	
Reforming the Global Financial Architecture: Implications for Asia	Central and West Asia
Enhancing Financial Disclosure Standards in Transitional Economies II	Central and West Asia
Responding to the Global Financial and Economic Crisis: Meeting the Challenges in Asia	Central and West Asia
Monitoring and Examining Financial Soundness	Central and West Asia
Development of the People’s Republic of China’s City Commercial Banks and their Role in Delivering Financial Services (formerly Developing Local Financial Institutions)	East Asia
Mongolia Financial Sector Assessment and Road Map	East Asia
Determinants of the Stock Price Surge in Bangladesh and Sri Lanka	South Asia
Product Innovations for Financing Infrastructure in India. A Study of Indian Debt Markets	South Asia
Financial Sector Reforms in South Asia	South Asia
The Global Financial Crisis: Impact on Asia and Emerging Consensus	South Asia
Global Financial Crisis: The Way Forward	South Asia
The Political Economy of Reform Process in Nepal: Experience of the Finance Sector in 2010	South Asia
The Impact of the Global Crisis on South Asia	South Asia

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Table A14.1 *continued*

Operational Area/Title of Publication	Region
<b>Agriculture</b>	
Policy Study on Construction of Agricultural Infrastructure and the Establishment of Modern Agricultural Industry System Supported by Governments in People's Republic of China	East Asia
Food Security Papers	South Asia
Agriculture, Food Security, and Rural Development	South Asia
<b>Health</b>	
Satisfying Hidden Hunger: Addressing Micronutrient Deficiencies in Central Asia	Central and West Asia
Policy Note to National Development and Reform Commission on Improving Rural Health Services	East Asia
Implementation Strategy of Basic Health Care System	East Asia
Observations and Suggestions on Population Aging and Long-Term Health Care in the People's Republic of China	East Asia
Lessons from the Northern Economic Corridor: Mitigating Human Immunodeficiency Virus (HIV) and Other Diseases	Southeast Asia
For Life, With Love: Training Tool for Human Immunodeficiency Virus Prevention and Safe Migration in Road Construction Settings and Affected Communities	Southeast Asia
Practice Guidelines for Harmonizing Human Immunodeficiency Virus Prevention Initiatives in the Infrastructure Sector: Greater Mekong Subregion	Southeast Asia
<b>Public Sector Management</b>	
Study on Policy Direction for the People's Republic of China's 12th Five-Year Plan	East Asia
Study on Framework and Policies of Overall Consideration of Poverty Reduction in the People's Republic of China in the New Era	East Asia
The Role of Fiscal Policy in Rebalancing the People's Republic of China (ADB Brief No. 3)	East Asia
Observations and Suggestions on the Role of Fiscal Policy in Economic Rebalancing in the People's Republic of China	East Asia
Observations and Suggestions Towards a Universal Social Protection in the People's Republic of China	East Asia
State Performance and Capacity in the Pacific	Pacific
Transparency to the People: Using Stakeholder Participation in the Public Sector Reform of Nauru and the Marshall Islands	Pacific
Weaving Social Safety Nets (Policy Brief)	Pacific
What is Happening to Food Prices in India? – A Review of its Determinants and Possible Policy Responses	South Asia
Fiscal Decentralization and Fiduciary Risks: A Case Study of Local Governance in Nepal	South Asia
Evaluating the Public Resource Management Program in Assam Using a Synthetic Control Group	South Asia
An Assessment of Recent Tax Reforms in Bangladesh	South Asia
Improving Health and Education Service Delivery through Public–Private Partnerships (KPMG Assisted Study under Government of India–ADB PPP Initiative Knowledge Series)	South Asia
Position Paper on Ports and Private Sector Participation (India) (Government of India–ADB PPP Initiative Knowledge Series)	South Asia
Notes on a Political Economy Approach to Improve the Impact of Development Programs and Projects	South Asia
Institutional and Political Economy Analysis of Social Protection in Nepal	South Asia
Social Impact of the Global Financial Crisis in the Philippines	Southeast Asia
Tax Reforms Towards Fiscal Consolidation: Policy Options for the New Administration	Southeast Asia

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Table A14.1 *continued*

Operational Area/Title of Publication	Region
<b>Regional Cooperation and Integration</b>	
Central Asia Regional Economic Cooperation: Good Neighbors, Good Partners, Good Prospects	Central and West Asia
Central Asia Regional Economic Cooperation: Connecting Markets, Creating Opportunities—Stories on the Impact of CAREC’s Economic Corridors	Central and West Asia
Introduction to the Central Asia Regional Economic Cooperation Program Development Effectiveness Review: Building the Baseline 2009	Central and West Asia
Knowledge Showcase: Bilateral Dimensions of the Central Asia Regional Economic Cooperation Trade Facilitation Agenda: Spotlight on Mongolia and the People’s Republic of China	East Asia
Trade Facilitation in South Asia: Why it Matters Most	South Asia
Regional Cooperation Strategy 2006–2008 Completion Report	South Asia
South Asian Association for Regional Cooperation Regional Energy Trade Study	South Asia
Sharing Growth and Prosperity: Strategy and Action Plan for the Greater Mekong Subregion Southern Economic Corridor	Southeast Asia
Strategy and Action Plan for the Greater Mekong Subregion East–West Economic Corridor	Southeast Asia
Toward Sustainable and Balanced Development: Strategy and Action Plan for the Greater Mekong Subregion North–South Economic Corridor	Southeast Asia
<b>Environmental Sustainability</b>	
Central Asia Atlas of Natural Resources	Central and West Asia
Climate Change in Central and West Asia: Routes to a More Secure, Low-Carbon Future	Central and West Asia
People’s Republic of China–Global Environmental Fund Partnership in Land Degradation: Lessons from the Partnership	East Asia
Carbon Efficiency, Carbon Reduction Potential, and Economic Development in the People’s Republic of China: A Total Factor Production Model	East Asia
The Necessity of Distinguishing Weak and Strong Disposability among Desirable Outputs in Data Envelopment Analysis: Environmental Performance of Chinese Coal-Fired Plants	East Asia
Integrated Gasification Combined Cycle Power Plant	East Asia
Social Dimensions of Climate Change in Urban People’s Republic of China	East Asia
Rural Biomass Renewable Energy Development in the People’s Republic of China	East Asia
East Asia Climate Change Brief	East Asia
Fisheries and Climate Change	Pacific
Mainstreaming Climate Change in ADB Operations	Pacific
Responding to Climate Change in the Pacific: Moving from Strategy to Action	Pacific
Cross-Sectoral Implications of Biofuel Production and Use in India	South Asia
Natural Gas Pricing in Bangladesh: A Preliminary Assessment	South Asia
Technical Efficiency of Sawmilling and Conservation of Natural Forests: Evidence from Sri Lanka	South Asia
Climate Change in South Asia: Strong Responses for Building a Sustainable Future	South Asia
Strengthening Capacity for Climate Change Adaptation (Sri Lanka)	South Asia
Ho Chi Minh City Adaptation to Climate Change: Summary Report	Southeast Asia
<b>Others</b>	
Afghanistan: Modernizing Asia’s Crossroads (Development Effectiveness Brief)	Central and West Asia
Armenia: A Historic Country Reemerges (Development Effectiveness Brief)	Central and West Asia
Georgia: A Country at an Ancient Crossroads Looks to the Future (Development Effectiveness Brief)	Central and West Asia
Tajikistan: Rising Path to Progress (Development Effectiveness Brief)	Central and West Asia

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Table A14.1 *continued*

Operational Area/Title of Publication	Region
Regulatory Reforms for Improving the Business Environment in Selected Asian Economies—How Monitoring and Comparative Benchmarking Can Provide Incentive for Reform	Central and West Asia
Structural Transformation in the Kyrgyz Republic: Engineering Future Paths of Capability Accumulation	Central and West Asia
People's Republic of China Quarterly Economic Reports	East Asia
The Socioeconomic Implications of Population Aging in the People's Republic of China (ADB Brief No. 6)	East Asia
Observations and Suggestions on Anchoring Inflationary Expectations in the People's Republic of China	East Asia
Policy Note on Avoiding the Middle-Income Trap	East Asia
Livable Cities Beyond Housing: The Physical and Social Environments of the Chinese Urban Poor in the Context of a Floating Population	East Asia
Toward a Harmonious Countryside: Rural Development Survey Results of the People's Republic of China (formerly Diagnosing the Binding Constraints for the People's Republic of China Rural Development: Survey Results)	East Asia
People's Republic of China's Income Inequality at the Provincial Level: Trends, Drivers, and Impacts (formerly Inequality and Inclusive Growth in Asia)	East Asia
An Eco-Compensation Framework for the People's Republic of China: Challenges and Opportunities	East Asia
Impact Evaluation of the People's Republic of China Electronic Appliance Subsidy Program	East Asia
2009 Knowledge Products and Services Compendium	East Asia
Resurging Asian Giants	East Asia
Mongolia: A Partnership Against Poverty (Development Effectiveness Brief)	East Asia
Papua New Guinea: Building Solid Physical and Social Infrastructure (Development Effectiveness Brief)	Pacific
Samoa: Building a More Resilient Economy (Development Effectiveness Brief)	Pacific
Learning from Fisheries Centers in Pacific Islands	Pacific
Increasing Returns from Fisheries: Dos and Don'ts for Policy Makers	Pacific
Fisheries and Fuel Prices	Pacific
Breaking Down the Barriers to Business in the Pacific—Private Sector Reform Stories	Pacific
Fisheries in the Economies of the Pacific Island Countries and Territories	Pacific
Pacific Economic Monitor	Pacific
Solomon Islands 2010 Economic Report	Pacific
Taking Control of Oil: Managing Dependence on Petroleum Fuels in the Pacific	Pacific
The Political Economy of Economic Reform in the Pacific: Executive Summary	Pacific
Gender Equality Results. Case Studies: Bangladesh	South Asia
Gender Equality Results. Case Studies: Bhutan	South Asia
Gender Equality Results. Case Studies: Maldives	South Asia
Gender Equality Results. Case Studies: Sri Lanka	South Asia
Overview of Gender Equality and Social Inclusion in Nepal	South Asia
Unleashing Economic Growth: Region-Based Urban Development Strategy for Nepal	South Asia
Bangladesh Quarterly Economic Update	South Asia
Bangladesh Economic Indicators Update	South Asia
Gender and Development	South Asia
Bangladesh: A Partnership for Progress (Development Effectiveness Brief)	South Asia
A Portrait of Development: Impact Stories from Bangladesh	South Asia

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Table A14.1 *continued*

Operational Area/Title of Publication	Region
Bangladesh Country Gender Assessment	South Asia
Private Sector Assessment: The Case of Bangladesh	South Asia
Poverty Assessment in Bangladesh	South Asia
Nepal Economic Updates	South Asia
Nepal Addressing the Root Causes of Conflict (Development Effectiveness Brief)	South Asia
Making a Difference in Mindanao	Southeast Asia
Rebuilding Lives and Homes in Aceh and Nias, Indonesia	Southeast Asia
Gender Equality Results in ADB Projects: Viet Nam Country Report	Southeast Asia
Gender Equality Results in ADB Projects: Indonesia Country Report	Southeast Asia
An Agenda for High and Inclusive Growth in the Philippines	Southeast Asia
Philippines Urban Sector Assessment, Strategy, and Road Map	Southeast Asia
Transforming the Philippine Economy: “Working on Two Legs”	Southeast Asia
Freedom to Grow: Impact Stories from the Philippines	Southeast Asia
Lao People’s Democratic Republic: At the Crossroads of Change (Development Effectiveness Brief)	Southeast Asia
The Heart of Development: Impact Stories from Cambodia	Southeast Asia
Cambodia: Building Solid Physical and Social Infrastructure (Development Effectiveness Brief)	Southeast Asia

CRISIL = Credit Rating Information Services of India Limited; KPMG = Klynveld, Peat, Marwick, Goerdeler; PRC = People’s Republic of China; PPP = public–private partnership.

Sources: Asian Development Bank regional departments.

# Appendix 15

## Partnerships

**Table A15.1: Sovereign Operations with Participation of Civil Society Organizations  
2006–2010**

Year	Asian Development Bank		Asian Development Fund	
	No.	% of Approvals <sup>a</sup>	No.	% of Approvals <sup>a</sup>
2006	50	78	40	85
2007	60	78	39	85
2008	65	76	42	82
2009	67	72	39	75
2010	83	79	46	81

No. = number.

<sup>a</sup> Refers to projects funded by ordinary capital resources and the Asian Development Fund approved during the year.

Sources: Asian Development Bank reports and recommendations of the President approved in 2006–2010, Regional and Sustainable Development Department, and Strategy and Policy Department.

**Table A15.2: Sovereign Operations with Participation of Civil Society Organizations  
in 2010 by Country Grouping**

OCR-Only Countries		Blend Countries		ADF-Only Countries	
No.	%	No.	%	No.	%
27	73	33	87	21	78

ADF = Asian Development Fund, No. = number, OCR = ordinary capital resources.

Note: Excludes regional projects, which accounts for the difference with totals in Table A14.1. See Appendix 2 for country groupings.

Sources: Asian Development Bank Controller's Department and Strategy and Policy Department.

Table A15.3: Program-Based Approaches Supported by ADB during 2010

Loan/Grant No.	DMC	Project Title	OCR \$ million	ADF \$ million	Total \$ million	Approval Date
2613/2614	Viet Nam Solomon Islands	SOE Reform and Corporate Governance Facilitation Program (Tranche 1)	120.0	10.0	130.0	14 January
0197	Samoa	Economic Recovery Support Program (Subprogram 1)		5.0	5.0	16 March
2625	PRC	Economic Recovery Support Program (Subprogram 1)	66.1	16.0	16.0	14 April
2632		Integrated Renewable Biomass Energy Development Sector		66.1	66.1	16 April
2635	Uzbekistan	Central Asia Regional Economic Cooperation Corridor 2 Road Investment Program (Tranche 1)		115.0	115.0	21 April
2633	Uzbekistan	Water Supply and Sanitation Services Investment Program (Tranche 2)		140.0	140.0	21 April
2638	India	North Karnataka Urban Sector Investment Program (Tranche 2)	123.0		123.0	14 June
2641/0209	Nepal	Rural Finance Sector Development Cluster Program (Subprogram 2)		72.5	72.5	18 June
2642/2643	Viet Nam	Health Human Resources Sector Development Program		60.0	60.0	22 June
2645	Pakistan	Sindh Growth and Rural Revitalization Program (Subprogram 2)		120.0	120.0	24 June
2644	Pakistan	Punjab Millennium Development Goals Program (Subprogram 2)		150.0	150.0	24 June
2651	India	Rural Roads Sector II Investment Program (Tranche 5)	222.2		222.2	6 July
2655	Georgia	Sustainable Urban Transport Investment Program (Tranche 1)		85.0	85.0	21 July
2659	RMI	Public Sector Program (Subprogram 1)		9.5	9.5	17 August
2660	India	National Capital Region Urban Infrastructure Financing Facility (Tranche 1)	78.0		78.0	18 August
2664	Georgia	Social Services Delivery Program	100.0		100.0	21 September
2665	Thailand	Capital Market Development Program	300.0		300.0	21 September
2672/2673/0220	Cambodia	Water Resources Management Sector Development Program		32.8	32.8	23 September
2669	India	Agribusiness Infrastructure Development Investment Program (Tranche 1)	67.6		67.6	24 September
2675/0223/0224	Cambodia	Promoting Economic Diversification Program (Subprogram 2)		24.0	24.0	30 September
2674/0221/0222	Cambodia	Public Financial Management for Rural Development Program (Subprogram 2)		25.0	25.0	30 September
2676	India	Infrastructure Development Investment Program for Tourism (Tranche 1)	43.4		43.4	4 October
2677	India	Assam Power Sector Enhancement Investment Program (Tranche 2)	89.7		89.7	5 October
2679	India	Sustainable Coastal Protection and Management Investment Program (Tranche 1)	51.6		51.6	6 October
2680	Viet Nam	Second Small and Medium-Sized Enterprises Development Program (Subprogram 1)		40.0	40.0	18 October
2687	India	Himachal Pradesh Clean Energy Development Investment Program (Tranche 3)	208.0		208.0	22 October
2684	India	Assam Integrated Flood and Riverbank Erosion Risk Management Investment Program (Tranche 1)	56.9		56.9	25 October
2689	Kazakhstan	Small and Medium Enterprise Investment Program (Tranche 1)	150.0		150.0	4 October
2691/2692	Palau	Water Sector Improvement Program	12.6	3.4	16.0	9 October
2695	Bangladesh	City Region Development Project		120.0	120.0	10 November

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Table A15.3 *continued*

Loan/Grant No.	DMC	Project Title	OCR \$ million	ADF \$ million	Total \$ million	Approval Date
2697	Kazakhstan	CAREC Transport Corridor I (Zhambyl Oblast Section) [Western Europe–Western People's Republic of China International Transit Corridor] Investment Program (Tranche 3)	173.0		173.0	15 November
0235	Lao PDR	Northern Rural Infrastructure Development Sector		23.0	23.0	26 November
0236	Mongolia	Fourth Health Sector Development		14.0	14.0	29 November
2707	Viet Nam	Third Financial Sector Program (Subprogram 2)		60.0	60.0	29 November
2708	Indonesia	Infrastructure Reform Sector Development Program (Subprogram 3)	200.0		200.0	1 December
2706/0238	Cambodia	Financial Sector Program II (Subprogram 4)		15.0	15.0	2 December
2713/2714	Papua New Guinea	Town Electrification Investment Program (Tranche 1)	40.9	16.4	57.3	6 December
2717	India	Second India Infrastructure Project Financing Facility (Tranche 2)	250.0		250.0	7 December
2715	Philippines	Financial Market Regulation and Intermediation Program (Subprogram 2)	200.0		200.0	7 December
2716	Georgia	Road Corridor Investment Program (Tranche 2)	150.0		150.0	8 December
2726	Pakistan	Renewable Energy Development Sector Investment Program (Tranche 2)	200.0		200.0	13 December
2725	India	Rajasthan Urban Sector Development Investment Program (Tranche 3)	63.0		63.0	13 December
2727	Pakistan	Power Distribution Enhancement Investment Program (Tranche 2)	242.0		242.0	14 December
2724	PRC	Railway Energy Efficiency and Safety Enhancement Investment Program (Tranche 2)	100.0		100.0	14 December
2732	India	Madhya Pradesh Power Sector Investment Program (Tranche 6)	69.0		69.0	14 December
2723	Indonesia	Sixth Development Policy Support Program	200.0		200.0	14 December
0243	Solomon Islands	Transport Sector Development		12.0	12.0	15 December
2728	Kazakhstan	Central Asia Regional Economic Cooperation Corridor 2 (Mangystau Oblast Sections) Investment Program	283.0		283.0	20 December
2729	Armenia	North–South Road Corridor Investment Program (Tranche 2)	170.0		170.0	21 December
2730	Viet Nam	Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project	350.0		350.0	22 December
2731	Viet Nam	Ho Chi Minh City Urban Mass Rapid Transit Line 2 Investment Program	40.0		40.0	22 December

ADB = Asian Development Bank, ADF = Asian Development Fund, CAREC = Central Asia Regional Economic Cooperation, DMC = developing member country, Lao PDR = Lao People's Democratic Republic, No. = number, OCR = ordinary capital resources, PRC = People's Republic of China, RMI = Republic of the Marshall Islands, SOE = state-owned enterprise.

Notes: The program-based approach (PBA) is defined by the Organisation for Economic Co-operation and Development and the Learning Network on Program-Based Approaches as a way of engaging in development cooperation based on the principle of coordinated support for a locally owned program of development, such as a national poverty reduction strategy, a sector program, a thematic program, or a program of a specific organization. PBAs share the following features: (i) leadership by the host country or organization; (ii) a single comprehensive program and budget framework; (iii) a formalized process for development partner coordination and harmonization of development partner procedures for at least two of the following: reporting, budgeting, financial management, and procurement; and (iv) use of local systems in at least two of the following: program design and implementation, financial management, monitoring, and evaluation. A sector-wide approach is a PBA operating at the level of an entire sector.

Sources: Asian Development Bank reports and recommendations of the President approved in 2010, regional departments, and Strategy and Policy Department.

**Table A15.4: Number of Country Partnership Strategy and Country Portfolio Review Missions in 2010 Conducted Jointly with Other Development Partners**

Regions	DMC	CPS Missions Conducted Jointly with Other Development Partners		CPR Missions Conducted Jointly with Other Development Partners
			DMC	
Central and West Asia	Tajikistan	Tajikistan	Afghanistan <sup>a</sup> Kyrgyz Republic Pakistan Tajikistan <sup>a</sup> Uzbekistan <sup>a</sup>	Kyrgyz Republic Tajikistan
East Asia	Mongolia	Mongolia	Mongolia PRC	Mongolia PRC
Pacific	Kiribati Papua New Guinea	Kiribati Papua New Guinea	Fiji Papua New Guinea	
South Asia			Bangladesh India Maldives Nepal	Bangladesh Nepal
Southeast Asia	Cambodia Indonesia Lao PDR Philippines	Cambodia Lao PDR	Cambodia Indonesia Lao PDR Philippines <sup>b</sup> Viet Nam	Cambodia Indonesia Lao PDR Philippines Viet Nam
<b>Total</b>	<b>8</b>	<b>6</b>	<b>18</b>	<b>11</b>

CPR = country portfolio review, CPS = country partnership strategy, DMC = developing member country, Lao PDR = Lao People's Democratic Republic, PRC = People's Republic of China.

<sup>a</sup> Refers to quarterly portfolio review mission conducted in lieu of high-level CPR missions.

<sup>b</sup> Refers to country portfolio performance review.

Sources: Asian Development Bank Central Operations Services Office, regional departments, resident missions, and Strategy and Policy Department.

# Appendix 16

## Human Resources

**Table A16.1: Budgeted Staff Complement in Operations Departments, 2004–2010**

Year	No. of IS and NS in Operations <sup>a</sup>	Total No. of IS and NS in ADB <sup>b</sup>	% of IS and NS in Operations
2004	635	1,222	52
2005	675	1,290	52
2006	687	1,308	53
2007	710	1,341	53
2008	732	1,378	53
2009	748	1,418	53
2010	846	1,540	55

ADB = Asian Development Bank, IS = international staff, No. = number, NS = national staff.

<sup>a</sup> Refers to ADB's five regional departments and the Private Sector Operations Department.

<sup>b</sup> Excluding directors' advisors and staff in ADB's Independent Evaluation Department and Office of the Compliance Review Panel, and young professionals.

Source: ADB Budget Personnel, and Management Systems Department.

**Table A16.2: Budgeted Staff Complement in Resident Missions, 2004–2010**

Year	No. of IS and NS in Resident Missions <sup>a</sup>	No. of IS and NS in Regional Departments	% of IS and NS in Resident Missions
2004	241	599	40
2005	267	635	42
2006	280	635	44
2007	293	659	44
2008	314	680	46
2009	327	694	47
2010	368	762	48

IS = international staff, No. = number, NS = national staff.

<sup>a</sup> Including staff posted from headquarters in resident missions.

Source: Asian Development Bank Budget, Personnel, and Management Systems Department.

Table A16.3: Gender Distribution among International Staff, 2008–2010

Item	2008		2009		2010	
	No.	%	No.	%	No.	%
Entry levels (levels 1–4)						
Female	112	31	112	29	135	33
Male	245	69	270	71	271	67
Pipeline levels (levels 5–6)						
Female	111	29	117	31	123	30
Male	269	71	258	69	292	70
Senior levels (levels 7–10)						
Female	25	18	29	17	40	20
Male	112	82	141	83	163	80
<b>Total ADB International Staff<sup>a</sup></b>						
<b>Female</b>	<b>248</b>	<b>28</b>	<b>258</b>	<b>28</b>	<b>298</b>	<b>29</b>
<b>Male</b>	<b>626</b>	<b>72</b>	<b>669</b>	<b>72</b>	<b>726</b>	<b>71</b>

ADB = Asian Development Bank, No. = number.

<sup>a</sup> Including staff on special leave without pay.

Source: ADB Budget Personnel, and Management Systems Department.

# Appendix 17

## Business Processes and Practices

**Table A17.1: Processing Time for Sovereign Operations in 2006–2010**  
(months from fact-finding to effectiveness)

Year	Asian Development Bank			Asian Development Fund		
	Projects	Programs	Total	Projects	Programs	Total
2006	29	21	28	28	24	28
2007	29	19	27	28	23	27
2008	24	12	21	21	11	19
2009	22	9	19	17	9	15
2010	17	15	16	15	17	16

Note: Processing time refers to the average time from loan or project preparatory technical assistance fact-finding to effectiveness. This excludes multitranche financing facility tranches not processed with the facility. Supplementary loan approvals are computed from loan fact-finding to effectiveness.

Source: Asian Development Bank Central Operations Services Office.

**Table A17.2: Processing Time for Sovereign Operations in 2010 by Country Grouping**  
(months from fact-finding to effectiveness)

Item	ADB Countries	OCR-Only Countries	Blend Countries	ADF-Only Countries	FCAS Countries <sup>a</sup>
Projects	17	20	18	11	11
Programs	15	20	13	17	15
<b>All Sovereign Operations</b>	<b>16</b>	<b>20</b>	<b>16</b>	<b>13</b>	<b>11</b>

ADB = Asian Development Bank, ADF = Asian Development Fund, FCAS = fragile and conflict-affected situations, OCR = ordinary capital resources.

<sup>a</sup> Classification of countries in FCAS is based on the country performance assessment ratings during the baseline year (2006). See Appendix 2 for country groupings.

Sources: ADB Central Operations Services Office and Strategy and Policy Department.

**Table A17.3: Sovereign Projects Administered by Resident Missions in 2010 (%)**

Item	ADB Countries	OCR-Only Countries	Blend Countries	ADF-Only Countries	FCAS Countries <sup>a</sup>
Administration of sovereign operations	41	37	46	37	41

ADB = Asian Development Bank, ADF = Asian Development Fund, FCAS = fragile and conflict-affected situations, OCR = ordinary capital resources.

<sup>a</sup> Classification of countries in FCAS is based on the country performance assessment ratings during the baseline year (2006). See Appendix 2 for country groupings.

Source: ADB Strategy and Policy Department.



## Development Effectiveness Review 2010 Report


Development Effectiveness Review is the annual corporate performance report of the Asian Development Bank (ADB). It assesses progress in implementing ADB's long-term strategic framework 2008–2020 (Strategy 2020) using the performance indicators, baselines, and targets in the ADB results framework. It analyzes performance trends, identifies strengths and weaknesses, and defines corrective actions needed.

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