

ADB

Development **Effectiveness** review 2009

REPORT



Asian Development Bank

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review
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6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444
www.adb.org

For orders, please contact:
Department of External Relations
Fax +63 2 636 2648
adbpub@adb.org

Contents

Abbreviations	v
Executive Summary	1
Introduction	4
Level 1: Asia and the Pacific Development Outcomes	5
Poverty and Human Development Outcomes	6
Other Development Outcomes	8
ADB Responding to the Crisis	10
Level 2: ADB's Core Sector Outputs and Their Contribution to Development Outcomes	11
ADB's Core Sector Outputs	11
ADB's Contribution to Development Outcomes	15
Level 3: Operational Effectiveness	26
Has the Quality of ADB's Operations Improved?	26
How Successful is ADB in Mobilizing Development Finance?	30
Is ADB Improving Its Strategic Focus and Selectivity?	32
Is ADB Managing Knowledge Better?	35
Is ADB Forming Better Partnerships?	37
Level 4: Organizational Effectiveness	39
Is ADB Aligning Its Human Resources to Increase Operational Effectiveness?	39
Is ADB's Budget Adequate to Support Operational Effectiveness?	41
Are ADB's Business Processes and Practices More Efficient?	42
Is ADB Managing Itself With More Focus on Development Results?	44
Actions	47
Conclusion	49

APPENDIXES

51

1: ADB 2009 Performance Scorecard	53
2: List of ADB Developing Member Countries	61
3: Changes to ADB Results Framework Data	62
4: Asia and the Pacific Development Outcomes	67
5: ADB Sector Outputs	70
6: Outcomes of Operations Completed in 2008 and 2009	77
7: Sovereign Projects at and after Completion	82
8: Project Quality At Implementation	86
9: Disbursements in Sovereign Operations	87
10: Cofinancing	88
11: Strategic Focus in Operations	89
12: Sovereign Technical Assistance Rating at Completion	92
13: Partnerships	94
14: Human Resources	99
15: Business Processes and Practices in Sovereign Operations	101
16: Progress on Sector Outputs Measurement	102

SUPPLEMENTARY APPENDIXES (available on request)

Supplementary Appendix A: List of 2009 Technical Assistance Completion Reports Reviewed

Supplementary Appendix B: Review of Core Sector Outcomes and Thematic Results Reported in 2009 Project and Program Completion Reports

Supplementary Appendix C: A Review of 2008 and 2009 Program Completion Reports

Abbreviations

ADB	– Asian Development Bank
ADF	– Asian Development Fund
ASEAN	– Association of Southeast Asian Nations
BPMSD	– Budget, Personnel and Management Systems Department
CAPE	– country assistance program evaluation
CAREC	– Central Asia Regional Economic Cooperation
CO ₂	– carbon dioxide
CoP	– community of practice
CPS	– country partnership strategy
CSF	– Countercyclical Support Facility
CSO	– civil society organization
DEfR	– development effectiveness review
DMC	– developing member country
DMF	– design and monitoring framework
DVA	– direct value-added
GAP	– gender action plan
GDP	– gross domestic product
GHG	– greenhouse gas
IAE	– internal administrative expense
IED	– Independent Evaluation Department
MAKE	– Most Admired Knowledge Enterprise
MDG	– Millennium Development Goal
MfDR	– managing for development results
NGO	– nongovernment organization
OCO	– Office of Cofinancing Operations
OCR	– ordinary capital resources
PBA	– program-based approach
PCR	– project completion report
PPER	– project performance evaluation report
PPR	– project performance report
PRC	– People’s Republic of China
PVR	– project completion report validation report
RRP	– report and recommendation of the President
SME	– small and medium-sized enterprise
SPD	– Strategy and Policy Department
TCR	– technical assistance completion report
UNESCAP	– United Nations Economic and Social Commission for Asia and the Pacific
XARR	– extended annual review report

WEIGHTS AND MEASURES

km	–	kilometer
m ³	–	cubic meter
MtCO ₂	–	million tons of carbon dioxide
MW	–	megawatt
tCO ₂ -equiv/yr	–	tons of CO ₂ equivalent avoided per year

Executive Summary

The Asian Development Bank (ADB) has completed its third annual corporate performance assessment and produced the 2009 *Development Effectiveness Review (DEfR)* report. The DEfR evaluates ADB's performance using its results framework, assesses progress in achieving the goals of its long-term strategic framework 2008–2020 (Strategy 2020), and highlights performance trends and needed actions.

The DEfR reviews progress in Asia and the Pacific toward key development objectives

(level 1). Within this context, it assesses ADB's performance in delivering core sector outputs and their contribution to development outcomes (level 2), and in improving operational and organizational effectiveness (levels 3 and 4). The review rates ADB performance using a scorecard reflecting progress against baselines and targets in the results framework. Covering three review periods after the baseline year, the 2009 *DEfR* identified performance trends with more certainty. It introduced analysis of data for ADB developing member countries

Summary Performance Scorecard 2009

	ADB	ADF
Asia and the Pacific Development Outcomes (Level 1)		
Poverty and Human Development Outcomes	A	A
Other Development Outcomes	G	G
Performance Indicators		
Core Sector Outputs and Their Contribution to Development Outcomes (Level 2)		
Core Sector Outputs	G	G
Contribution to Development Outcomes	A	G
Operational Effectiveness (Level 3)		
Operational Quality and Portfolio Performance	G	G
Finance Mobilization	G	A
Strategic Focus in Operations	G	G
Gender Mainstreaming	R	R
Knowledge Management	A	A
Partnerships	G	G
Organizational Effectiveness (Level 4)		
Human Resources	R	R
Budget Adequacy	R	R
Business Processes and Practices	G	G

ⓐ Made progress: more than half of the indicators in the group have shown improvements over baselines or previous periods.

ⓐ Progress beginning to stall or regress: results are mixed with equal numbers of indicators improving and beginning to stall or regress.

ⓐ Progress stalled or regressed: more than half of indicators in the group stalling or regressing over two or more previous review periods.

Note: Scores of the "poverty and human development outcome" indicator category consider both progress and attainability of the Millennium Development Goal targets of 2015.

that only have access to the Asian Development Fund (ADF).

Overall, the review found that ADB continued to make satisfactory progress toward achieving many of its levels 2 and 3 targets, while noting further deterioration of the level 4 indicators. At the same time, the *2009 DEfR* highlighted emerging downward trends in project quality indicators—the success rates of completed investment and technical assistance operations. This underscores the urgency to increase attention to operational quality and ensure that adequate staff resources are allocated for this purpose. The Summary Performance Scorecard presents ADB's progress in 2009.

At **level 1**, given the limited availability of current annual data on poverty, the *2009 DEfR* was able to assess only development outcomes before the global economic crisis. While some progress was seen in income poverty reduction, the performance in the majority of non-income poverty indicators was insufficient. As a result, they are unlikely to meet the Millennium Development Goal targets in 2015. The review highlighted the severe development lag in ADF-only countries. Progress on the other outcome indicators—growth, regional cooperation and integration, basic infrastructure, and governance—was satisfactory.

At **level 2**, ADB is broadly on track to achieve its 2009–2012 output targets laid out in the results framework for the following core sectors: infrastructure (energy, transport, and water); education; and finance. A review of project completion reports issued in 2009 confirmed that three-quarters of ADB's recently completed core sector operations fully achieved their intended outcomes. Operations supporting infrastructure performed best, followed by education, and then finance. Priority themes—such as environment, capacity development, good governance, and private sector development—showed better results than were recorded in the *2008 DEfR*, with the exception of gender equity. However, despite the overall progress at level 2, there is a need to intensify efforts. A quarter of projects reviewed in 2009 fell short of fully achieving their

objectives, suffering from inadequate design, poor implementation, and weak policy and regulatory environments.

ADB continued to make satisfactory progress toward achieving many of its operational effectiveness targets (**level 3**). ADB's operational quality and portfolio performance generally improved, and stakeholder perceptions of ADB's effectiveness in reducing poverty were more positive. The number of projects at risk—captured through ADB's project performance report system—declined further. The *2009 DEfR* noted, however, the need to increase reliability of the project performance report system. The success rate of completed investment operations (loans and ADF grants) declined to 67% from the already low level of 69% in 2008. This was partly because of the realignment and closure of slow-moving projects in ADB's investment portfolio in Pakistan. However, even excluding Pakistan projects, the success rate would have remained stagnant (at 72%)—well short of the 2012 target of 80%: this underscores the urgency to strengthen project design and supervision.

ADB continued to perform satisfactorily in mobilizing finance for its developing member countries. It disbursed funds rapidly for sovereign operations and made notable improvement in cofinancing operations. However, in ordinary capital resources cofinancing, the review noted that the considerable increase was because of very significant cofinancing for one project. For ADF operations, cofinancing continued to decline. Slower disbursement for nonsovereign operations than the previous years is also a concern.

ADB's new investment operations focused on its Strategy 2020 priorities, with more than 80% in its core areas of operations: education, environment, finance sector development, infrastructure, and regional cooperation and integration. New operations supporting the environment, and regional cooperation and integration rose notably. However, support for education remained low in 2009. The 3-year average for ADB's support for gender



mainstreaming in new operations remained off-track, although the annual trend continued upward for the second year in a row.

ADB's performance in knowledge management was mixed. An independent survey found that staff perceived knowledge management at ADB more positively. However, the success rate of ADB's completed technical assistance projects fell sharply in 2009. On partnerships, ADB expanded its work with other development partners. Partly because of the large number of crisis-related operations in 2009, fewer new projects reported collaboration with civil society organizations.

ADB's organizational effectiveness (**level 4**) was shown to be off-track in 2009. ADB's efforts to increase staff resources for operations remained insufficient, and gender balance at ADB continued to stagnate. All indicators for budget adequacy fell, although more slowly than in previous review periods. One area showing notable progress was ADB's client responsiveness. For a third consecutive year, ADB delivered services to its developing member countries more efficiently by processing projects faster and reducing project start-up delays.

Management has taken numerous actions over 2009 to respond to the performance issues identified in the earlier *DEfRs*, such as approving a much higher budget for 2010 and streamlined business processes. ADB Management scrutinized the findings of the *2009 DEfR* and, in response to the highlighted issues, has initiated further measures to improve performance. Regional departments will act on the persistently low success ratings of completed operations detailed in this year's review. The Private Sector Operations Department and regional departments will

ensure timely disbursements of nonsovereign operations. Management will

- expedite the use of improved project performance reporting systems to make them more reliable management tools;
- introduce a pilot results delivery scheme linking ordinary capital resources allocation to performance in cofinancing, education, and gender mainstreaming in operations;
- intensify efforts to improve ADB's gender balance by strengthening recruitment and retention strategies for female professional staff;
- increase ADB's staff resources significantly in line with its new human resources strategy; and
- strengthen monitoring of budget adequacy to mitigate the risk of operations quality declining.

ADB has further mainstreamed the DEfR process as a corporate management tool. Using the scorecard, the review process helps Management assess performance, discuss issues, and identify steps for improvement in a proactive and timely manner. The DEfR findings drive ADB's corporate planning and budget process, and guide Management in steering ADB toward its Strategy 2020 goals.

After 3 years of implementation, the DEfR process has generated valuable assessments, but has also identified areas where data is incomplete and the methodologies to analyze performance less robust. Learning from its experience, Management will consider further refinements to the results framework and submit recommendations for improvement to ADB's Board of Directors in 2010.

Introduction

The *2009 Development Effectiveness Review (DEfR)* is the third corporate performance report of the Asian Development Bank (ADB). It assesses ADB's progress during 2009 in implementing Strategy 2020,¹ using the results framework adopted in 2008 (Figure 1).² Covering three review periods after the baseline year, the *2009 DEfR* highlights performance trends with more certainty.

Since 2007, ADB has increasingly mainstreamed the DEfR process into Management's decision-making practices. The review rates ADB performance using a scorecard reflecting progress against baselines and targets in the results framework.³ This offers ADB Management a basis for proactively determining actions to improve ADB's effectiveness in assisting its developing member countries (DMCs). The comprehensive ADB performance scorecard is presented in Appendix 1.

The *2009 DEfR* assesses performance of (i) ADB as a whole, and (ii) the Asian Development Fund (ADF), as required in the results framework.⁴



This year's review presents additional assessment of ADF-only countries—a group of DMCs with access only to ADF—to examine progress in the poorer DMCs.⁵ The *2009 DEfR* also made minor adjustments to data collection methods, which are explained in Appendix 3.

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

² ADB. 2008. *ADB Results Framework*. Manila (R-166-08). ADB's Board of Directors approved the framework on 8 September 2008. The results framework indicator definitions are available at www.adb.org/Documents/Policies/ADB-Results-Framework/Results-Framework-Indicators.pdf

³ In rating individual indicators, the scorecard assigns (i) *green* where progress is made over the previous periods or where the indicator meets or exceeds its target; (ii) *amber* where progress has stalled or regressed for the first time; and (iii) *red* where progress has stalled or regressed over two or more previous review periods. In rating indicator categories for the scorecard summary, the scorecard uses as a basic rule (a) *green* where more than half of the individual indicators in one category are green; (b) *amber* where results are mixed with equal numbers of indicators that are green and non-green; and (c) *red* where more than half of the indicators are rated red. For the Millennium Development Goal indicators in Level 1, the scorecard also considers their likelihood of achieving targets by 2015.

⁴ The assessment on ADB generally covers (i) for Level 1, progress in all ADB's DMCs; and (ii) for Levels 2–4, ADB operations funded by ordinary capital resources (OCR) and ADF. The assessment on 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 2–4, ADF-funded operations. The lists of DMCs by country categories are in Appendix 2. Progress assessments generally exclude operations financed from ADB's Countercyclical Support Facility (CSF), established in 2009 to assist DMCs respond to the global economic crisis, since these operations were outside of ADB's regular operations.

⁵ ADF-only country lists are based on country classification during the eight replenishment of ADF (2005–2008).

Level 1: Asia and the Pacific Development Outcomes

Monitoring the development progress and emerging issues in Asia and the Pacific is essential for ADB to ensure the relevance of its operational strategy. This section examines the region's performance in achieving objectives in poverty reduction and human development, and progress on other regional outcomes (growth, regional cooperation and integration, basic infrastructure, governance, and the environment). Given the limited availability of current annual data on poverty, the review assesses only the region's performance before the recent global economic crisis.

In scoring performance, green indicators show improvement against the baseline and past years' performance, amber indicators show where progress has stalled against the baseline values, and red indicators show where progress has regressed. For the Millennium Development Goals (MDGs), the assessment also focuses on the likelihood of achieving the declared targets by 2015 (Appendix 4).⁶ Therefore, even if an MDG indicator scores green for progress but is not expected to meet its target, the score is downgraded to amber.

Impact of the Crisis

The global economic crisis slowed growth significantly in 2008 and 2009 compared with 2007 levels. While economic recovery is under way, ADB estimates that 71 million people in Asia and the Pacific—who could have escaped

poverty had growth rates stayed at 2007 levels—continued living on less than \$2 a day in 2009; 54 million of them continued living on less than \$1.25 a day.⁷

ADB estimates that the impact on several non-income MDGs is likely to be severe, particularly nutrition and health indicators.⁸ In 2010, according to ADB estimates, there will be an additional 45,000 deaths of infants; 48,000 deaths of children under 5 years old; and 2,000 deaths of mothers during childbirth. Further, 137,000 fewer children will enroll in primary education. A cumulative increase of 5.4 million undernourished people by 2010 is also feared. The global economic crisis has highlighted the need to significantly strengthen support for social protection in the region. While the large stimulus packages introduced in response to the crisis have provided fiscal space to reduce the immediate social impacts, social spending comprised only a small share of those packages. Only about 31% of the region's population is covered by some form of social protection.⁹

Pre-crisis data (the latest available) suggest no significant change in the region's general performance trends. Income poverty declined and other development outcomes were achieved, yet challenges persisted in reducing non-income poverty. The *2009 DEF* confirmed the weaker performance of ADF-only countries compared with the overall performance of the

⁶ Detailed definitions of the results framework indicators, including the methods for forecasting, regional aggregation, and other assumptions used for Level 1 data, are discussed in ADB. 2009. *ADB Results Framework Indicators Definition*. Manila. www.adb.org/Documents/Policies/ADB-Results-Framework/Results-Framework-Indicators.pdf

⁷ The ADB Economics and Research Department prepared these poverty estimates. Estimates by other agencies employing different estimation methods vary, but still indicate a severe impact. The World Bank, for example, estimates an additional 35 million were trapped in poverty in Asia in 2009.

⁸ ADB estimates for non-income MDGs were derived using United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) data.

⁹ The ADB–United Nations Development Programme (UNDP)–UNESCAP publication, *Achieving the Millennium Development Goals in an Era of Global Uncertainty*. Asia–Pacific Regional Report 2009/10. Bangkok.

region, and clearly illustrated the development lag faced by poorer countries in the region.

► **Poverty and Human Development Outcomes: ADB , ADF**

In terms of major poverty and human development outcomes, trends in Asia and the Pacific changed little in 2009. As in ADB's 2008 *DEFr*, figures reflected inconsistent progress across the indicators: while improvement was seen on several fronts, including income poverty, progress in other areas was insufficient to ensure that the region will meet the MDG targets in 2015. As a result, the region's progress on the MDGs is considered mixed and rated amber. Country outcome data was updated using the latest available information—for both the review period and earlier years—yet still reflect only conditions before the 2008 global economic crisis. Forecasting methodologies were further refined (Appendix 3). However, the availability of social data continued to be significantly delayed. Regional efforts are being stepped up to solve this problem, but will take time to yield results.¹⁰

Income Poverty: ADB , ADF

Based on pre-crisis trends, income poverty indicators in the Asia and the Pacific improved and ADB DMCs as a whole are likely to reach the 2015 target (Table 1).¹¹ The latest available data (2006) estimated the proportion of people living below the \$1.25 a day poverty line at 27.6%, only 0.5 percentage points short of the target. Yet individually, more than half of ADB DMCs—for which data are available—are unlikely to reach their target.¹² Almost 65% of ADF countries are unlikely to achieve

the target. The situation is most concerning in the less-developed ADF-only countries with available data, where the average incidence of poverty was as high as 40.8%; as a group, they are not expected to reach the 2015 poverty incidence target of 29.6%.¹³ Of the six countries in this group, only one is likely, based on pre-crisis trends, to achieve the target for this indicator.

Human Development: ADB , ADF

Non-income poverty data remained mixed, with no major changes from the 2008 review period (Table 1). Indicators monitored by ADB showed the following:

- **Quality of primary education.** Although the region's performance in primary school enrollment improved slightly, large numbers of children were still not completing primary education. Current trends indicate that none of the country groups are likely to meet the target. The primary education completion rate improved slightly for ADB overall and ADF countries, but slipped for ADF-only countries, where about 30% of children did not complete primary education.
- **Gender equality.** Gender equality in education continued to improve for the region as a whole, with gender balance likely to be achieved by 2015 at all levels of education. ADF countries lagged slightly behind the region's average for primary and secondary education, and more substantially at the tertiary level. However, progress in ADF-only countries was insufficient and they remained significantly behind the region's average, particularly at the secondary and

¹⁰ In 2004, a regional partnership was formed by ADB, UNESCAP, and UNDP to support the achievement of the MDGs in Asia and the Pacific. For 2010–2012, the partnership will focus on increasing and improving the availability of MDG statistical data, and strengthening the capacity of national statistical systems to produce these national data.

¹¹ ADB countries are listed in Appendix 2.

¹² Projections were estimated based on data used in preparing the ADB-UNDP-UNESCAP publication on MDGs (footnote 9).

¹³ These countries are Afghanistan, Bhutan, Cambodia, Kiribati, the Kyrgyz Republic, the Lao People's Democratic Republic, the Maldives, Mongolia, Nepal, Samoa, Solomon Islands, Tajikistan, Timor-Leste, Tonga, Tuvalu, and Vanuatu. Estimates and targets are based, however, on information available for only six of these countries.

Table 1: 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 2007	Target 2015	2005	Latest 2007	Target 2015	2005	Latest 2007	Target 2015
Population living on less than \$1.25 (PPP) per day (%)	27.7	27.6 ^a	27.1	33.8	33.3 ^a	29.7	42.2	40.8 ^a	29.6
Primary education completion rate, both sexes (%)	88.7	88.9	100.0	78.3	79.0	100	70.1	69.8	100
Ratio of girls to boys in:									
Primary education	0.96	0.97	1.00	0.91	0.93	1.00	0.82	0.85	1.00
Secondary education	0.92	0.94	1.00	0.92	0.92	1.00	0.71	0.75	1.00
Tertiary education	0.81	0.88	1.00	0.70	0.76	1.00	0.49	0.51	1.00
Women in nonagricultural wage employment (%)	30.0	30.5	increase	26.5	26.4	increase	28.3	28.2	increase
Under-5 child mortality (per 1,000 live births)	60.0	55.9	30.1	74.1	70.2	39.0	147.3	145.6	55.0
Women (aged 15 and above) living with HIV (number, million)	1.58 ^b	1.69	Halt or reverse	0.11 ^b	0.23	Halt or reverse	0.04 ^b	0.04	Halt or reverse
Population with sustainable access to improved water source (%)									
Urban	95.3	95.5 ^a	96.7	90.1	90.1 ^a	95.3	74.8	75.2 ^a	86.7
Rural	80.8	82.3 ^a	80.7	75.9	76.8 ^a	82.1	56.6	58.1 ^a	70.0
Population with sustainable access to improved sanitation (%)									
Urban	68.6	69.2 ^a	80.0	72.5	72.6 ^a	85.9	61.3	62.0 ^a	78.5
Rural	41.2	41.7 ^a	64.2	41.6	42.4 ^a	64.8	32.2	33.0 ^a	60.7

PPP = purchasing power parity.

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

^a 2006 data.

^b 2001 data is used for the baseline.

Sources: Regional aggregates are estimated by the United Nations Economic and Social Commission for Asia and the Pacific Statistics Division by using a weighted average of actual country values, or imputed country values wherever data are missing for the year required. The reference population is obtained from United Nations. 2007. *World Population Prospects: The 2008 Revision*. HIV indicator data are from the Joint United Nations Programme on HIV/AIDS. 2008. *2008 Report on the Global AIDS Epidemic*. Geneva.

tertiary levels. Women's participation in nonagricultural wage employment did not show any notable improvement in any of the three country groups.

- **Access to health.** The region continued to underperform on health-related indicators. Progress in reducing child mortality remained slow, and the target is unlikely to be met. The state of primary health care in ADF and ADF-only countries was comparatively worse than the regional average. In ADF-only countries, for example, under-5 child mortality was almost three times higher than the regional average. While the number of women living with HIV in ADF-only countries remained the same as the baseline *2008 DEfR*, the figure more than doubled (109%) in ADF countries, highlighting the rapidly worsening situation in these countries.
- **Access to clean water and improved sanitation.** The general trend for this indicator was unchanged from the *2008 DEfR*: the region's overall progress was satisfactory in providing access to clean water for rural populations, but not in urban areas where the speed of urbanization is affecting the quality of urban services. Progress in providing access to sanitation was slow in both rural and urban areas, with ADF-only countries again performing notably worse than the regional average. This indicator is unlikely to meet its 2015 target. In ADF-only countries, 42% of rural and 25% of urban residents remained without access to clean water, and 67% of rural and 38% of urban population without improved sanitation.

► **Other Development Outcomes:**
ADB , **ADF** 

Indicators of other development outcomes reflected general improvement, although progress is not uniform (Table 2). Indicators on growth, access to basic infrastructure, and governance made satisfactory progress, while the intraregional trade indicator fell slightly. The

indicator on the environment (carbon dioxide emission) and the indicator on access to roads were not assessed as no updates were available. With six out of the seven indicators assessed going up, this indicator category is rated green.

Per Capita Gross Domestic Product:
ADB , **ADF** 

Growth in the region continued through 2008, even when the economy started to slow considerably and grew only 0.8% in that year. Compared to the 2007 levels, per capita gross domestic product (GDP) for ADB countries as a group expanded in 2008 by 7.5%, for ADF countries by 4.6%, and for ADF-only countries by 3.8%. Growth was bolstered by the strong performance of the People's Republic of China (PRC) (8.4%) and India (5.7%) over the baseline. The sharp difference in development between the country groupings was reflected in their comparative per capita GDPs: ADF countries were more than one-third below the regional average, and ADF-only countries were more than two-thirds below that average.

Regional Cooperation and Integration:
ADB , **ADF** 

The region's index of trade integration declined slightly between 2005–2008 for ADB and ADF countries, although the absolute volume of trade with countries in the Asia and the Pacific increased for both groups. Intraregional trade figures for ADF-only countries remained stable. The overall figure of 48% for ADB countries places Asia and the Pacific above Latin America and the Caribbean (20%) and sub-Saharan Africa (10%), but still below the 15 European Union member nations (57%).

Access to Basic Infrastructure:
ADB , **ADF** 

Access to telecommunications expanded quickly in the region, primarily because of the spread of mobile telephone networks. Despite the global economic crisis, fixed line and mobile telephone subscribers in ADB countries grew 38% over the baseline (from 2006–2008). Telecommunications expanded far more rapidly in the less-developed ADF (95%) and ADF-only (88%) countries during the same period. Rates of household electrification also expanded at 8 percentage points for the region overall,

Table 2: Growth, Regional Cooperation and Integration, 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
Gross domestic product per capita								
Gross domestic product per capita (at constant 2000 prices, \$)	2006	1,097	678	336	2008	1,290	750	372
Regional cooperation and integration								
Intraregional trade in total Asia and the Pacific trade (%)	2005	51	58	60	2008	48	56	60
Access to basic infrastructure								
Access to telecommunications: fixed lines and mobile telephone subscribers (per 1,000 inhabitants)	2006	398	274	144	2008	549	533	271
Access of rural population to an all-season road (%)	2003	76	68
Household electrification rate (%)	2002	69	47	19	2008	77	58	32
Governance								
Cost to start business (% of gross national income per capita)	2006	42	49	56	2009	25	27	29
Time to start business (days)	2006	43	45	50	2009	33	34	37
Governance and public sector management assessment from country performance assessments	2006		3.3	3.3	2009		3.4	3.3
Environment								
Carbon dioxide emissions (metric tons per capita)	2005	2.5	1.2	0.4		No update		

... = data not available, ADB = Asian Development Bank, ADF = Asian Development Fund.

Notes: ADB countries include all of ADB's developing member countries (DMCs). ADF countries is a subset of ADB's DMCs that have access to the ADF (including blend countries with access to both ordinary capital resources and the ADF). ADF-only countries is a subset of ADB's DMCs that have access only to ADF. ADB, ADF, and ADF-only country lists are based on country classification during ADF IX (Appendix 2).

Sources: The World Bank. *World Development Indicators* database for gross domestic product (GDP) per capita, access to telecommunications, and carbon dioxide emissions; The World Bank Group. *Doing Business 2010: Reforming through Difficult Times*. Washington, DC, for cost and time to start business; ADB's Office of Regional Economic Integration for intraregional trade data; Organisation for Economic Co-operation and Development, and International Energy Agency. *World Energy Outlook 2009*. Paris, for electrification; ADB *Country Performance Assessment Ratings 2009* for governance. For unavailable data, GDP per capita was computed from ADB's *Asian Development Outlook* worksheets.

and more rapidly for ADF (11 percentage points) and ADF-only countries (13 percentage points). The overall levels of access to basic infrastructure remain comparatively low in ADF and particularly ADF-only countries against the regional average.

Governance: ADB , ADF

The region continued to improve its enabling environment for business—both the average cost and time taken to start a business dropped

appreciably compared to baselines (Table 2). In 2009, the cost to start a business in Asia and the Pacific was 25% of gross national income per capita, far outperforming Latin America and the Caribbean (37%) and sub-Saharan Africa (100%). Similarly, the average time to start a business is far less at 33 days in the region than the 62 days for Latin America and the Caribbean and 46 days for sub-Saharan Africa. However, the current averages in Asia and the Pacific are still high and represent strong

disincentives to conducting business. ADB's annual country performance assessments for 28 ADF countries in 2007, 2008, and 2009 confirmed this trend: although changes were marginal, six countries improved compared to the 2008 *DEfR* in the indicator rating for "business regulatory environment," and only two regressed. According to the overall governance rating, based on the assessment of public sector management and institutions indicator, ADF countries showed a small improvement, but the ADF-only group was unchanged.

Environment: No Update

No update is available on carbon dioxide emission levels beyond those reported in the 2008 *DEfR*. The latest year for which data is available remains 2005, when the regional average reached 2.54 metric tons per capita—comparable to Latin America and the Caribbean levels (2.49 metric tons per capita) in the same year, but below the global average of 4.53 metric tons per capita. ADB country performance assessments in 2007 and 2009 show that 15 ADF countries had improved their policies and institutions for environmental sustainability, while eight regressed in this area. The remaining five countries had not changed.

► ADB Responding to the Crisis

To help minimize the adverse impact of the crisis on growth and MDG prospects, ADB promptly helped its DMCs respond to the crisis in 2009. It established a new, time-bound budget support instrument, the \$3 billion Countercyclical Support Facility (CSF), to assist DMCs eligible to borrow ordinary capital resources. In 2009, ADB approved CSF assistance to five countries for \$2.5 billion (Bangladesh, Indonesia, Kazakhstan, the Philippines, and Viet Nam), of which \$2 billion was disbursed. For ADF-only countries, ADB increased the ADF commitment authority by \$400 million to help mitigate the effects of the crisis. In addition, ADF countries were allowed to front-load up to 100% of their biennial allocation during 2009 to address the effects of the crisis. ADB also expanded its Trade Finance Facilitation Program from \$150 million to \$1 billion to cushion the impact of the global downturn on international trade. ADB will continue to monitor the impact of the crisis on the region's economies and their social implications, and respond to emerging challenges within Strategy 2020 priorities.

Level 2: ADB's Core Sector Outputs and Their Contribution to Development Outcomes

ADB's contributions to results in Asia and the Pacific are framed primarily by its country partnership strategies (CPSs) and delivered through projects, programs, and technical assistance (TA). In 2009, ADB introduced improved development effectiveness briefs—a country-level accountability report complementing the DEF— to better report on its contribution to country results.¹⁴ The section examines two aspects of ADB's operations: (i) status of achievement of the results framework core sector outputs targeted for 2009–2012; and (ii) contribution of recently completed operations to their intended sector outcomes. Progress on these two aspects determines the aggregate scores for level 2.

In addition, level 2 discusses general trends of core sector outputs already delivered through ADB's completed operations, as well as those programmed through newly approved operations. These trends are not rated, however, as the majority of these outputs belong to pre-Strategy 2020 operations. ADB's performance in promoting priority themes (gender equality, governance, capacity development, and private sector development)¹⁵ is likewise examined but not rated as no targets on thematic results performance have been set in the results framework.

► ADB's Core Sector Outputs: ADB , ADF

The 2009 DEF shows that ADB is generally on track to achieve the output targets set by the ADB results framework for 2009–2012, both for total ADB operations and ADF operations. As a result, the review rates performance in this area green for ADB and ADF.

Progress in Achieving Output Targets for 2009–2012: ADB

To assess ADB's performance in delivering the outputs committed in earlier years (output targets), the 2009 DEF compared the outputs programmed through projects approved in 2003–2006 to the actual outputs delivered or expected to be delivered in 2009–2012 from the same set of projects.¹⁶ Table 3 shows outputs delivered to the end of 2009 and expected to be delivered in 2010–2012 and after. To compute these, ADB aggregated the outputs achieved and reported in 2009 project completion reports (PCRs) and estimated the outputs to be delivered in 2010–2012 and beyond. Computation was based on available project information, including approved changes in scope and an update of the expected project completion dates.

¹⁴ ADB prepared two prototypes in 2009, and plans to prepare briefs for all DMCs. ADB. 2009. *Development Effectiveness Brief Bhutan*. Manila; ADB. 2009. *Development Effectiveness Brief Pakistan*. Manila.

¹⁵ These are viewed as thematic results areas, or intermediate outcomes, helpful in reaching a higher level sector outcome or a growth or poverty reduction impact.

¹⁶ The DEF process assumes that outputs programmed in 2003–2006 are expected to deliver after 5 years and are reported 1 year later, in 2009–2012.

Table 3: Progress in Achieving ADB Output Targets for 2009–2012 (Level 2)

Sectors and Core Sector Outputs	Output Targets Programmed in 2003–2006 ^a	Delivered (%) In or Before 2009	To Be Delivered (%)		Output Targets Delivered and Expected (%)
			2010–2012	after 2012	
Education					
Classrooms built or upgraded (number)	76,100	1	81	1	83
Teachers trained (number)	1,518,000	0	86	14	100
Students benefiting from school improvement programs or direct support (number)	22,515,000	0	99	0	99
Energy					
Installed energy generation capacity (MW equivalent)	13,200	77	26	0	103
Transmission lines installed or upgraded (km)	6,800	26	68	0	94
Distribution lines installed or upgraded (km)	150,200	96	4	0	100
New households connected to electricity (number)	447,500	25	96	10	131
Greenhouse gas emission reduction (tCO ₂ -equiv/yr)	11,747,000	3	100	0	103
Finance					
Microfinance accounts opened or end borrowers reached (number)	2,563,000	71	20	0	91
SME loan accounts opened or end borrowers reached (number)	213,900	111	99	1	211
Transport					
Expressways built or upgraded (km)	1,300	20	79	5	104
National highways, provincial, district, and rural roads built or upgraded (km)	48,000	38	63	3	104
Railways constructed and/or upgraded (km)	2,800	0	68	34	102
Beneficiaries from road projects (number)	222,164,000	7	86	5	98
Water					
Water supply pipe installed or upgraded/ length of network (km)	14,800	14	87	9	111
New households served with water supply (number)	4,823,000	29	57	3	90
Wastewater treatment capacity added (m ³ /day)	4,566,000	33	67	0	100
New households served with sanitation (number)	9,393,000	40	57	1	98
Land improved through irrigation services, drainage, and flood management (ha)	2,682,000	8	27	75	111
Average % of output delivery		32	67	8	107

ADB = Asian Development Bank, CO₂ = carbon dioxide, ha = hectare, km = kilometer, m³/day = cubic meters per day, MW = megawatt, SME = small and medium-sized enterprises, tCO₂-equiv/yr = tons of carbon dioxide equivalent avoided per year.

Notes: 1. Includes outputs delivered from sovereign and nonsovereign operations. For details on the indicator definitions, see www.adb.org/Documents/Policies/ADB-Results-Framework/Results-Framework-Indicators.pdf

2. Total percentage of output targets delivered and expected may not add up because of rounding.

^a ADB financed about 43% of the total cost of projects which programmed these outputs.

Sources: ADB Reports and recommendations of the President issued in 2003–2006 for programmed outputs, project completion reports, and staff estimates.



The figures show steady progress toward delivering the outputs programmed as reflected in the reports and recommendations of the President (RRPs). The average percentage of output targets delivered and expected is 7% higher than the original target reflected in the RRP. Overall, 32% of outputs were delivered in or before 2009, although almost no outputs were delivered as yet in education.¹⁷ ADB estimates that 67% of all outputs will be delivered between 2010 and 2012. About 8% of outputs are intended to be delivered after 2012. Some outputs significantly exceeded the targets, such as the number of small and medium enterprise (SME) loan accounts opened, and the number of household electricity connections.

When examining the 66 operations completed before the end of 2009, achievement levels are largely positive (Appendix 5, Table A5.1). Delivered outputs were higher than targeted in 13 out of the 18 indicators for which output targets were recorded in the RRP. Future DEFRs will continue to monitor the progress in achieving outputs programmed for 2009–2012.

Progress in Achieving Output Targets for 2009–2012: ADF ©

The progress for ADF operations is not very different from that of overall ADB operations, although a higher level of late delivery is expected (Table 4). The average percentage of output targets delivered and expected is 9% higher than the original target reflected in the RRP. For ADF operations completed before the end of 2009, the delivered outputs were higher than targeted in 14 out of the 16 indicators for which output targets were recorded (Appendix 5, Table A5.1).

Core sector outputs from ADB programs, equity investments, and guarantees. The outputs expected from budgetary support and program lending, which constituted 20%–40% of annual ADB lending in 2006–2009, could be substantial and ADB is considering developing

a methodology to capture these outputs. Box 1 explains a possible approach to measuring this type of output using the example of ADB's recent budgetary support in Central Asia.

Similarly, outputs from equity investment and guarantees could be significant, yet the ADB results framework does not track outputs from these operations as they are not easily identified or attributed (Box 2).

Trends in Outputs Delivered and Programmed (Appendix 5, Tables A5.2, and A5.3)

The ADB-supported projects delivering core sector outputs and reported in 2004–2009 (including the baseline period of 2004–2007) were approved mostly in the late-1990s to early-2000s—before the adoption of Strategy 2020. Compared to the baseline period (2004–2007), delivered outputs reported in 2006–2009 fell for 11 of the 19 indicators, predominantly in education and water. Delivered outputs in energy and transport have generally increased over the same periods. Assessment of outputs programmed shows that a substantial number of outputs programmed for 2012–2015 (10 of the 19 indicators) fell from the baseline values (2009–2012), particularly those in education and water sectors.

For ADF operations, delivered outputs and beneficiaries reported in 2006–2009 grew for 9 indicators but declined for 10, compared to the baseline period (2004–2007).¹⁸ All outputs in education, and most in energy and water dropped, while most outputs in finance and transport expanded. Trends are similar for programmed outputs, although outputs in finance fell and outputs in energy increased.

These findings are not unexpected. Approvals for new operations have grown in number and volume only since 2006; ADF amounts allocated to projects started to increase in 2007 and more significantly starting 2009 corresponding

¹⁷ This was a result of delays in many of the education projects that planned to deliver outputs in 2009.

¹⁸ Appendix 5, Table A5.4 presents figures for delivered outputs in additional indicators and sub-indicators.

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

Sectors and Core Sector Outputs	Output Targets Programmed in 2003–2006 ^a	Delivered (%) In or Before 2009	To Be Delivered (%)		Output Targets Delivered and Expected (%)
			2010–2012	after 2012	
Education					
Classrooms built or upgraded (number)	71,400	1	85	1	86
Teachers trained (number)	1,517,000	0	86	14	100
Students benefiting from school improvement programs or direct support (number)	20,385,000	0	99	0	100
Energy					
Installed energy generation capacity (MW equivalent)	8	94	88	0	181
Transmission lines installed or upgraded (km)	1,200	20	78	0	98
Distribution lines installed or upgraded (km)	3,800	99	39	0	138
New households connected to electricity (number)	152,500	20	87	30	137
Greenhouse gas emission reduction (tCO ₂ -equiv/yr)	1,200	0	100	0	100
Finance					
Microfinance accounts opened or end borrowers reached (number)	433,000	21	86	0	108
SME loan accounts opened or end borrowers reached (number)	202,000	10	105	1	116
Transport					
Expressways built or upgraded (km)	60	0	0	100	100
National highways, provincial, district, and rural roads built or upgraded (km)	18,700	24	91	7	122
Railways constructed and/or upgraded (km)	888	0	100	0	100
Beneficiaries from road projects (number)	97,449,000	7	84	11	102
Water					
Water supply pipe installed or upgraded/ length of network (km)	11,100	11	83	12	107
New households served with water supply (number)	1,292,600	35	39	13	87
Wastewater treatment capacity added (m ³ /day)	572,600	87	13	0	100
New households served with sanitation (number)	2,165,900	76	6	4	85
Land improved through irrigation services, drainage, and flood management (ha)	667,500	18	31	47	95
Average % of output delivery		28	68	13	109

ADF = Asian Development Fund, CO₂ = carbon dioxide, ha = hectare, km = kilometer, m³/day = cubic meters per day, MW = megawatt, SME = small and medium-sized enterprises, tCO₂-equiv/yr = tons of carbon dioxide equivalent avoided per year.

Notes: 1. Includes outputs delivered from sovereign and nonsovereign operations.

2. Total percentage of output targets delivered and expected may not add up because of rounding.

^a The ADF financed about 64% of the total cost of projects which programmed these outputs.

Sources: ADB Reports and recommendations of the President issued in 2003–2006 for programmed outputs, project completion reports, and staff estimates.

Box 1: Program and Crisis Recovery Lending, and Calculation of Education Sector Outputs

Based on sets of specific assumptions, the Asian Development Bank (ADB) is able to approximate the probable outputs of ADB budget support to developing member countries through program loans or crisis recovery programs. To calculate the likely effects on outputs in the education sector in countries—such as Georgia, Armenia, and Kazakhstan—that received budget support in 2009, the following assumptions are applied:

1. Government's allocation for education as a share of the national budget is estimated at 14% for Armenia and Georgia, 13% for Kazakhstan, 14% for Tajikistan, and 4% for Pakistan.
2. Unit cost of a 5-room school is \$76,665, i.e., one school room costs \$15,333 (latest cost estimates for Pakistan and Tajikistan; increased by 30% for Kazakhstan).
3. Unit cost for teacher training is \$500 (Tajikistan estimates).
4. Student scholarship costs \$50 per month or \$600 per year.
5. Budget support is allocated to the education sector in the same proportion as the national budget.
6. Of additional budget allocated to education, 20% is further allocated to capital expenditure: 60% is used for building and rehabilitation of classrooms, and the remainder is spent in equal share (20%) on two other categories (i.e., associated facilities and learning institutions).
7. Of the remaining 80% budget for education, 20% is used for teacher training and student stipends and scholarships. Of this, 75% is for teacher training, which is spent in equal measure between pre- and in-service teacher training. The rest is spent on student scholarships and stipends.

Given these assumptions, for a \$50 million growth recovery program loan to Georgia, the likely outputs would be 51 classrooms constructed and 800 teachers trained, benefiting 2,500 students. Other outputs can also be calculated in other sectors, such as transport, energy, water, and finance.

Source: ADB.

to the beginning of the ninth replenishment of the ADF (ADF X).

► ADB's Contribution to Development Outcomes: ADB , ADF

The 2009 *DEFr* continued to measure contributions to Strategy 2020's agendas— inclusive growth, environmentally sustainable growth, and regional integration—through ADB's core sector operations (infrastructure, education, and finance sector development). The analysis is based mainly on ADB's completed operations using PCRs and TA

completion reports (TCRs) issued in 2009.¹⁹ The *DEFr* also draws on special evaluation studies prepared in 2009 by the Independent Evaluation Department (IED).²⁰

The level of achievement for sector outcomes—as measured by the effectiveness ratings of the 2009 PCRs for ADB's core sector operations— was 75%, lower than for those reported in 2008 (79%).²¹ The achievement rate for ADF operations, on the other hand, improved slightly from 76% in 2008 to 77% in 2009. As a result, ADB's performance in achieving development outcomes is rated amber for ADB and green for ADF. The review also found that

¹⁹ TCRs reviewed and their ratings are in Supplementary Appendix A.

²⁰ Not all IED sector studies are referred to directly in the *DEFr*. IED issued 8 sector assistance program evaluations in 2009: 1 on education, 1 on energy, 2 on transport, 2 on water supply and sanitation, and 2 on agriculture and natural resources. See www.adb.org/Evaluation/reports.asp?s=1&type=11&p=evalsape

²¹ When a PCR rates a project or program as *effective* or *highly effective* in achieving its outcome, the sector specific outcome is counted as achieved.

Box 2: Highlights of Large Catalytic Effects of an Equity Investment on Infrastructure Outputs

Equity investment in the Asian Infrastructure Fund. In April 1994, Asian Development Bank approved an equity investment of \$20 million in the Asian Infrastructure Fund (AIF) whose target size was \$750 million. The fund was designed to mobilize long-term capital to help bridge the funding needs for infrastructure projects in Asia and the Pacific.

AIF invested \$684 million in 14 companies from the mid-1990s onward, covering eight countries in the region. The fund's portfolio included companies in the transport, telecommunications, and power sectors. Significant outputs of investments made under the fund are highlighted in the table below.

Investees and Outputs Delivered Under the Asian Infrastructure Fund

Pacific Ports Company (PRC)	CSX World Terminals (Hong Kong, China)	PT Marga Mandalasakti (Indonesia)	DeMat TransAsia Holdings (PRC)	GVK Power (India)	Meiya Power (PRC)
5 ports and berths; some ports increased efficiency from 12–15 to 22–25 moves per hour ^a	4 ports; 1 port improved operational efficiency from 25 lifts per hour to 41 lifts per hour, the world's highest	72 km of expressways	268 km of toll roads	235 MW of installed power generating capacity	3,227 MW of installed power generating capacity

km = kilometer, MW = megawatt, PRC = People's Republic of China.

^a The world standard for port operational efficiency is 25 moves per hour.

Source: ADB. 2009. Extended Annual Review Report. Manila. Restricted.

As of the end of 2008, AIF's financial internal rate of return was 46% higher than the benchmark established by Cambridge Associates for Asian Private Equity Funds established in 1993. AIF has 44 shareholders—23 from international developed markets, 14 from regional and developed markets, and 7 from bilateral and multilateral institutions.

Source: ADB.

ADB's priority themes showed better results than those recorded in the *2008 DEFIR*, with the exception of gender equity.

Inclusive Growth

Under Strategy 2020, ADB promotes inclusive growth in DMCs by focusing on two mutually reinforcing objectives: (i) rapid, sustainable growth to create and expand economic opportunities; and (ii) broader access to these opportunities to ensure that more people can participate in and benefit from growth. To achieve these objectives, ADB invests in its core sectors—infrastructure (energy, transport, and water), education, and finance—focusing

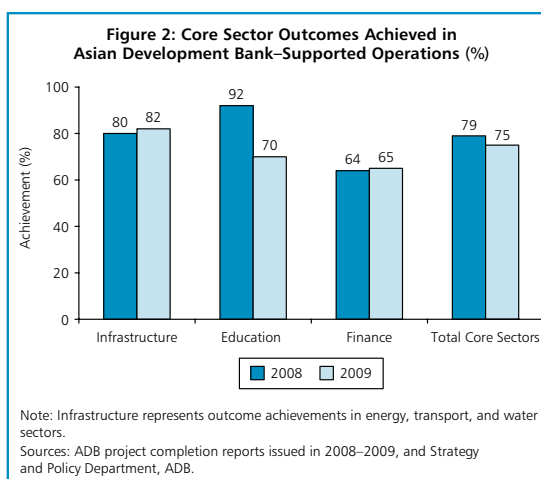
on its key drivers of change—private sector development and private sector operations, good governance and capacity development, gender equity, knowledge solutions, and partnerships (footnote 1).

Of the 63 completed projects and programs reviewed using PCRs issued in 2009, 47 supported outcomes in the core sectors (infrastructure, education, and finance). Seventeen percent of core sector operations received a *partly successful* rating, and 13% an *unsuccessful* rating. Most of the projects were approved in or around 2001 and were completed in 2007–2008. Supplementary Appendix B details the findings and methodology used. An analysis of geographical

focus of ADB's recent operations showed operations covering nationwide activities continue to dominate, while the proportion of rural projects (27%) is consistently larger than urban projects (13%) (Appendix 6, Table A6.1). Only 5% of completed operations reviewed in PCRs of 2006–2009 (12 of the 244) had a regional scope in core sectors.²²

Achievement of Sector Outcomes

Three-quarters of recently-completed operations reviewed achieved main sector outcomes, 4 percentage points lower than the success rates of operations reviewed in 2008 (Appendix 6, Table A6.2). As indicated in Figure 2, infrastructure operations performed strongest in 2009 in achieving main sector outcomes (82%), followed by education (70%), and finance (65%).²³ No major change in rating was seen for finance outcomes compared to 2008. Within infrastructure there was a decrease in the rate of achievement for energy and transport outcomes from their very high levels in 2008, but an encouraging increase in the achievement of water outcomes from the low score in 2008. Overall, the infrastructure outcomes improved from an 80% achievement rate in 2008 PCRs to 82% in 2009 PCRs—surpassing ADB's benchmark of 80%. The success rate for education fell considerably from 92% in 2008 to 70% in 2009. This may be associated with (i) a shift in ADB's focus from primary education and school building toward secondary and tertiary education and sector reform in the early 2000s, and (ii) a higher number of completed education projects in Pakistan, which were subject to spring cleaning due to their poor performance. The achievement rate for ADF operations improved from 76% in 2008 to 77% in 2009, with infrastructure and finance operations reaching the 80% benchmark and despite the sharp fall in education operations from 91% in 2008 to 63% in 2009.



Infrastructure Operations

Energy. Only two PCRs issued for sovereign operations in 2009 and one extended annual review report (XARR)²⁴ issued for a nonsovereign operation were in the energy sector, while four PCRs were issued for sovereign multisector projects with energy components. Five of these projects successfully achieved their sector outcomes—higher and wider use of energy—by promoting better access to energy and greater energy efficiency. Most of these projects targeted improved access to power for the poor, those affected by natural disaster and conflict, and rural populations. Several of these projects successfully increased efficiency in energy development.

TCRs rated 7 of 11 completed energy TA projects *successful*. These projects largely targeted reforming and restructuring the power sector, with some focusing on renewable and clean energy policies and strategies. The TCRs noted several factors hampering TA performance, such as ambitious design, inadequate time frame, and lack of government ownership of the TA projects.

²² Many recently completed operations were approved when regional cooperation was not a strategic priority of ADB.

²³ ADB is developing a sector operations plan on finance sector development in 2010 to improve sector performance.

²⁴ XARR is the equivalent of a PCR for nonsovereign operations. XARRs are prepared by operations departments for each nonsovereign operation once it has reached early operating maturity. See ADB. Extended Annual Review Reports for Nonsovereign Operations. *Project Administration Instructions*. PAI 6.07B. Manila.

Box 3: Independent Evaluation of the Contribution of Rural Road Projects to Inclusive Development

In 2009, the Independent Evaluation Department (IED) published a study on the rural road projects of the Asian Development Bank (ADB). Based on field work for six case studies on rural roads in Nepal, the Philippines, and Viet Nam, IED argued that ADB's rural road projects approved during 1996–2007 had probably made some contributions to inclusive development by integrating disadvantaged groups into mainstream development. Project designs addressed inclusiveness in various ways, such as incorporating features aimed at ensuring access to economic and social opportunities, and adopting community-based approaches. However, the gaps between advantaged and disadvantaged groups remained wide and IED recommended a more systematic approach to achieve long-term sustainable inclusive development. The study urged ADB to (i) emphasize both access and use of rural roads; (ii) increase the role of local governments, communities, and the private sector; and (iii) strengthen results monitoring and evaluation systems. IED presented its findings with caution as most of the roads were at an early stage of operation when the study took place.

Source: ADB. 2009. *Special Evaluation Study: Asian Development Bank's Contribution to Inclusive Development through Assistance for Rural Roads*. Manila.

Transport. Fifteen PCRs covered sovereign operations, including multisector and agriculture projects, designed to achieve transport outcomes. Of these, 87% were rated *successful* in 2009, compared with 95% in 2008. The projects aimed to improve connectivity by developing transport infrastructure, improving sustainability of transport services, and strengthening policies and institutions for the sector. Four projects focused on rural transport and another four on providing desperately needed transport in emergency and post-conflict situations. Some operations, such as those in Afghanistan, Papua New Guinea, Solomon Islands, and Sri Lanka helped improve the policy, regulatory, and institutional framework for transport. The biggest hurdle to lasting positive outcomes remained inadequate operation and maintenance because of governments' inability to provide sufficient funds. A 2009 study by IED highlighted key challenges to expanding inclusiveness through rural road projects (Box 3).

Eight of the 15 completed TA projects in transport were rated *successful*. These helped recipient governments (i) update sector strategies and master plans; (ii) implement institutional reforms; and (iii) develop capacity in railway, road, telecommunications, and maritime navigation. Projects rated *partly successful*

or *unsuccessful* cited the main challenges as pending government endorsement of TA outputs, delays, and inadequate supervision.

Water. Thirteen projects—all sovereign loans—had water components, of which 85% achieved specific sector outcomes, a major increase from 50% in 2008. About half of these focused on increasing economic and social benefits as a result of more sustainable water resource management, particularly better irrigation and flood management. The other half focused on increasing the use of better water supply and sanitation services, particularly by the poor and those affected by conflict and disaster. These projects also aimed to improve public health and hygiene by supplying clean safe water, and by providing better sewerage systems. However, the analysis suggests that slightly less than two-thirds achieved this objective.

Only five TCRs were issued in 2009 covering this sector, and all were rated *successful*. The projects were all in water resource management and many promoted a community-driven approach. TCRs included a \$5.2 million regional TA project that targeted (i) increased public awareness of water issues, (ii) improved regional cooperation on water, and (iii) greater DMC capacity on water resource management.

Education

Ten of the operations reviewed using 2009 PCRs aimed to help improve the quality of education and expand access to, and use of, education opportunities, particularly by the poor.²⁵ Seven of the 10 were rated *successful*.

Many operations focused on improving education policies and institutions, and the capacity for delivering education services. These operations contributed to reforming the education sector through (i) increased and decentralized operational autonomy of educational institutions, (ii) better quality assurance mechanisms, and (iii) better curriculums. ADB supported training of officials, school principals, and teachers to increase their ability to plan strategically, develop curriculums, implement quality assurance mechanisms, and use information and communications technology for education. Some projects helped increase the access of the poor and the disadvantaged. Successful projects built schools and facilities for communities affected by conflict, reduced high dropout rates, and expanded education opportunities for communities in isolated areas. Less successful projects suffered from poor design, including lack of capacity building for school management committees; and delays in contracting work and quality issues. Lack of familiarity with ADB procedures and loan agreement requirements was cited as another factor for less successful projects.

Eight TCRs discussed completed education TA projects, of which six were rated *successful*. The projects focused on improving strategies and developing capacity for managing primary and secondary education services, and vocational training. The two TCRs rated *partly successful* reported difficulties arising from an ambitious scope of a regional TA project, and the sustainability of an education center established through TA.

Finance

Six of the sovereign lending operations reviewed by PCRs belonged to the finance sector. Two microfinance PCRs were rated *highly successful*, two *successful*, and two *unsuccessful*. This was a small improvement over the ratings in 2008. Finance sector outputs were also delivered by an additional 11 operations in other sectors (agriculture, multisector, and industry and trade), which financed microfinance or SME components. Five of these were rated *successful*, four *partly successful*, and two *unsuccessful*. Many of these operations focused on expanding access to credit for farmers and the poor, some on financing for SMEs and small businesses, and a few on housing and infrastructure financing.

Sovereign operations targeted at rural sectors and financing for SMEs showed mixed results. Three rural finance operations rated *unsuccessful* suffered from an overly ambitious scope (Pakistan); an inadequate legal and regulatory environment, and growing competition (Mongolia); and an unstable political environment and weak capacity of the executing agency (Fiji Islands). Two SME financing operations were hampered by deteriorating macroeconomic conditions and poor portfolio management (Pakistan), and uncompetitive interest rates (Indonesia).

Four nonsovereign finance sector projects were rated *successful* or *highly successful*. Two supported the banking sector (the PRC and Mongolia), the other two helped establish an automated central depository system for securities (Bangladesh) and the Asian Infrastructure Fund (a regional facility).

TA performance in the finance sector was impressive: 21 of 22 TCRs rated the projects *successful*. These projects helped DMCs (i) improve legal and regulatory frameworks in banking and nonbanking sectors, (ii) develop finance sector strategies, (iii) increase risk management, and (iv) strengthen microfinance and rural financial systems.

²⁵ These included seven education projects, two multisector projects with education components, and one agriculture project.

Table 5: Intended and Achieved Thematic Results Reported in 2009 Project Completion Reports for Core Sector Operations (%)

Results Achieved by Operations Reviewed	Infrastructure		Education		Finance		Total Core Sectors	
	Operations Targeting	Achieved	Operations Targeting	Achieved	Operations Targeting	Achieved	Operations Targeting	Achieved
	Specific Result	Target	Specific Result	Target	Specific Result	Target	Specific Result	Target
Gender equity advanced and women empowered	62	57	60	67	65	55	62	58
Human and institutional capacity developed	68	61	90	71	88	63	77	64
Governance improved	50	65	60	100	88	80	62	60
Private sector role expanded or improved	41	86	40	50	88	60	54	68

Note: The analysis is by sovereign project and program, which planned activities in infrastructure, education, or finance. Projects with two components were counted in two categories.

Sources: ADB Project or program completion reports (PCRs), 47 in all, issued in 2009 for 34 operations in infrastructure (energy, transport, water supply and sanitation, agriculture and natural resources [irrigation and drainage], and solid waste management); 17 PCRs with finance sector outcomes; and 10 PCRs with education outcomes.

Contribution to Poverty Reduction

Almost two-thirds of all PCRs in 2009 indicated that the project had helped reduce poverty. In almost 40%, the assessment was based on socioeconomic surveys done by the project or secondary sources; in other cases, inference and anecdotal observations were made. PCRs discussed a limited number of surveys in more detail and these noted positive impacts. A water supply and sanitation project in Sri Lanka increased access to safe water for about 1.4 million rural people, enabling them to spend more time on income-generating activities. This led to higher incomes of households headed by women and the poor. Waterborne diseases were also practically eliminated. Small business projects created new jobs, including about 1,800 jobs in Samoa, more than double the target. Post-conflict countries also benefited, with one emergency rehabilitation project generating more family incomes through higher production of market crops (Solomon Islands). Agriculture projects helped boost earnings further by increasing crop production and training activities, and significantly lowering the number of poor in some project areas (the PRC, Mongolia, and the Philippines). Supplementary Appendix B discusses

more cases documented in PCRs where ADB support contributed to poverty reduction.

Thematic Results Achieved in Core Sector Operations

The core sector operations reviewed in 2009 had more activities and design features supporting ADB's priority themes compared to those reviewed in 2008 (Table 5). A greater proportion of infrastructure operations promoted gender equity, capacity development, and private sector development. More education operations supported capacity development, but with less support for gender equity, governance, and private sector development. Operations targeting finance sector development often emphasized all four thematic areas. Appendix 6 (Table A6.3 and Table A6.4) compares the performance—proportion of core sector operations achieving a positive result in each theme—reviewed in the PCRs issued in 2009 and 2008.

Governance. Close to two-thirds of the operations reviewed using 2009 PCRs supported good governance.²⁶ Of these, more than half indicated some level of achievement on this

²⁶ This means the inclusion of design features and activities in the area of improvements in accountability, transparency and predictability, and in stakeholder participation.



theme. Project activities supporting good governance focused on (i) improving planning and budgeting systems, (ii) creating sound legal and regulatory environments, (iii) improving independent audits in projects and sectors, (iv) advancing decentralization of decision making, and (v) achieving high levels of stakeholder participation and participatory management.

The 2009 DEFR conducted a special assessment of governance results in completed program lending operations. ADB issued PCRs for 20 closed program loans in both 2008 and 2009, and these were analyzed for the 2009 DEFR. In 2009, 75% of the PCRs rated programs *successful*, an increase of 15 percentage points over those of 2008 and comfortably surpassing the success rate of projects (65%). Outcomes targeted by these loans included (i) improved sector policies, (ii) better public financial management, (iii) stronger procurement systems, (iv) more transparency, (v) decentralization, (vi) better service delivery, (vii) lower levels of corruption, (viii) stronger human resources, (ix) rationalized institutions, (x) mainstreamed gender and development, and (xi) an expanded role of the private sector and more public–private partnerships (PPP).

Moderately good results were reported in sector policy outcomes, transparency and public disclosure work, public financial management, institutional improvements, and service delivery. A more mixed performance was noted in improving procurement systems, reducing corruption, supporting decentralization, promoting public–private partnerships, and increasing gender equity. The program loans reviewed using 2009 PCRs presented a larger set of policy conditions in their policy matrices than those reviewed using 2008 PCRs. Compliance remained generally high in achieving policy conditions: 2009 PCRs reported that three-quarters of all policy conditions were

fully met on schedule, slightly less than in 2008 (see Appendix 6, Tables A6.5–A6.7 for detailed tables and Supplementary Appendix C for a more detailed review).

In 2009, IED reviewed 11 program loans to 8 Pacific DMCs approved in 1996–2002, and evaluated public sector reforms in the Pacific.²⁷ IED concluded that ADB support in this area remained broadly relevant, but effectiveness was constrained by overly ambitious objectives, designs that underestimated reform complexities, and limited institutional capacity. The study recommended that ADB (i) enhance country ownership through regular policy dialogue and wider consultations, (ii) ensure continuity in ADB support, (iii) focus more on removing binding constraints, and (iv) improve the design of TA projects for institutional capacity development.

The public sector management TA program was substantial during 2000–2009. This was reflected in a large number of TCRs in 2009 (63 TA projects) categorized as public sector management. Operations departments rated 84% of projects as *successful*. IED conducted a special evaluation study of 44 justice reform TA projects approved in 1991–2008, and totaling \$26 million.²⁸ The projects were rated *successful overall*, with some having brought out new approaches for justice reform in DMCs and some resulted in ADB lending operations. The projects increased awareness of the need to (i) improve legal empowerment and access to justice; (ii) strengthen judicial independence, accountability, and administration; and (iii) build the capacity of justice sector agencies.

Capacity development. Over three-quarters of the operations reviewed in 2009 had targets in this area, and of these about two-thirds recorded a result.²⁹ The PCRs noted much activity to improve policy, institutions, and organizations, as

²⁷ ADB. July 2009. *Special Evaluation Study. ADB Support for Public Sector Reforms in the Pacific: Enhance Results through Ownership, Capacity, and Continuity*. Manila.

²⁸ ADB. July 2009. *Special Evaluation Study. ADB Support for Public Sector Reforms in the Pacific: Enhance Results through Ownership, Capacity, and Continuity*. Manila.

²⁹ When capacity development is the main sector objective, such as in education, it is not counted under this theme. Capacity development in this sector is viewed as activity improving the capacity to deliver education services.

well as managerial and operational competence through training and provision of systems, equipment, and new facilities. Besides lending operations, ADB contributes considerably to this theme through a large advisory TA program.³⁰ The 2009 *DEfR* examined all 183 TCRs issued in 2009,³¹ out of which three-quarters were rated *successful* and *highly successful*. Slightly more than one-third were in core sectors, and the remainder recorded high numbers in public sector management and agriculture. About three-quarters of TA projects in core and other sectors achieved *successful* and *highly successful* ratings.

Many advisory TA projects helped build capacity of public officials and staff for economic and financial management, service delivery, and project and reform programs implementation. Outcomes reported in 2009 included (i) international standards in national accounting systems (Maldives and Nepal); (ii) results-based planning and monitoring (the Kyrgyz Republic, Nepal, and Viet Nam); (iii) project implementation skills of executing agency staff (India); (iv) statistical capacity in the Pacific; (v) in-country economic surveillance capacity (Indonesia, the Philippines, and Thailand); and (vi) institutional capacity of countries in the Association of Southeast Asian Nations (ASEAN) to monitor economic developments and detect emerging vulnerabilities.

Gender equality. Over 60% of the operations reviewed targeted increasing gender equality, and for over half of these some results were reported. Many projects attempted to promote the theme by (i) involving women in project planning and implementation; (ii) increasing their participation in water user committees, school committees, or resettlement committees; and (iii) targeting women in training, awareness raising, outreach, and microfinance. However, these intentions were not often followed through during project

implementation, and gender benefits were not adequately monitored.

Education projects performed best in promoting gender equality: more than half of completed operations reviewed succeeded through targeted interventions to increase the enrollment and retention of girls. Some post-conflict and emergency assistance (Afghanistan and Solomon Islands) also contributed to gender equality by expanding women's access to basic services and income-generating opportunities.

IED completed the first of two planned special studies on this theme in 2009.³² It reviewed almost 500 ADB documents and concluded that projects with a gender theme or gender mainstreaming had declined from a high of 47% in 2003 to 23% in 2008. It stated that the primary reason was the shift toward large-scale infrastructure and private sector projects—resulting from ADB's adoption of the Medium-Term Strategy II 2006–2008 and Strategy 2020—combined with under-reporting of gender-related project components. The decline coincided with a drop in the number of gender specialists within operations departments (which was corrected in 2009). IED's review of PCRs showed that major achievements were found in 50% of projects with a gender theme and in 38% of projects with gender mainstreaming. The evaluation notes that ADB's results framework sets no target for the larger objective of mainstreaming, and thereby dilutes attention to mainstreaming gender in projects with some benefits or without benefits.

Private sector development. More than half of the operations reviewed intended to promote the role of the private sector in development. Of these, two-thirds succeeded. These operations made greater efforts to involve a larger segment of the population in employment, trade, and entrepreneurial activity. Activities conducted included (i) support for

³⁰ Through ADB TA reform initiative of 2008, advisory TA is now categorized as (i) policy and advisory TA, and (ii) capacity development TA. Regional TA (RETA) was re-categorized as (i) research and development TA, and (ii) regional TA. ADB. 2008. *Increasing the Impact of the Asian Development Bank's Technical Assistance Program*. Manila.

³¹ These TA projects were approved in 1995–2008 and completed after an average of 3.4 years of implementation.

³² ADB. 2009. *Special Evaluation Study. The Asian Development Bank's Support to Gender and Development Phase I: Relevance, Responsiveness, and Results to Date*. Manila

private investment in operations, (ii) enactment of privatization and commercialization laws (e.g., Afghanistan), and (iii) more engagement of private contractors and subcontractors in work traditionally dominated by the public sector. In education, only a few projects aimed to expand private sector participation, and success was limited. In water projects, targeting of private sector development was low. Better results were achieved in transport and energy.

An IED study on this subject concluded that while ADB has contributed to a number of important PPPs on infrastructure development, its assistance has not substantially increased PPP transactions and private infrastructure investment in most cases.³³ Limited capacity for developing and implementing PPPs in

most DMCs and in ADB have constrained the effectiveness of ADB's assistance. The study also noted that ADB's assistance for PPP transactions was largest and most successful in the power and road sectors.

Environmentally Sustainable Growth

The 2009 *DEFr* examined how the completed operations reviewed in 2009 PCRs contributed to (i) reducing carbon dioxide emissions, (ii) supporting clean energy, (iii) improving the environment and environmental management, and (iv) increasing environment and health awareness (Table 6). Of 34 infrastructure operations reviewed, 91% had environmental targets and 77% of them were achieved.

Table 6: Achievement of Environmental Results in Asian Development Bank Infrastructure Operations Reported in 2008–2009 Project Completion Reports

Environment Results Achieved by Operations Reviewed in the Infrastructure Sectors	Infrastructure Operations (PCRs 2008)					Infrastructure Operations (PCRs 2009)			
	Sector	Number	Operations with Env. Target (%)	Achieved (%)	Operations with an Env. Result (%)	Number	Operations with Env. Target (%)	Achieved (%)	Operations with an Env. Result (%)
CO ₂ emissions reduced	Energy	9	11	100	11	6	17	100	17
Clean energy supported	Energy	9	22	100	22	6	33	100	33
Better environment management	Transport	22	18	75	14	15	60	89	53
Improved environment; better environment management	Water	18	94	76	71	13	69	78	54
Environment awareness improved	Water	18	33	67	22	13	77	60	46
Total infrastructure operations	All	49	61	80	49	34	91	77	70

CO₂ = carbon dioxide, env. = environmental, PCR = project completion report.

Note: Projects may have energy, transport, and water components, each is separately assessed.

Sources: ADB PCRs; Supplementary Appendix B to the 2009 *DEFr*.

³³ ADB. 2009. *Special Evaluation Study. ADB Assistance for Public–Private Partnerships in Infrastructure Development—Potential for More Success*. Manila. The study covered the power, transport, and water sectors in 13 countries from 1988 to 2008.

Overall, 70% of all PCRs for infrastructure operations noted a satisfactory environmental result, reflecting a significant increase over 2008 figures. Operations in most areas were satisfactory, although achievements in environmental and health awareness outputs in water-related projects fell. For ADF operations, the results were similar (Appendix 6, Table A6.8).

Of the 14 PCRs in other sectors (6 in agriculture and natural resources, 6 in public sector management, 1 in health, and 1 multisector project), 7 supported environment activities and 5 of these recorded achievements of environmental results. Communities learned to prepare land management plans, controlled grazing and afforestation, and adopted and implemented marine conservation programs. Farmers were trained on the appropriate use of chemical fertilizers and pesticides. One PCR reported the establishment of the National Environmental Protection Agency in Afghanistan, in compliance with a loan covenant.

In 2009, IED published a knowledge brief on greenhouse gas (GHG) emissions for the energy sector.³⁴ The brief noted that the annual average GHG savings from power supply projects increased over the 2001–2005 and 2006–2008 periods. This resulted from (i) more ADB financing of power generation projects deploying zero- or low-emission technologies (renewable energy including hydropower), and (ii) more efficient thermal power technologies. The annual average GHG savings of fuel and thermal energy supply projects dropped marginally over the same periods, because of the absence of GHG-efficient methane destruction projects in the latter period.

TCRs issued in 2009 showed that 12% of completed TA projects promoted environmental sustainability. However, only half of these successfully contributed environment benefits. Many TA projects supported awareness raising activities—on climate change, green transport for road users and transport companies, air pollution issues in Asia, and critical water issues. Some TA projects helped increase institutional capacity in environmental auditing, monitoring, and information management.

Regional Integration

Only one PCR in 2009 reported on the performance of completed operations with intended regional integration outcomes: the Uzbekistan Road Rehabilitation Project³⁵ approved in 1998 aimed to rehabilitate an important regional road section, and implement institutional and policy reforms in the road sector. The project was rated *unsuccessful*. As part of the Central Asia Regional Economic Cooperation (CAREC) Program launched in early 1997, the project was designed to improve traffic flows and facilitate economic cooperation and integration between Uzbekistan and Turkmenistan. The project was canceled in 2002 after priorities changed following the closure of the road section. ADB continued its policy dialogue with the government on the sector, and several reforms were implemented. This led to a new strategic framework and an investment program for the sector. ADB has since been involved in two new transport operations, which became part of key transport corridors under CAREC. The latest initiative involves a transport project finance partnership for the next decade, backed by a multitranches financing facility.

³⁴ ADB. 2009. *Evaluation Knowledge Brief: Greenhouse Gas Implications from Energy Sector Operations*. Manila. The brief examined RRP for Bangladesh, the PRC, India, Pakistan, the Philippines, and Viet Nam, which jointly accounted for 80% of ADB's energy lending approvals in 2001–2008.

³⁵ ADB. 2009. *Completion Report: Uzbekistan Road Rehabilitation Project*. Manila.



In 2009, IED and the evaluation unit of the European Bank for Reconstruction and Development jointly completed a project performance evaluation report for the Almaty–Bishkek Regional Road Rehabilitation Project.³⁶ The report rated the project *partly successful*. It delivered the main outputs and removed road transport barriers. Traffic increased considerably. It also introduced international best practices on project implementation, and paved the way for the expansion of the CAREC transport program in the countries. However, the absence of a cross-border trade agreement was considered a weakness. The rating was affected by project cost overruns, and uncertainty about sustainability because of insufficient assurances on the provision of resources for maintenance and capacity building.³⁷ Despite these concerns, the road remains well maintained and serves as the key link between the two countries.

Operations departments rated 50 out of the 58 completed RETAs (i.e., multicountry TAs) with TCRs in 2009 as successful (86%). Several promoted policy dialogue and knowledge sharing among DMCs; regional cooperation in energy, water, health, and trade issues; and capacity development of regional institutions. Some promoted regional integration directly.

In Central and West Asia, one TA supported the establishment of the Chu Talas Joint River Commission, an important milestone to enforce interstate agreements and legal and institutional frameworks for water sharing. ADB TAs also promoted transport and trade facilitation by helping countries—including Afghanistan, Pakistan, and Tajikistan—prepare cross-border agreements and protocol arrangements, as well as a transport and trade facilitation strategy and action plan for CAREC.

In the Pacific region, a TA successfully helped create stronger business law frameworks in the Fiji Islands, the Republic of the Marshall Islands, and Solomon Islands. This triggered an increased focus on business law reform in the region, and the associated cooperation.

For the Greater Mekong Subregion, TCRs reported the completion of a subregional sustainable development strategy and a foundation for a regional power exchange strategy. A regional TA covering the larger Southeast Asia subregion led to improved collaboration in emergency surveillance of epidemics and response systems to outbreaks of communicable diseases (particularly Indonesia, Malaysia, and the Philippines).

³⁶ ADB. 2009. *Project Performance Evaluation Report. Almaty–Bishkek Regional Road Rehabilitation Project*. Manila.

³⁷ The operations department reports that so far, resources provided for maintenance have been adequate.

Level 3: Operational Effectiveness

ADB's operational effectiveness is measured through five key indicator categories covering (i) its operational quality, (ii) the level of development finance it raises, (iii) strategic focus, (iv) knowledge management, and (v) partnerships. While noting progress in most areas, the 2009 findings confirmed downward trends in the quality of completed investment and technical assistance (TA) operations. Regional departments will act on the low project quality at completion and remove the constraints. This is essential to ensure the development impact of its rapidly increasing project portfolio.

► Has the Quality of ADB's Operations Improved? ADB , ADF (Table 7)

Operational quality examines six indicators covering ADB's country partnership strategy (CPS) outcomes; quality-at-entry of CPS; project quality at and after completion, during implementation, and at entry; and perceived effectiveness of ADB operations. The 2009 *DeFR* reviewed three of these indicators. The remaining indicators cover (i) CPS outcomes for which the baseline was established in 2009, and (ii) the biannual quality-at-entry assessment of CPSs and projects (next assessed in 2010). Out of the three indicators assessed, two indicators—project quality during implementation and perceived effectiveness of ADB operations—were on track, and one indicator on project quality at completion was off-track. As a result, the aggregate score of these components is green for ADB and ADF.

Results-Based Country Partnership Strategy Outcomes: ADB Baseline Established

During 2009, the Independent Evaluation Department (IED) completed country assistance program evaluations (CAPEs) for Bangladesh and Nepal—the first two developing member countries (DMCs) to adopt results-based CPSs covering their last CPS periods.³⁸ ADB's results-based CPS is accompanied by a results framework that clarifies (i) the logical links among country-level development goals, (ii) development outcomes to which the CPS seeks to contribute, and (iii) ADB priority interventions and partnerships aligned with desired outcomes. Given the CAPE ratings of these two countries (*successful* for Bangladesh and *partly successful* for Nepal), a baseline of 50% results-based CPS rated *successful* has been established. The target for 2012 is 70%.

While both CAPEs stated that the results-based approach was useful in linking the government's development objectives with ADB's intended contribution, they also highlighted certain weaknesses of the first generation of the country results framework. These include insufficient clarity of accountability for results, inadequate outcome reporting, and absence of the results of TA operations. ADB introduced an improved country results framework in 2010 under ADB's streamlined country strategy process.³⁹

IED completed two other CAPEs in 2009 for Cambodia and Viet Nam,⁴⁰ both rated *successful*. These were not included in the

³⁸ ADB. 2009. *Country Assistance Program Evaluation: Nepal—Delivering Assistance in a Challenging Environment*. Manila; and ADB. 2009. *Country Assistance Program Evaluation: Bangladesh*. Manila.

³⁹ ADB. 2010. *Preparing Results Frameworks and Monitoring Results: Country and Sector Levels*. Manila.

⁴⁰ ADB. 2009. *Country Assistance Program Evaluation: Cambodia: Growth and Sector Reform*. Manila; and ADB. 2009. *Country Assistance Program Evaluation: Socialist Republic of Viet Nam*. Manila.

Table 7: Operational Quality and Portfolio Performance (Level 3)

Indicator	Baseline Year ^a	Asian Development Bank					Asian Development Fund				
		Baseline	2007	2008	2009	2012 Target	Baseline	2007	2008	2009	2012 Target
Evaluation ratings of results-based CPS (% successful)	2009	50			50	70	50			50	70
Quality-at-entry rating of CPS (% satisfactory) ^b	2006	33		75		80	33		75		80
Average annual combined ratings of PPERs, PVRs, and PCRs (% successful) ^c	2004–2006 average	72	70	69	67	80	75	77	68	67	80
Project performance rating at implementation (% satisfactory)	2004–2006 average	90	92	93	94 ^d	Maintain	91	93	93	94	90
Quality-at-entry rating of sovereign projects (% satisfactory) ^b	2006	81		85		85	76		83		85
Perceptions of ADB effectiveness in reducing poverty (% with excellent and good perception) ^e	2006	45			50	60	45			50	60

ADB = Asian Development Bank, CPS = country partnership strategy, PCR = project completion report, PPER = project performance evaluation report, PVR = PCR validation report.

^a For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, and the 2007–2009 average for 2009.

^b Quality-at-entry assessments of CPSs and projects are conducted every 2 years.

^c Where available, PPER ratings are taken as the final rating. If no PPER was prepared, an available 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.

^d Excludes operations financed from the Countercyclical Support Facility.

^e ADB Perceptions Survey is conducted every 3 years.

Sources: Central Operations Services Office, Department of External Relations, Independent Evaluation Department, and Strategy and Policy Department, ADB.

baseline as their country programs were not developed using results-based CPSs.

Quality-at-Entry of Country Partnership Strategies: No Update

ADB assessments of the quality-at-entry of CPSs are conducted biannually by an ADB working group. The next assessment will be carried out in 2010.

To continue improving effectiveness and efficiency of the CPS process, ADB introduced a streamlined CPS business process in January 2010.⁴¹ The new process ensures that the CPS cycle is more closely aligned to the DMC's strategic planning cycle, with the CPS results framework clearly showing how ADB contributes to the DMC's development objectives. It also introduced an internal and external peer review

⁴¹ ADB. 2009. *Country Partnership Strategy: Responding to the New Aid Architecture*. Report of the Country Partnership Strategy Working Group. Manila.

mechanism to (i) ensure the quality of CPSs, (ii) improve knowledge management in ADB, and (iii) encourage continual and high-quality learning by staff.

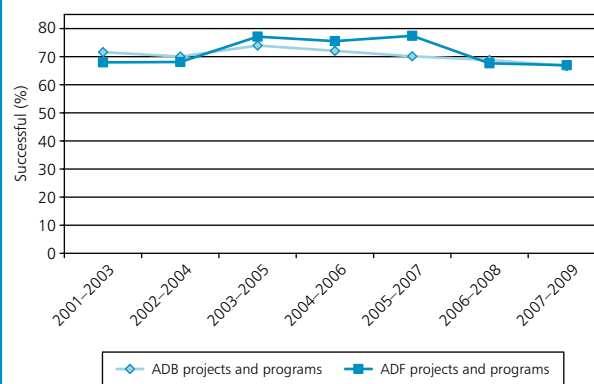
Project Performance at and after Completion: ADB , ADF 

PCRs rated 67% of operations completed over 2007–2009 as *successful* or *highly successful*. This confirmed a downward trend since the baseline period of 2004–2006 for both ADB and ADF operations (Figure 3). ADF-only countries performed best at 83%, followed by OCR-only countries at 82%, and blend countries at 59%. PCR success rates dropped particularly in Pakistan in 2008 and 2009. This is linked to a realignment of the Pakistan project portfolio since 2007, whereby many slow-moving operations were closed and their PCRs circulated in 2008–2009 (Box 4). Even excluding the Pakistan portfolio, ADB portfolio success ratings would have remained stagnant and well short of the 2012 target of 80%. While the 2009 PCR ratings reveal the unsatisfactory performance of an older portfolio, they also reflect ADB’s efforts to manage portfolios more effectively. Regional departments are acting on the persistently low success ratings of completed investment projects.

IED introduced PCR validation reports in 2008. An initial 30 were issued in 2008, followed by 48 in 2009. These reports have tended to downgrade PCR ratings more than upgrade them, and slightly more downgradings have been seen in recent years than previously when project performance evaluation reports were the main source of validating project success.⁴² This has brought down the figures for 2007 and 2008.

Since 2007, ADB has produced 11 extended annual review reports (XARRs) for nonsovereign operations, and all received ratings of *successful*

Figure 3: Combined Ratings for PCR, PVR, and PPER, 2001–2009 (3-year moving average)



ADB = Asian Development Bank, ADF = Asian Development Fund, PCR = project completion report, PPER = project performance evaluation report, PVR = PCR validation report.

Source: Strategy and Policy Department, ADB.

or *highly successful*. These XARRs represent the start of efforts by the Private Sector Operations Department to assess all projects. Since 2008, ADB has committed to preparing XARRs for nonsovereign operations reaching early operating maturity. Completion of the requisite XARRs is programmed for 2010 and 2011.⁴³

Project Quality at Implementation: ADB , ADF 

Project performance report (PPR) ratings show that 94% of the ongoing sovereign operations in 2007–2009 were progressing satisfactorily (Appendix 8). As noted in the 2007 and 2008 *DEFrs*, ADB recognizes that the PPR system may not fully capture the health of, or the risks emerging from ADB’s ongoing operations. ADB has reviewed options to modify the PPR system and make it a more reliable and objective performance monitoring system. Management will introduce improvements in the PPR system by June 2010. These improvements will allow for more objective assessment of project performance by revising the data collection process and rating system.

⁴² In 2007–2008, IED’s PCR validation reports and project performance evaluation reports downgraded seven PCRs rated *successful* to “partly successful,” and upgraded two “partly successful” PCRs to “successful.” The net balance is five downgraded ratings, on a total of 123 PCRs produced in 2007–2008 (Appendix 7).

⁴³ ADB plans to prepare 12 XARRs in 2010 and another 12 in 2011.

Box 4: Pakistan Portfolio Realignment

A Pakistan country portfolio review in 2007 revealed a large number of nonperforming operations in a portfolio of 81 projects. This led to a comprehensive “spring cleaning” exercise and the introduction of a “no automatic extension” policy for projects and technical assistance with a low probability of success. A detailed action plan was prepared for the remaining portfolio to ensure their implementation within the budget and time frame. The “spring cleaning” resulted in (i) 28 loans closed as scheduled or approved, (ii) 4 loans closed ahead of schedule, and (iii) 3 loans extended.

Pakistan’s successful portfolio realignment was underpinned by (i) full understanding, ownership, and commitment from the central government; (ii) consensus among key federal agencies; (iii) political will and commitment from provincial governments to cancel nonperforming operations; (iii) a sound communications strategy with all stakeholders; (iv) constant dialogue between the Asian Development Bank and the government; and (vi) workable alternatives under the future program of assistance and return of savings to the country.

Source: Central and West Asia Department, ADB.

Quality-at-Entry of Sovereign and Nonsovereign Projects: No Update

In 2009, ADB did not assess the quality-at-entry of recently approved operations. The assessments are conducted biannually by an ADB working group. The next assessment is scheduled for 2010.

ADB’s ongoing efforts to improve the quality-at-entry of its operations were boosted in 2009. Led by the recommendations of the loan delivery working group, ADB introduced streamlined business processes for loan delivery in January 2010.⁴⁴ These reforms will enhance the quality-at-entry of sovereign projects primarily by (i) preparing the initial project administration memorandum, including project readiness filters, before project approval to enable incorporation of implementation considerations into project design; (ii) replacing the interdepartmental review with a peer review to enable continuous and focused inputs from experts on specific aspects of project design and implementation arrangements; and (iii) a risk-based differential approach to project processing to ensure greater attention to the quality of complex projects.

To consolidate recommendations of the private sector task force,⁴⁵ ADB adopted a standardized structure for the design and monitoring framework (DMF)—logical framework—for all private sector operations. The DMF builds upon the contents of the development rationale as articulated in the recently standardized RRP. DMF indicators include—as a minimum—those in the CPS results framework and other relevant sector-specific indicators covered by private sector operations. A minimum indicator requirement has been introduced to (i) facilitate the quality-at-entry assessment, (ii) achieve harmonization with other multilateral development banks, and (iii) ensure consistent monitoring and evaluation of all private sector operations across the entire project cycle. The minimum indicator list will be used to assess the development effectiveness of private sector operations and report progress annually.

Perceptions of ADB’s Development Effectiveness: ADB , ADF

The second independent perceptions survey of ADB’s work was conducted in 2009.⁴⁶ Data showed that 50% of the participating opinion leaders and stakeholders, including ADB clients, perceived ADB to be helping to

⁴⁴ ADB. 2009. *Better and Faster Loan Delivery*. Report of the Loan Delivery Working Group. Manila.

⁴⁵ The President formed the task force in 2008 to review ADB’s private sector and nonsovereign operations to improve their alignment with Strategy 2020, increase interdepartmental collaboration, and strengthen the credit process.

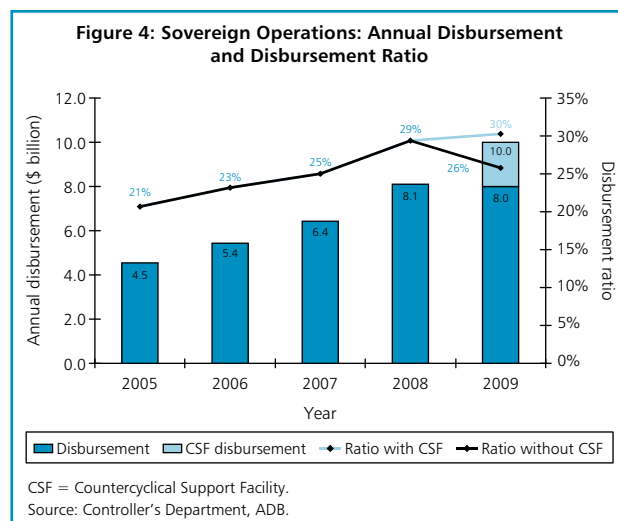
⁴⁶ A report on the perceptions survey findings will be published in May 2010.

reduce poverty in Asia and the Pacific, an increase of 5 percentage points from the previous survey in 2006. Preliminary analysis indicated general trust in ADB's reliability and competence to positively impact development. Survey participants were positive about ADB's performance in infrastructure development and regional cooperation, while perceiving ADB's performance in education less favorably. Among the thematic issues, environmental sustainability was perceived to be performing relatively better than gender mainstreaming, governance, and private sector development. However, a majority of opinion leaders and stakeholders surveyed perceived ADB as slow, bureaucratic, and inflexible.

In 2009, ADB began a review of its Public Communications Policy (2005). The policy aims to build effective external relations and better access to information. The review process will seek inputs from ADB member countries and hold public consultations in 2010. ADB will submit a revised policy to ADB's Board of Directors for consideration in early 2011.

► **How Successful is ADB in Mobilizing Development Finance? ADB Ⓞ, ADF Ⓜ (Table 8)**

Progress on financial mobilization is assessed through two indicators on disbursement ratio, covering sovereign and nonsovereign operations; and one indicator on cofinancing performance. For ADB, both the disbursement ratio for sovereign operations and cofinancing performance remained satisfactory, although the disbursement ratio for nonsovereign operations fell. With two out of the three indicators performing satisfactorily, the aggregate score of this indicator category is green for ADB. For ADF, while the disbursement ratio remained strong, cofinancing fell for the third year in a row, making the aggregate score of this indicator category amber for ADF.



Disbursements for Sovereign Operations: ADB Ⓞ, ADF Ⓞ

The overall disbursement ratio for ADB operations was 30% in 2009. Excluding Countercyclical Support Facility (CSF) disbursements, the ratio was 26%, slightly lower than the figures for 2008, yet still above the 2012 target (Figure 4).⁴⁷ Maintaining a steady upward trend, the disbursement ratio for ADF operations was marginally higher than that for OCR operations (Appendix 9). For sovereign operations in 2009, ADB disbursed \$8 billion (\$3 billion from programs and \$5 billion from projects). An additional \$2 billion was disbursed through the CSF.

Disbursements for Nonsovereign Operations: ADB Ⓞ

In 2009, the overall disbursement ratio for nonsovereign loans and equity remained under the 2006 baseline, dropping for the second consecutive year. The main reason was that large disbursements for some nonsovereign loans intended for 2009 were disbursed in early 2010 instead. For nonsovereign operations in 2009, ADB disbursed \$507 million, including equity investments, a decrease of 30% from 2008.

⁴⁷ Given its purpose, the CSF mechanism enables ADB to disburse financing significantly faster than regular ADB lending operations. In 2009, ADB approved \$2.5 billion and disbursed \$2 billion through the CSF.

Table 8: Finance Mobilization (Level 3)

Indicator	Baseline Year ^a	Asian Development Bank					Asian Development Fund				
		Baseline	2007	2008	2009	2012 Target	Baseline	2007	2008	2009	2012 Target
Overall disbursement ratio ^c for sovereign operations (%)	2006	23	25	29	26 ^b	At least 23	18	21	25	27	20
Overall disbursement ratio ^d for nonsovereign loans and equity (%)	2006	43	61	45	37 ^b	At least 50					
Proportion of DVA cofinancing relative to ADB loans and grants approved annually (%)	2004–2006 average	10	10	13	17 ^b	20	14	13	11	8	20

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

^a For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, and the 2007–2009 average for 2009.

^b Excludes operations financed by the Countercyclical Support Facility.

^c Disbursement ratio for sovereign operations is defined as the ratio of total disbursement in a given year and/or period over 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.

^d Disbursement ratio for nonsovereign operations is defined as the ratio of total disbursement in a given year and/or period over 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: Controller's Department, and Office of Cofinancing Operations, ADB.

In 2009, ADB continued its overall 5-year upward trend in approval volumes. Approval volumes for sovereign operations—including the CSF—increased to \$14 billion from \$11.2 billion in 2008, although nonsovereign loans dropped to \$443 million from \$1.8 billion (2008).

Cofinancing: ADB , ADF

Direct value-added (DVA) cofinancing for ADB operations increased, with the 3-year average rising to 17% of all ADB loans and grants approved during 2007–2009 from 13% in 2006–2008.⁴⁸ This substantial increase was directly influenced by cofinancing for a large CAREC investment program in 2009 funded by OCR (Appendix 10). Without this program, ADB's 3-year average cofinancing levels would

have decreased by two percentage points for the period 2007–2009.

Data for ADF operations confirmed a continuing downward trend. The 3-year average for 2007–2009 fell 3 percentage points from the previous period. The drop was attributed to (i) high levels of cofinancing in 2006 no longer pulling up the 3-year average for 2007–2009, and (ii) particularly low levels of cofinancing in 2007 that pulled the average down. In 2007–2009, cofinancing levels for ADF operations increased steadily at an average annual rate of 28%. However, these gains were outstripped by year-on-year increases in ADF operations. Effectively, ADF operations doubled, adversely affecting its cofinancing ratios.

⁴⁸ DVA cofinancing involves active coordination and formal agreements among financing partners that bring about defined client benefits, including contractual commitments by ADB to facilitate mobilization, administration, or predication in cofinancing.

Preliminary analysis of DVA cofinancing ratios for ADF operations during the period 2007–2009 has shown persistent decline across all five regional departments. Possible reasons for this concerning trend include (i) substantially increased ADF resources following ADF X acting as a disincentive to explore fully cofinancing options, (ii) reluctance from ADF DMCs to accept cofinanciers whose terms are less concessional than those of ADF, and (iii) less available donor funding for cofinancing due to increased contributions to ADF X and financial crisis-induced budget constraints. In 2010, Management will introduce a pilot results delivery scheme linking ordinary capital resources (OCR) allocation to performance in cofinancing. Management will monitor DVA cofinancing performance regularly, and regional departments and ADB's Office of Cofinancing Operations will work closely to identify cofinancing opportunities early at country programming and project concept clearance stage.

► **Is ADB Improving Its Strategic Focus and Selectivity? ADB , ADF  (Table 9)**

Strategic focus examines five indicators on the alignment of ADB's new operations with Strategy 2020 core areas of operations and four thematic priorities (private sector development, regional cooperation and integration, environmental sustainability, and gender mainstreaming). The targets of these indicators have been set for ADB operations only, except for gender mainstreaming, which has a specific target for ADF operations. Progress in all of these indicators, except for gender mainstreaming, was on-track and the aggregate score of this indicator category is green for ADB and ADF.

Financing for Strategy 2020 Core Operational Areas: ADB , ADF 

ADB's new operations focused strongly on Strategy 2020 priorities in 2009 with 81% of its operations (excluding CSF) supporting the core operational areas, surpassing the 2012 target. ADB maintained this high alignment despite special arrangements (other than CSF)

to alleviate the impact of the economic crisis. These included the addition of crisis measures to major public sector program loans approved in 2009, as seen especially in Southeast Asia operations (Appendix 11). Operations supporting infrastructure remained the highest at 65%, while those supporting education stayed low at 1.8%. ADB is developing an operational plan for education that aims to expand and improve its support for this sector.⁴⁹ Reinforced staff resources will be allocated to this area. ADB will also introduce a pilot results delivery scheme linking OCR allocation to performance in education.

Private Sector Development: ADB , ADF 

ADB support for private sector development remained solidly above the 2012 target of 30%. ADF operations also recorded a gain of 2 percentage points over the 3-year average for 2007–2009. ADB approved 13 ADF-funded projects supporting private sector development in 2009.

In 2009, ADB approved 41 operations—29 sovereign and 12 nonsovereign—supporting private sector development. Many of the sovereign operations targeted energy-efficient investments, cross-border road networks, and SME development. They also aimed to strengthen regulatory frameworks and build capacity in the public and private sectors to create a viable business environment. Nonsovereign operations focused on clean energy initiatives, water supply, solid waste management, and other urban infrastructure services.

Regional Cooperation and Integration: ADB , ADF 

Operations supporting regional cooperation and integration rose significantly. Annual increases in 2009 results were strong enough to push ADB's overall rolling average closer to its 2012 target. Facilitated by the ADF X earmark for subregional projects, 24% of ADF projects approved in 2009 supported regional cooperation and integration. As in the past, the majority of ADB operations supporting regional cooperation and integration (12 of the

⁴⁹ The plan is expected to be approved by Management in April 2010.

Table 9: Proportion of Financing for Strategy 2020 Core Operational Areas (Level 3)

Indicator	Baseline Year ^a	Asian Development Bank				2012 Target	Asian Development Fund				
		Baseline	2007	2008	2009		Baseline	2007	2008	2009	2012 Target
Proportion of financing for Strategy 2020 core operational areas (%)	2008	79	79	81 ^b	80	67	67	79			
Proportion of projects supporting private sector development (%)	2004–2006	29	35	38	38 ^b	30	14	13	19	21	
Proportion of projects supporting regional cooperation and integration (%)	2004–2006	7	7	7	10 ^b	15	11	11	11	16	
Proportion of projects supporting environmental sustainability (%)	2004–2006	14	17	21	27 ^b	25	9	12	13	18	
Proportion of projects with gender mainstreaming (%) ^c	2004–2006	35	30	27	27 ^b	40	45 ^d	39 ^d	37 ^d	37	50

^a For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, and the 2007–2009 average for 2009.

^b Excludes operations financed by the Countercyclical Support Facility.

^c Includes projects identifying gender as a theme and other projects with effective gender mainstreaming. Projects financed by supplementary loans and grants are not included.

^d Figures updated using the revised method of counting ADF operations in 2009 (Appendix 3).

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

18 projects) focused on increasing connectivity through improved transport infrastructure—road, railways, and air—while some targeted investment in border facilities and tourism infrastructure to help expand trade and regional tourism.

ADB continued to work closely with ASEAN+3 to promote regional economic stability as well as monetary and financial integration.⁵⁰ Major achievements included (i) assessing regional and country economic conditions; (ii) supporting dialogue toward the establishment of the credit guarantee and investment mechanism; (iii) examining the feasibility of bond financing of infrastructure projects, and preparing for

the issuance of such bonds; and (vi) supporting efforts to minimize foreign exchange settlement risk in ASEAN+3, and dialogue toward the possible establishment of a regional settlement intermediary.

Environmental Sustainability: ADB , ADF

New ADB operations supporting environmental sustainability maintained good progress, and the 3-year average proportion of projects supporting this theme reached 27% (above the 2012 target of 25%). Environmental operations increased from 28 projects in 2008 to 40 projects in 2009. ADF operations supporting environmental sustainability increased to

⁵⁰ ASEAN+3 countries are Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Viet Nam; plus the PRC, Japan, and the Republic of Korea.

18% in 2009 from 13% in 2008. Many ADB operations invested in renewable and efficient energy generation, water supply and sanitation infrastructure and services, and waste water management. Some supported sustainable transport management, and agriculture and natural resources management.

ADB prepared its Climate Change Implementation Plan in 2009 to align investments in climate change with DMC national priorities. ADB doubled its \$1 billion annual clean energy investment target to \$2 billion by 2013. ADB's Carbon Market Initiative began operations in early 2009. The Future Carbon Fund raised \$80 million by the end of 2009, and the Asia Pacific Carbon Fund disbursed almost \$19 million in certified emission reductions and distributed almost 50,000 reductions received. ADB supported the launch of the Coral Triangle Initiative in 2009 by six DMCs—Indonesia, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and Timor-Leste—which aims to lay out a plan of action to ensure the sustainability of their shared coastal and marine resources.

In July 2009, ADB's Board of Directors approved the new Safeguard Policy Statement,⁵¹ which brings three previous safeguard policies on environment, involuntary resettlement, and indigenous peoples into one single policy that comprehensively addresses environmental and social impacts and risks. The new policy ensures that ADB safeguards are harmonized with those of other multilateral development banks, and remain relevant to the evolving needs of DMCs and private sector clients. An innovative feature of the policy is the selective application of country safeguard systems in cases where borrowers have the necessary capacity and their requirements are equivalent to those of ADB.

Gender Mainstreaming: ADB , ADF

In gender mainstreaming, while the 3-year average remained stagnant for ADB and ADF (attributable to the significant drop seen in 2007), the annual upward trend continued for the second year: in 2009, 31% of ADB projects and 43% of ADF projects involved gender mainstreaming.⁵² In 2009, the majority of ADB projects with gender mainstreaming were in sectors that offer relatively more opportunities to promote gender equality outcomes (water supply and sanitation, education, health, and agriculture and natural resources). However, ADB's effort to promote gender mainstreaming in other sectors resulted in (i) an energy sector project with effective gender mainstreaming through the promotion of women's access to microfinance and skills development to utilize the opportunities provided by rural electrification; (ii) three public resources management programs that support social safety net programs targeted at women or gender-responsive budgeting; (iii) targeting of credit lines to small and medium-sized enterprises led by women; and (iv) the use of catalytic grant funds, such as the Gender and Development Cooperation Fund, to enhance business opportunities for women in urban and rural development projects.

Improved staff awareness on gender issues resulted in an increase in the proportion of operations designed to achieve "some gender benefits" from 38% in 2008 to 45% in 2009. These projects included some gender mitigation measures or pro-gender design features in large infrastructure projects, such as (i) targets for women's employment in road construction and measures to prevent HIV transmission and human trafficking in transport projects, (ii) measures to encourage behavior change among construction workers, and (iii) attention to the needs of women in resettlement and livelihood restoration programs. Operations in this category included some program loans that provided budget support to essential social services that are likely to benefit women.

⁵¹ ADB. 2009. *Safeguard Policy Statement*. Manila.

⁵² ADB assigns loan and grant projects to three categories to promote the systematic integration of gender considerations: (i) category I—gender equity theme, (ii) category II—effective gender mainstreaming, and (iii) category III—some gender benefits. ADB's results framework tracks operations classified as categories I or II.

Table 10: Knowledge Management (Level 3)

Indicator	Baseline Year ^a	Asian Development Bank					Asian Development Fund				
		Baseline	2007	2008	2009	2012 Target	Baseline	2007	2008	2009	2012 Target
Annual MAKE survey assessment rating (%)	2006	54	58	55	60	60	54	58	55	60	60
Ratings of TCRs (% successful)	2004–2006 average	78	78	77	73	80	72	69	67	61	80

MAKE = Most Admired Knowledge Enterprises, TCR = technical assistance completion report.

^a For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, 2006–2008 average for 2008, and 2007–2009 average for 2009.

Sources: Central Operations Services Office, Regional and Sustainable Development Department, and Strategy and Policy Department, ADB.

Furthermore, the number of ADB operations with “no gender elements” dropped from 35% in 2008 to 24% in 2009 for all ADB operations, and from 31% to 9% for ADF operations. This confirms a 3-year downward trend (2007–2009) in the “no gender elements” category. In 2007, more than one-third of all ADB operations and more than half of ADF operations fell into this “no gender elements” category. These figures suggest that ADB is making good progress in raising staff awareness on gender mainstreaming issues across all sectors.

ADB continued to implement actions as a follow-up to the *2008 DEF* to improve gender mainstreaming. These actions, recommended by the technical working group on gender mainstreaming established in 2009, included (i) early identification and regular monitoring of pipelines to promote better gender mainstreaming from the design phase, (ii) clearer gender categorization for projects and better classification and reporting processes, and (iii) increased staff training and knowledge on gender mainstreaming. In 2010, ADB will also introduce a pilot results delivery scheme linking OCR allocation to performance in gender mainstreaming.

► Is ADB Managing Knowledge Better? ADB 🟡, ADF 🟡 (Table 10)

Knowledge management examines two indicators covering staff perceptions on knowledge management at ADB, and quality of knowledge-oriented TAs at completion. While the staff perceptions improved, the success rate of completed TAs fell for both ADB and ADF operations. As a result, the aggregate score of this indicator category is amber for ADB and ADF.

Staff Perceptions about Knowledge Management at ADB: ADB 🟢, ADF 🟢

In 2009, ADB met its 2012 target in effective knowledge management, measured through its annual independent staff survey—the Most Admired Knowledge Enterprises (MAKE) Survey—to gauge staff perceptions of ADB’s knowledge management implementation.⁵³ The fifth MAKE Survey, conducted in 2009, was participated by a total of 518 staff (compared to 203 in 2008). Survey findings indicated greater awareness of ADB’s knowledge management framework and its effect on staff than in 2008. Survey data suggested that ADB has improved implementation of its knowledge management framework and activities. Staff perception was generally more positive toward (i) knowledge management as part of ADB’s organizational culture, (ii) ADB Management’s

⁵³ www.adb.org/Knowledge-Management/assessment.asp

Box 5: Knowledge Sharing on The Global Economic Crisis

Responding to the global economic crisis, the Asian Development Bank (ADB) focused in 2009 on disseminating knowledge to help developing member countries stabilize their economies, restore market confidence, analyze policies, and strengthen national monitoring and surveillance systems. ADB launched the inaugural issue of the *Asia Capital Markets Monitor*, which reviews the developments, outlook, and implications of Asia's stock, bond, and currency markets. Adding to the significant studies and papers created in 2008, ADB produced more than 35 reports on economic crisis issues in 2009.

ADB and the ADB Institute jointly hosted about 20 events in 2009 related to the economic crisis. The first South Asian Forum on the Impact of the Global Economic and Financial Crisis, for example, brought together in Manila public and private representatives from seven South Asian countries to share cross-country experiences and planning. Conferences were also convened in Germany; Indonesia; Japan; the Republic of Korea; Taipei, China; and Viet Nam.

Source: ADB.

support for knowledge management, (iii) knowledge content of ADB publications, and (iv) working with external stakeholders. Skepticism of responding professional staff—where most resistance had previously been encountered—had shrunk from 40% to 25%, and only 10% of national officers remained resistant to change. Staff indicated that ADB's knowledge capabilities have improved, especially in delivering knowledge-based projects and services to clients, and in creating an enterprise-wide, collaborative knowledge-sharing environment. However, perceived gains ranged only from slight to moderate, indicating little room for complacency.

In 2009, ADB approved its knowledge management action plan,⁵⁴ which defines steps required to support ADB's primary knowledge management objective—adding value at regional, country, and project levels to ADB operations in DMCs. The plan emphasizes the need to (i) empower ADB's communities of practice to promote peer-to-peer learning both within ADB and with external partners, (ii) strengthen ADB's collaboration with development partners to promote learning and innovation to benefit DMCs, and (iii) enhance staff learning through a needs-based knowledge management program aligned with Strategy 2020. ADB initiated a knowledge

management performance monitoring framework to objectively assess annual progress in implementing the knowledge management action plan. ADB also focused on disseminating knowledge to help DMCs manage the global economic crisis (Box 5).

Quality of Technical Assistance at Completion: ADB , ADF

Successful ratings of ADB's completed TA projects fell sharply during 2009, establishing a clear downward trend. The TA performance corresponded to country classification groupings: OCR-only countries performed best and have consistently exceeded the target, followed by blend countries, then ADF-only countries, and countries with fragile situations (Appendix 12). A preliminary assessment suggests that this decline may have been caused by (i) the closure of a large number of TA projects because of realignment and portfolio "spring cleaning" activities, (ii) inadequate supervision, (iii) realistic ratings as a result of ADB's increasing attention to outcomes and their sustainability, and (iv) rising civil unrest and political instability in some countries that affected TA implementation. Regional departments will act on the declining TCR ratings and manage the TA portfolio to ensure that adequate attention is given to TA design and supervision.

⁵⁴ ADB. 2009. *Enhancing Knowledge Management Under Strategy 2020: Plan of Action for 2009–2011*. Manila.

Table 11: Partnerships (Level 3)

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund				
		Baseline	2007	2008	2009	2012 Target	Baseline	2007	2008	2009	2012 Target
Proportion of sovereign operations with CSO participation (%)	2006	79	81	77	69	80	80	89	84	67	80
New program-based approaches approved (number)	2006	5	19	13	30 ^a	10	4	14	8	18	8
Proportion of CPS and CPR missions conducted jointly with at least one other development partner (% annually) ^b	2006	33	37	39	56	60	40	37	44	61	60

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

^a Excludes operations financed by the Countercyclical Support Facility.

^b Count is for missions from headquarters.

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

► Is ADB Forming Better Partnerships? ADB 🟡, ADF 🟢 (Table 11)

Progress on partnerships is examined using three indicators measuring ADB's partnerships with civil society organizations (CSOs), the use of program-based approaches (PBA), and joint missions on country strategies and country portfolio reviews. ADB made satisfactory progress on PBA and joint mission indicators. However, performance on CSO participation continued to regress for ADB operations and began to fall for ADF operations. With two out of three indicators showing satisfactory progress, the aggregate score for this indicator category is green.

Participation of Civil Society Organizations: ADB 🟡, ADF 🟢

ADB engaged with CSOs—including nongovernment organizations (NGOs)—in 69% of ADB loan projects and 67% of ADF loan projects approved in 2009. These figures represent a decline from 2008 and 2007 levels. This is partly because the 2009 projects included numerous quick-disbursing budget support operations for the crisis-affected DMCs. Excluding these operations, the figures would be 73% for ADB

and 76% for ADF. Regional departments, with the support of the NGO Center, will ensure that ADB proactively collaborates with CSOs in project design and implementation.

In addition to project design processes, CSOs were involved in the preparation of CPSs, as well as in various phases of the project cycle. In 2009, CSOs took part in implementing subcomponents of several projects involving local communities, and were also active in independent monitoring of projects. CSOs participated in ADB policy reviews, particularly (i) formulation of the Safeguard Policy Statement, (ii) implementation of the Public Communications Policy, and (iii) promotion of core labor standards in ADB operations.

Program-Based Approaches: ADB 🟢, ADF 🟢

Projects supporting ADB's PBA increased by 131% in 2009 to 30 for ADB operations compared with 2008, far exceeding the target of 10 by 2012. For ADF operations, the number of PBAs in 2009 increased by 125% over 2008, and also surpassed the target of 8 by 2012. This is partly driven by the inclusion of specific

measures in ADB's budgetary support for DMCs affected by the economic crisis.⁵⁵ Such measures aimed to alleviate the impact of the global economic crisis, restore and build market confidence, strengthen DMC fiscal expansion programs, ease market liquidity constraints, and maintain development momentum.

In the past, measuring PBAs was difficult, mainly because of insufficient clarity on the definition and challenges of applying it to ADB modalities. In response, ADB in 2009 adopted the Development Assistance Committee of the Organisation for Economic Co-operation and Development's definition of PBAs and clarified it through staff instructions.⁵⁶ ADB will consider more effective systems to capture PBAs by including them in regular project data monitoring systems.

Joint Country Partnership Strategies and Country Portfolio Review Missions: ADB , ADF

In 2009, ADB's collaboration with other development partners on country strategies and portfolio reviews showed rapid progress for ADB operations (17 percentage points over 2008) and ADF operations (also 17 percentage points over 2008). ADB operations are most likely to reach their 2012 target and ADF operations have already surpassed their target.

Examples of joint mission work in 2009 included the Tajikistan Joint Country Partnership Strategy, 2010–2012, led by ADB in cooperation with 12 other development partners (multilateral development banks, bilateral agencies, agencies of the United Nations, and international nongovernment organizations). An additional 13 country portfolio review missions were conducted jointly in DMCs with other development partners (Appendix 13).

Progress on the Paris Declaration Commitments

ADB again performed well on several indicators of the Paris Declaration on Aid Effectiveness. Results of ADB's fourth annual internal monitoring survey, covering 25 countries (11 ADF-only, 10 blend, and 4 OCR-only), showed that in 2009 ADB achieved or was on track to achieve the 2010 targets for (i) alignment of aid with national priorities, (ii) coordination of technical assistance, (iii) use of country public financial management systems, (iv) reduction in parallel project implementation units, and (v) joint missions. ADB also made significant progress in joint country analytical work. However, ADB fell short on its use of country procurement systems, aid disbursed through PBAs, and aid predictability, the latter primarily because of the 2009 surge in its use of crisis-related lending.⁵⁷

ADB's generally strong performance masks wide variation across countries. To reduce disparities, ADB will employ a more focused approach in meeting aid effectiveness targets in individual countries. In addition, a number of initiatives have been taken to mainstream Paris Declaration principles in ADB's CPS guidelines and business processes. Through the CPSs and country operations business plans, ADB will engage more robustly with governments and other development partners to develop a framework for improvement in areas where it has lagged. Initiatives such as the Capacity Development for Development Effectiveness Facility,⁵⁸ launched in March 2009, the Asia–Pacific Community of Practice on MfDR, and the Asia Pacific Procurement Initiative will facilitate peer-to-peer learning among countries and strengthen country capacities to improve aid effectiveness and development effectiveness in the region.

⁵⁵ This includes 11 programs for 10 crisis-affected DMCs, but excludes operations financed by the CSF. If allocations made in 2009 from the CSF are included—to Bangladesh, Indonesia, Kazakhstan, the Philippines, and Viet Nam—the number of PBAs for ADB operations would have risen to 34 (Appendix 13).

⁵⁶ ADB. *Program Lending Policy: Clarification*. Section II.G. www.adb.org/Documents/Policies/Program_Lending/in89-09.pdf

⁵⁷ A full report on the annual survey is expected to be published in April 2010.

⁵⁸ Details on www.aideffectiveness.org/cdde

Level 4: Organizational Effectiveness

ADB develops and manages its organization to optimize operational effectiveness. To achieve this, ADB's results framework tracks performance in human resource management, budget adequacy, business processes and practices, and the managing for development results (MfDR) agenda.⁵⁹ The 2009 DEfR recorded notable progress in improving client responsiveness and advancing the MfDR agenda. At the same time, it highlights the increasing urgency to significantly strengthen staff resources in support of ADB's expanding project portfolio.

indicators capturing the levels of staff resources at operations departments, staff resources at resident missions, gender equality at ADB, and staff engagement. Since the results of the staff engagement survey will become available after May 2010, the 2009 DEfR examined the first three indicators. Progress on staff resources in operations departments and gender equality at ADB continued to be unsatisfactory. The indicator on staff resources at resident missions showed progress. With two out of the three indicators reviewed being off-track, this indicator category is rated red.

► Is ADB Aligning Its Human Resources to Increase Operational Effectiveness? ADB Ⓡ (Table 12)

ADB's performance in human resources management is measured through four

Staff Resources at Operations Departments: ADB Ⓡ Staff Resources at Resident Missions: ADB Ⓢ

The average percentage of staff—professional staff and national officers—in operations

Table 12: Human Resources (Level 4)

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

^a "Operations departments" means regional departments and the Private Sector Operations Department.

^b These figures represent annual percentages only, rather than 3-year rolling average.

^c Represents the proportion of professional staff and national officer positions in resident missions of those assigned to regional departments. Includes staff outposted at resident missions from regional departments.

^d This indicator follows the baseline used for the third gender action program (2008–2010), where the target relates to 2010. Specification of a target after 2010 will be reviewed before the end of the program.

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

⁵⁹ No separate targets were set for ADF for human resources and budget adequacy indicators. The DEfR process assesses these two indicators at ADB-level only.

departments remained static for the third year running, 3 percentage points below the 2012 target of 56%. In 2009, ADB added 16 staff positions in operations departments at headquarters and in resident missions, compared to 21 in 2008. At the end of 2009, 746 of 1,389 positions were allocated to operations departments. During 2004–2009, 111 of 182 new positions were for operations departments. Of the 16 new positions in 2009, 6 were assigned to resident missions. During 2004–2009, 69 positions were added to resident missions. At the end of 2009, a total of 327 staff positions were allocated to resident missions (Appendix 14).

Management fully recognizes the serious implications for quality of ADB's operations if staff resources continue to be overstretched. Accordingly, ADB has already implemented substantial measures to increase staff resources to manage the expanding project portfolio effectively. It intends to create in 2010–2012 about 500 new staff positions—including 360 for professional staff and national officers.⁶⁰ It plans to assign a large proportion of new positions to operations departments, bringing their share to the 2012 target of 56%. Of these, more than half will be allocated to resident missions. ADB has upgraded resources for staff assigned to resident missions to support staff productivity. In particular, ADB (i) enhanced benefits and relocation packages for professional staff, especially in hardship duty stations; (ii) improved and simplified administration of field office benefits; and (iii) improved communications with resident missions, especially in hardship stations.

Gender Balance at ADB: ADB 🚫

The representation of women professionals continued to decline in 2009, although more slowly than in 2008. At the end of the second year of the Third Gender Action Plan (GAP III), women accounted for 27.8% of professional staff—1.5 percentage points below the 2007 baseline. ADB began implementing GAP III in 2008, which targeted 35% representation of

women professional staff by 2010. Gender representation targets were also set for entry (40%), pipeline (35%), and senior levels (25%) for ADB, as well as for each department and office. In 2009, the appointment rate of women professional staff improved. Yet this was offset by a high separation rate, resulting in a net reduction in women's representation by end of the year. Reaching the 35% target by the end of 2010 is unlikely. Promotion rates of women professional staff remained steady in 2009. Representation at senior levels was 17.1%, a decrease of 1.1 percentage points from 2008.

ADB has intensified the implementation of GAP III and strengthening of the gender focus during recruitment and in staff management. Recruitment and retention strategies are diversifying, including focused outreach, more targeted posting of vacancies for professional women, a broader spouse employment policy, improved leave arrangements, and better flexi-time and work-from-home arrangements.

Staff Engagement Levels: No Update

Every 2 years, an independent firm assesses staff satisfaction by conducting the engagement survey. The next survey will be in May 2010.

ADB developed Our People Strategy for human resources change to develop (i) a strong mix of high-caliber, motivated, client-responsive staff working in partnership; (ii) inspiring leadership and proactive people management; and (iii) supportive and enabling workplace environment and culture.⁶¹ Our People Strategy comprises 28 indicators, including the four human resources effectiveness indicators from ADB's results framework, against which implementation effectiveness will be measured. The strategy will underpin ADB's drive to recruit and manage significantly more staff to implement effectively its expanded operations under the fifth general capital increase.

ADB has begun implementing initiatives under the strategy. It has improved the human resource service delivery processes using information

⁶⁰ ADB. 2009. *Work Program and Budget Framework, 2010–2012*. Manila.

⁶¹ ADB. 2009. *Our People Strategy: Skills and Passion to Improve Lives in Asia and the Pacific*. Manila.

technology to enable managers to access human resources related information so that they can manage and recruit staff more efficiently. It has streamlined human resource processes and improved service standards. The human resource function has been realigned around customer segments and integrated services. ADB has accelerated the recruitment of expertise required under Strategy 2020 through strategic, flexible, and streamlined recruitment and selection procedures. This resulted in a high level of recruitment in 2009, reducing the professional staff vacancy rate to 2.9% from 6.4% in 2008.

ADB has also updated the staff development framework to help achieve the goals of Our People Strategy. ADB is (i) collaborating with client departments to assess needs, and designing and delivering the program; (ii) developing a skills framework and database; (iii) evaluating existing programs; and (iv) diversifying program delivery modalities, using e-learning and external partnerships. ADB is comprehensively reviewing compensation and benefits to remain competitive, and to attract and retain staff.

► Is ADB's Budget Adequate to Support Operational Effectiveness? ADB 🚩 (Table 13)

ADB's budget adequacy is measured through four internal administrative expenses (IAE) ratios relative to project approvals, disbursements, and implementation. All four indicators have continued to decline against their target to "maintain" the baseline and therefore remain red.

Data for ADB's budget adequacy confirmed a downward trend in IAE ratios. This trend remained unchanged even when excluding special CSF operations approved in 2009. One major factor behind the trend has been the steady increase in ADB operations since 2006 without a commensurate increase in IAE, resulting in overstretched resources. While this confirms ADB's continued strength in managing its budget efficiently, the steady decline in these indicators started to pose risk to the quality of its expanding project portfolio. Recognizing this, ADB approved a large increase in its IAE budget for 2010 (13.1% over the 2009 level), which is expected to partially improve the budgetary adequacy indicators. ADB will closely monitor the trends.

Table 13: Budget Adequacy (Level 4)

Indicator	Baseline Year ^a	Asian Development Bank				
		Baseline	2007	2008	2009	2012 Target
Internal administrative expenses per \$1 million of public and private sector project approval (\$ '000)	2004–2006 average	43	36	32	28 ^b	Maintain
Internal administrative expenses per project approved (\$ million in 2000 constant prices)	2004–2006 average	2.8	2.5	2.4	2.3 ^b	Maintain
Internal administrative expenses per \$1 million disbursement (\$ '000)	2004–2006 average	62	53	46	41 ^b	Maintain
Internal administrative expenses per project under implementation (\$ '000 in 2000 constant prices)	2004–2006 average	427	411	399	396 ^b	Maintain or increase

^a For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, and the 2007–2009 average for 2009.

^b Includes operations financed by the Countercyclical Support Facility.

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

► **Are ADB's Business Processes and Practices More Efficient? ADB 🟡, ADF 🟢 (Table 14)**

The business processes and practices indicator category examines ADB's responsiveness to its clients by reviewing progress of project processing time, implementation start-up, and delegation of operations to field offices. Both the project processing and start-up time indicators showed satisfactory progress. However, levels of delegation of project administration to field offices fell for the third successive year in ADB operations, and this indicator is therefore rated red. The same indicator for ADF operations experienced a drop for the first time and is rated amber. With two out of the three indicators showing progress, the aggregate score for this category is green for ADB and ADF.

Project Processing Time: ADB 🟡, ADF 🟢

ADB continued to shorten the average processing time for sovereign operations in 2009, significantly outstripping the 2012 targets.

By the end of 2009, the average processing time for ADF operations was already 100% faster than the 2012 target. As Appendix 15 shows, data for the ADF-only countries indicated much more rapid processing times (8 months) than for blend countries (13 months) and OCR-only countries (21 months). Feedback from regional departments points to two possible factors: (i) more streamlined government procedures applied to processing projects financed by ADF, because of its highly concessional terms; and (ii) an increasing number of ADF loan and grant projects processed using small-scale TAs to expedite processing.

As shown in Figure 5, ADB processed program loans consistently faster than project loans, though the difference was less significant for ADF operations (9 months for programs compared with 11 months for projects) than for OCR (8 months compared with 16).

As ADB implements the streamlined business processes approved in December 2009, it will consider realigning the 2012 targets with its

Table 14: Business Processes and Practices (Level 4)

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund				
		Baseline	2007	2008	2009	2012 Target	Baseline	2007	2008	2009	2012 Target
Average sovereign operations processing time (months from fact-finding to approval) ^a	2006	21	18	16	14 ^b	18	22	18	13	10	20
Average time from approval to first disbursement in sovereign operations (months) ^c	2006	12	12	12	11 ^b	10	13	13	12	12	12
Proportion of sovereign operations administered by field offices (%)	2006	39	39	38	37 ^b	43	36	37	39	37	43

^a Defined as the average time from loan or project preparatory technical assistance fact-finding to approval. Excludes second and subsequent tranches of multitranches finance facilities.

^b Excludes operations financed by the Countercyclical Support Facility.

^c Average time from approval to first disbursement of sovereign loans and Asian Development Fund (ADF) grants approved in the last 5 years (e.g., 2009 figure is based on 2004–2008 averages).

Source: ADB.

new benchmark (12 months processing time).

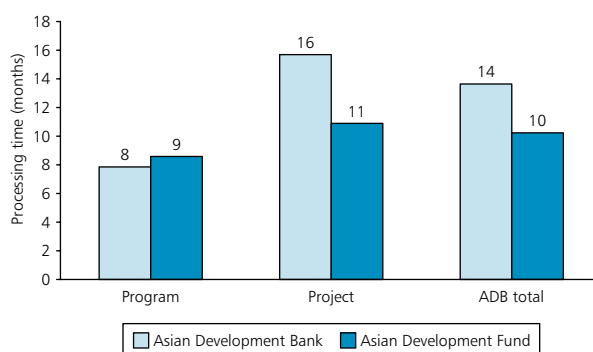
Implementation Start-Up:

ADB , ADF

Implementation start-up in sovereign operations improved. For the first time since 2006, ADB sovereign operations reduced the average time from approval to first disbursement, reducing delays at project start-up by 1 month. ADF operations held steady on its already-met target (12 months) for 2012. The rapid reduction in start-up delays since 2006 suggests the effective implementation of measures under the *2007 DEFR*—more consistent use of readiness filters and tightening of approval-to-effectiveness limits. Projects for OCR-only and blend countries were faster at implementation start-up (11 months) than ADF-only (12 months). As shown in Figure 6, ADB took less time to reach first disbursement for programs (5 months) than for projects (13 months).

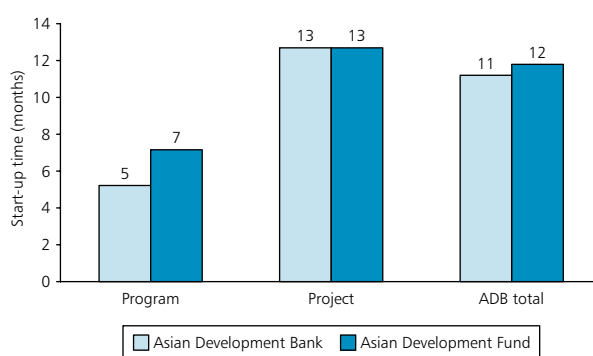
In response to DMCs' desire for lower transaction costs, faster response times, and more efficient processes,⁶² ADB formed a loan delivery working group in 2009 to identify mechanisms to cut the time and costs associated with its business processes. Efficiency gains were considered essential to maintain the quality of ADB's expanded lending volumes.⁶³ Following the recommendations of the working group, ADB introduced the streamlined business processes for loan delivery in January 2010 (footnote 44). ADB expects the new processes to significantly reduce loan delivery time up to Board approval, as well the time from Board approval to first disbursement. The new processes also incorporate features to enhance project quality. To continue increasing its responsiveness, ADB is reviewing relevant

Figure 5: Average Sovereign Operations Processing Time in 2009 (months from fact-finding to approval)



Source: Central Operations Services Office, ADB.

Figure 6: Average Time from Approval to First Disbursement in Sovereign Operations in 2009 (months)



Source: Central Operations Services Office, ADB.

lending instruments, including results-based and supplementary financing mechanisms.

Resident Missions: ADB , ADF

Levels of delegation of project administration to field offices fell for the third successive year in ADB operations, dropping further under the 2006 baseline. ADF operations likewise experienced a decline of two percentage points, leaving it just higher than the baseline. This is partly because while the number of operations

⁶² An IED special evaluation study identified three key issues affecting business processes: (i) excessive workload of the project team leader, (ii) a budget that is not commensurate with the expansion in project preparatory TA scope, and (iii) the need for greater project supervision to avoid implementation delays. ADB. 2008. *Special Evaluation Study: Project Performance and the Project Cycle*. Manila.

⁶³ See ADB. 2002. *Business Processes for the Reorganized ADB*. Manila; and ADB. 2006. *Further Enhancing the Country Strategy and Program and Business Processes*. Manila.

Box 6: Central and West Asia Department: Joint-Venture Approach

The Asian Development Bank (ADB) refined and expanded its joint-venture approach to decentralization processes in all Central and West Asian developing member countries (DMCs) during 2009. Projects are no longer categorized as “delegated” or “non-delegated” under this approach, but rather jointly managed by staff at both headquarters and resident missions. Sector directors are accountable for the entire project portfolio performance, while country directors oversee the client relationship. To underpin this approach (i) resident mission units now mirror those in headquarters; and (ii) each sector unit has staff located in headquarters and resident missions, all of whom report functionally to the sector director. The country director focuses on DMC relationship management, country strategy, country economic work, and development partner coordination. Additional positions in resident missions (sector focal points and project management leaders) help maintain client proximity and simplify lines of communication and accountability. Benefits of the joint-venture approach have included: (i) better use of ADB staff resources, with more seamless collaboration between staff in headquarters and resident missions; (ii) the creation of a unified ADB approach to clients; (iii) a heightened systematic and rapid response capacity to address problems; and (iv) greater efficiency.

Source: Central and West Asia Department, ADB.

being added to the portfolio increased rapidly in recent years (64 annually on average in 2004–2006 to 90 in 2007–2009), the level of delegation depended on staff resources at field offices, which saw only a slight increase.

Furthermore, the current system of capturing delegation levels does not fully capture the level of portfolio management responsibility being delegated to field offices.⁶⁴ As discussed in the 2008 DEfR, ADB introduced a joint-venture approach to project administration and portfolio management in Central and West Asian DMCs (Box 6). Had the joint-venture approach counted as delegation under this indicator, figures for 2009 would have been significantly higher: ADB at 51% and ADF at 56%. As this approach is now being expanded to more countries, ADB will consider revising the system to enable better monitoring of ADB’s delegation efforts.

ADB further identified specific measures programmed for 2010–2012 under its pilot delegation model, including (i) implementing safeguards jointly by resident mission and headquarters staff teams; (ii) applying a hub approach to ensure adequate and conveniently located support for delegated functions;

(iii) increasing the delegation of project implementation supervision to field offices; (iv) more outposting of sector specialists to resident missions as sector focal points, and operations department professional staff to resident missions for capacity building; and (v) improving communication and collaboration between resident missions and headquarters, such as dual reporting, preparation, and assessment of work programs and performance evaluations.

► 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.⁶⁵ ADB adopted a new MfDR action plan for 2009–2011 to continue promoting MfDR within ADB, in DMCs, and with development partners. As a priority under the action plan, ADB is preparing a communications plan on MfDR. The plan aims to enlist staff support for the MfDR agenda by disseminating more systematically clear messages on its purpose, benefits, and key initiatives.

⁶⁴ The current system relies solely on the location of a team leader and does not capture the shared responsibility of country directors and sector directors over project and portfolio management.

⁶⁵ While this is not part of the results framework, Management committed to reporting ADB’s progress on its MfDR agenda through the DEfR process.

ADB made steady progress in institutionalizing its results management system, anchored on its results framework and the DEfR process. During their regular meetings on corporate results, Management and senior staff assessed work outcomes, discussed emerging and persistent issues, and agreed on steps for improvement. As reported in *2008 DEfR* and *2009 DEfR*, ADB has resolved performance weaknesses that were identified earlier. A results dashboard was launched to enable ADB's managers to analyze results data at the corporate, department, and country levels. To link performance information and corporate planning more clearly, ADB has used the *2008 DEfR* findings in preparing the Work Program and Budget Framework, 2010–2012. Efforts to align staff performance metrics with the ADB results framework are underway for some departments.

ADB has sharpened the results orientation of its products. As part of business process streamlining, the CPS results framework was refined to improve alignment with the DMC's development objectives. ADB upgraded the system for capturing its core sector outputs

by standardizing the process and integrating the output indicators into CPS and project documents. ADB improved a methodology for preparing the country development effectiveness briefs and produced two prototype briefs. ADB also adopted a results framework and development effectiveness review process to the CAREC program as a performance monitoring mechanism. At the project level, ADB developed a checklist for ensuring the quality of DMFs.

The development of country capacity in MfDR remained an ADB priority. ADB held the Asia Regional Forum on MfDR in Sri Lanka to discuss future directions in building sustainable in-country capacity in MfDR in South Asia.⁶⁶ Attended by key decision makers from the governments of Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka, the forum promoted the sharing of experiences with institutionalizing MfDR and identifying solutions to common challenges. ADB reviewed the achievements of TA projects financed through the Cooperation Fund in Support of MfDR, which has supported innovative MfDR approaches in DMCs.

Box 7. The Asia–Pacific Community of Practice on Managing for Development Results

The Asia–Pacific Community of Practice on Managing for Development Results (CoP-MfDR) was created in 2006 as the first regional developing country network on MfDR. It has since tripled in size to 400 members from more than 20 countries, including government officials who have led the fund-supported technical assistance activities. The Asian Development Bank is the CoP's secretariat.

CoP-MfDR provides its members with access to best practices, training opportunities on MfDR, and tools to identify capacity gaps and develop demand-driven capacity development initiatives. It also galvanizes south–south cooperation.

CoP-MfDR activities have resulted in increased application of MfDR by its members, and reinforced the capacity to drive MfDR at the country level. The success of the Asia–Pacific CoP-MfDR influenced the creation of the Latin American and Caribbean CoP (supported by Inter-American Development Bank) and the African CoP (supported by the World Bank). The Development Assistance Committee of the Organisation for Economic Co-operation and Development recently reaffirmed regional CoPs as essential hubs for learning and promoting MfDR-based country systems.

Source: ADB. For more details, visit <http://cop-mfdr.adb.org>

⁶⁶ The Asia Regional Forum and individual country activities on MfDR were supported by ADB's RETA *Mainstreaming Managing for Development Results in Support of Poverty Reduction in South Asia*, jointly funded by Canada, Norway, The Netherlands, the United Kingdom, and ADB. For more details on the forum, visit <http://cop-mfdr.adb.org>.

At the regional level, 73 members from 22 countries and ADB staff from all regional departments met in Kuala Lumpur during the annual meeting of the ADB-supported Asia–Pacific Community of Practice on MfDR (Box 7). The participants discussed a common framework for mainstreaming MfDR in public

management, defined the key attributes of results-based budgeting, and identified possible areas of collaboration among the participating countries and with ADB. They also learned about Malaysia’s integrated approach to MfDR at central and local levels.

Actions

ADB has taken numerous actions responding to performance weaknesses noted in the *2007 DEfR* and *2008 DEfR*.⁶⁷ Recognizing the need to correct the past overstretching of staff resources and maintain the quality of its expanding operations, Management adopted the 3-year Work Program and Budget Framework, 2010–2012, which envisages a phased 3-year staff and budget growth to increase overall organizational capacity. In support of the Work Program and Budget Framework, ADB has already approved a large increase in its budget for 2010.

Many other actions have been successfully completed and are being integrated into regular ADB processes. ADB has

- adopted Our People's Strategy to guide ADB in managing its growing staff;
- streamlined business processes for projects and CPSs to ensure efficient product delivery;
- started implementing its decentralization model with the combined leadership of country and sector directors to expand field office capacity;
- improved its approach to promoting gender mainstreaming in operations, as recommended by the technical working group established following the *2008 DEfR*;
- expanded the application of project readiness filters, and changed its project administration instructions to reduce project start-up delays;

- adopted the new action plan on knowledge management with detailed monitoring indicators;
- refined the methodologies for preparing country development effectiveness reviews, which examine ADB's contribution to development outcomes at the country level;
- launched the management action record system to systematically monitor how the Independent Evaluation Department's recommendations translate into actions; and
- adopted the new MfDR action plan to guide the MfDR process across ADB.

Management scrutinized the findings of the *2009 DEfR* and, in response to the highlighted issues, initiated measures to improve performance across ADB. These are discussed throughout this report and summarized in Table 15. In addition, regional departments will act on the low success ratings of completed investment projects, and declining ratings for completed TA projects. The Private Sector Operations Department and regional departments will ensure timely disbursements of nonsovereign operations.

ADB's increasing experience of performance assessment through the DEfR process has highlighted the need to refine its results framework indicators, improve data quality, and approaches to performance analysis. In addition to refinements already introduced on indicator definitions and data collection following the *2008 DEfR* action plan (Appendix 16),

⁶⁷ Progress of the DEfR actions is updated quarterly and is available at: www.adb.org/Documents/Reports/Development-Effectiveness-Review/default.asp

Table 15: New and Ongoing Development Effectiveness Review Actions

Actions	Pages Discussing Actions	Responsibility	Time Frame
1. Project performance management. Expedite the use of better project performance reporting systems that enable more reliable assessments	p. 28	The project performance management working team, consisting of regional departments, SPD, and COSO, coordinating with the P3M working group (SPD to coordinate)	June 2010
2. Operational areas with insufficient progress. Introduce a pilot results delivery scheme linking OCR allocation to performance in cofinancing, education, and gender mainstreaming in operations	p. 32 p. 35	SPD, Operations departments, and OCO	2010
3. Support for education. Implement a sector operations plan on education (Education by 2020) to boost ADB support for the sector	p. 32	Operations departments and RSDD	2010 onward
4. Gender balance at ADB. Intensify efforts to improve ADB's gender balance by strengthening recruitment and retention strategies for female staff	p. 40	BPMSD, in consultation with all departments and offices	Ongoing
5. Budget adequacy. Strengthen monitoring of budget adequacy to mitigate risk of declining operations quality	p. 41	BPMSD, in consultation with all departments and offices	Ongoing

ADB = Asian Development Bank; BPMSD = Budget, Personnel and Management Systems Department; COSO = Central Operations Services Office; CSO = civil society organization; OCO = Office of Cofinancing Operations; OCR = ordinary capital resources; P3M = project processing and portfolio management; RSDD = Regional and Sustainable Development Department; SPD = Strategy and Policy Department.

Source: Strategy and Policy Department, ADB.

ADB will consider further refinements to the results framework in 2010 and recommend improvements to the Board of Directors. This will include examining the possibility of incorporating better outcome indicators into the core sector indicators, ensuring that these indicators are adequately aligned with ADB's strategic direction within each sector, and

capturing outputs from program loans. ADB will also review the PCR and TCR guidelines to enable more systematic assessment of core sector indicators and thematic results. Indicators at other levels—including an alternative indicator to measure access to roads (level 1), and the responsibility of resident missions for portfolio management (level 4)—will be reviewed.

Conclusion

Pre-crisis data suggest that the region made satisfactory progress in reducing poverty and achieving other development outcomes—growth, regional integration, basic infrastructure, and governance (level 1). However, progress in many non-income poverty indicators was insufficient for the region to meet the 2015 Millennium Development Goal targets. The *2009 DEfR* noted that the global economic crisis poses a serious challenge to the region's progress on poverty and development.

The review found that ADB was broadly on track to achieve its 2009–2012 output targets laid out in the results framework, and many of its operations achieved their intended sector outcomes (level 2). However, a quarter of all projects examined in 2009 did not achieve their outcomes fully, and weaker performance was noted in particular for education and finance outcomes.

ADB made progress on many of its operational effectiveness indicators (level 3), including portfolio performance, stakeholder perception of ADB's effectiveness, strategic focus, and partnerships. At the same time, the review highlighted emerging downward trends in several areas, including the success rate of completed investment and TA operations, cofinancing for ADF operations, and collaboration with CSOs.

The *2009 DEfR* noted that most of ADB's organizational effectiveness indicators

remained off-track (level 4). On the one hand, this confirms ADB's ability to manage its expanding operations effectively without a corresponding resource increase. However, Management recognizes that a significant increase in ADB's staff resources is essential to mitigate the risk of operations quality deteriorating. The urgency for this indicator is underscored by the downward trend in project quality indicators clearly seen in the *2009 DEfR*.

The 2009 DEfR process confirmed its value as a key corporate management tool for guiding ADB toward Strategy 2020 goals. Using the performance scorecard, the review process has helped Management assess performance, identify challenges, and plan steps for improvement. Following the *2009 DEfR* findings, Management has initiated measures and expedited ongoing actions to correct the performance weaknesses. The *2009 DEfR* findings will inform ADB-wide work planning and budget process, and priority setting within individual departments and offices.

After 3 years of implementation, the DEfR process has generated valuable assessments, but has also identified areas where data are incomplete and the methodologies to analyze performance are less robust. Learning from its experience, ADB Management will review specific components of the results framework and submit recommendations to ADB's Board of Directors in 2010.



Appendixes

Appendix 1

ADB 2009 Performance Scorecard

► Level 1: Asia and the Pacific Development Outcomes

Table A1.A.1: Poverty and Human Development

(ADB ● ADF ●)

Indicator	Asian Development Bank Countries				Asian Development Fund Countries					
	2005	Latest 2007	Target 2015	Progress ^a	Attainable? ^b	2005	Latest 2007	Target 2015	Progress ^a	Attainable? ^b
Population living on less than \$1.25 (PPP) per day (%)	27.7	27.6 ^c	27.1	●	●	33.8	33.3 ^c	29.7	●	●
Primary education completion rate, both sexes (%)	88.7	88.9	100	●	●	78.3	79.0	100	●	●
Ratio of girls to boys in:										
Primary education	0.96	0.97	1.00	●	●	0.91	0.93	1.00	●	●
Secondary education	0.92	0.94	1.00	●	●	0.92	0.92	1.00	●	●
Tertiary education	0.81	0.88	1.00	●	●	0.70	0.76	1.00	●	●
Women in nonagricultural wage employment (%)	30.0	30.5	Increase	●	●	26.5	26.4	Increase	●	●
Under-5 child mortality (per 1,000 live births)	60.0	55.9	30.1	●	●	74.1	70.2	39.0	●	●
Women (aged 15 and above) living with HIV (number, million)	1.58 ^d	1.69	Halt or reverse	●	●	0.11 ^d	0.23	Halt or reverse	●	●
Population with sustainable access to improved water source (%)										
Urban	95.3	95.5 ^c	96.7	●	●	90.1	90.1 ^c	95.3	●	●
Rural	80.8	82.3 ^c	80.7	●	●	75.9	76.8 ^c	82.1	●	●
Population with sustainable access to improved sanitation (%)										
Urban	68.6	69.2 ^c	80.0	●	●	72.5	72.6 ^c	85.9	●	●
Rural	41.2	41.7 ^c	64.2	●	●	41.6	42.4 ^c	64.8	●	●

PPP = purchasing power parity.

^a In rating progress: ● Made progress ● Progress regressed

^b In rating attainability: ● On-track to achieve target ● Unlikely to achieve target

^c 2006 data.

^d 2001 data is used for the baseline.

Notes: In rating individual indicators, the scorecard assigns (i) green where progress is made over the previous periods or where the indicator meets or exceeds its target; (ii) amber where progress has stalled or regressed for the first time; and (iii) red where progress has stalled or regressed over two or more previous review periods. In rating indicator categories for the scorecard summary, the scorecard uses as a basic rule (a) green where more than half of the individual indicators in one category are green; (b) amber where results are mixed with equal numbers of indicators that are green and non-green; and (c) red where more than half of the indicators are rated red. For the Millennium Development Goal indicators in Level 1, the scorecard also considers their likelihood of achieving targets by 2015. Asian Development Bank (ADB) countries include all of ADB's developing member countries (DMCs). Asian Development Fund (ADF) countries refer to a subset of ADB's DMCs that have access to the ADF during the ADF IX implementation period (see Appendix 2 for complete list).

Sources: Regional aggregates are estimated by the UNESCAP, Statistics Division using 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 Population Database. <http://esa.un.org/unpp/> (accessed on 5 March 2010); and (iii) HIV indicator data are from the Joint United Nations Programme on HIV/AIDS. 2008. *2008 Report on the Global AIDS Epidemic*. Geneva.

Table A1.A2: Other Development Outcomes (ADB ● ADF ●)

Indicator	Baseline			Latest				
	Year	ADB Value	ADF	Year	ADB Value	Score	ADF Value	Score
Gross domestic product (GDP) per capita								
GDP per capita (at constant 2,000 prices, \$)	2006	1,097	678	2008	1,290	●	750	●
Regional cooperation and integration								
Intraregional trade in the Asia and Pacific region's total trade (%)	2005	51	58	2008	48	●	56	●
Access to basic infrastructure								
Access to telecommunications: fixed lines and mobile telephone subscribers (per 1,000 inhabitants)	2006	398	274	2008	549	●	533	●
Access of rural population to an all-season road (%)	2003	76	68		
Household electrification rate (%)	2002	69	47	2008	77	●	58	●
Governance								
Cost to start business (% of gross national income per capita)	2006	42	49	2009	25	●	27	●
Time to start business (days)	2006	43	45	2009	33	●	34	●
Governance and public sector management assessment from country performance assessments	2006		3.3	2009		●	3.4	●
Environment								
Carbon dioxide emissions (metric tons per capita)	2005	2.5	1.2		

● Made progress. ● Progress regressed.

... = no data available, ADB = Asian Development Bank countries, ADF = Asian Development Fund countries.

Sources: (i) The World Bank. World Development Indicators Online Dataset. <http://ddp-ext.worldbank.org/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=135> (accessed 5 March 2010) for gross domestic product (GDP) per capita, access to telecommunications, and carbon dioxide emissions; (ii) The World Bank Group. 2009. *Doing Business 2010: Reforming through Difficult Times*. Washington, DC, for cost and time to start business; (iii) ADB Office of Regional Economic Integration for intraregional trade data; (iv) Organisation for Economic Co-operation and Development, International Energy Agency. 2009. *World Energy Outlook 2009*. Paris, for electrification; (v) ADB Strategy and Policy Department for the 2009 country performance assessment ratings for governance; and (vi) ADB. *Asian Development Outlook* worksheets if GDP per capita is not available from World Development Indicators Online.

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

Table A1.B1: Progress in Achieving Asian Development Bank's Output Targets for 2009–2012 (ADB ● ADF ●)

Sectors and core sector outputs	Asian Development Bank		Asian Development Fund	
	Output Targets Programmed for 2009–2012	Output Targets Delivered and Expected ^a (%)	Output Targets Programmed for 2009–2012	Output Targets Delivered and Expected ^a (%)
Education				
Classrooms built or upgraded (number)	76,100	83	71,400	86
Teachers trained (number)	1,518,000	100	1,517,000	100
Students benefiting from school improvement programs or direct support (number)	22,515,000	99	20,385,000	100
Energy				
Installed energy generation capacity (MW equivalent)	13,200	103	8	181
Transmission lines installed or upgraded (km)	6,800	94	1,200	98
Distribution lines installed or upgraded (km)	150,200	100	3,800	138
New households connected to electricity (number)	447,500	131	152,500	137
Greenhouse gas emission reduction (tCO ₂ -equiv/yr)	11,747,000	103	1,200	100
Finance				
Microfinance accounts opened or end borrowers reached (number)	2,563,000	91	433,000	108
SME loan accounts opened or end borrowers reached (number)	213,900	211	202,000	116
Transport				
Expressways built or upgraded (km)	1,300	104	60	100
National highways, provincial, district, and rural roads built or upgraded (km)	48,000	104	18,700	122
Railways constructed and/or upgraded (km)	2,800	102	888	100
Beneficiaries from road projects (number)	222,164,000	98	97,449,000	102
Water				
Water supply pipe installed or upgraded/length of network (km)	14,800	111	11,100	107
New households served with water supply (number)	4,823,000	90	1,292,600	87
Wastewater treatment capacity added (m ³ /day)	4,566,000	100	572,600	100
New households served with sanitation (number)	9,393,000	98	2,165,900	85
Land improved through irrigation services, drainage, and flood management (ha)	2,682,000	111	667,500	95
Average % of output delivery		107		109

CO₂ = carbon dioxide, ha = hectare, km = kilometer, m³/day = cubic meters per day, MW = megawatt, SME = small and medium-sized enterprises, tCO₂-equiv/yr = tons of carbon dioxide equivalent avoided per year.

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

^a Operations approved in 2003–2006 are assumed to deliver outputs programmed after 5 years and are reported 1 year later, in 2009–2012.

Sources: ADB Reports and recommendations of the President issued in 2003–2006 for programmed outputs, project completion reports, and staff estimates for targets delivered and expected.

► **Level 3: Operational Effectiveness**

Table A1.C1: Operational Effectiveness

Indicator	Baseline Year ^a	Asian Development Bank (ADB)					Asian Development Fund (ADF)							
		Baseline Value	2007	2008	2009 ^b	2012 Target	Score	Baseline Value	2007	2008	2009	2012 Target	Score	
Operational Quality and Portfolio Performance														
Evaluation ratings of results-based CPS (% successful)	2009	50			50	70	ADB	50		50		ADF	70	●
Quality-at-entry rating of CPS (% satisfactory) ^c	2006	33	75		33	80		33	75			80		
Average annual combined ratings of PPERs, PVRs, and PCR (successful) ^d	2004–2006 average	72	70	69	67	80	●	75	77	68	67	80	●	
Project performance rating at implementation (% satisfactory)	2004–2006 average	90	92	93	94	Maintain	✓	91	93	93	94	90	✓	
Quality-at-entry rating of sovereign projects (% satisfactory) ^c	2006	81		85		85		76		83		85		
Perceptions on ADB effectiveness in reducing poverty (% with excellent and good perception) ^e	2006	45			50	60	●		Same as ADB			ADF	●	
Finance Mobilization														
Overall disbursement ratio ^f for sovereign operations (%)	2006	23	25	29	26	At least 23	✓	18	21	25	27	20	✓	
Overall disbursement ratio ^f for nonsovereign loans and equity (%)	2006	43	61	45	37	At least 50	●						●	
Proportion of DVA cofinancing relative to ADB loans and grants approved annually (%)	2004–2006 average	10	10	13	17	20	●	14	13	11	8	20	●	

continued on next page

Table A1.C1 continued

Indicator	Asian Development Bank (ADB)					Asian Development Fund (ADF)							
	Baseline Year ^a	Baseline Value	2007	2008	2009 ^b	2012 Target	Score	Baseline Value	2007	2008	2009	2012 Target	Score
Proportion of Financing for Strategy 2020 Core Operational Areas						ADB	●					ADF	●
Proportion of financing for Strategy 2020 core operational areas (%)	2008	79	79	81	81	80	✓	67	67	79	79	79	●
Proportion of projects supporting private sector development (%)	2004–2006	29	35	38	38	30	✓	14	13	19	21	21	●
Proportion of projects supporting regional cooperation and integration (%)	2004–2006	7	7	7	10	15	●	11	11	11	16	16	●
Proportion of projects supporting environmental sustainability (%)	2004–2006	14	17	21	27	25	✓	9	12	13	18	18	●
Proportion of projects with gender mainstreaming (%) ⁹	2004–2006	35	30	27	27	40	●	45	39	37	37	50	●
Knowledge Management						ADB	●					ADF	●
Annual MAKE survey assessment rating (%)	2006	54	58	60	60	60	✓	Same as ADB					✓
Ratings of TCRs (% successful)	2004–2006 average	78	78	77	73	80	●	72	69	67	61	80	●

continued on next page

Table A1. C1 continued

Indicator	Asian Development Bank (ADB)					Asian Development Fund (ADF)							
	Baseline Year ^d	Baseline Value	2007	2008	2009 ^e	2012 Target	Score	Baseline Value	2007	2008	2009	2012 Target	Score
Partnerships						ADB						ADF	
Proportion of sovereign operations with CSO participation (%)	2006	79	81	77	69	80	●	80	89	84	67	80	●
New program-based approaches approved (number)	2006	5	19	13	30	10	✓	4	14	8	18	8	✓
Proportion of CPS and CPR missions conducted jointly with at least one other development partner (% annually)	2006	33	37	39	56	60	●	40	37	44	61	60	✓

✓ Achieved or surpassed target

● Made progress or on track to achieve target

● Progress beginning to stall or regress

● Progress stalled or regressed over two or more review periods

ADB = Asian Development Bank, ADF = Asian Development Fund, CPR = country portfolio review, CPS = country partnership strategy, CSO = civil society organization, DVA = direct value-added, MAKE = Most Admired Knowledge Enterprises, PCR = project completion report, PPER = project performance evaluation report, PVR = PCR validation report, TCR = technical assistance completion report.

^a For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, and the 2007–2009 average for 2009.

^b Excludes operations financed by the Countercyclical Support Facility.

^c Quality-at-entry assessment is conducted biannually.

^d Where available, PPER ratings are taken as the final rating. If no PPER was prepared, an available PVR rating is used. Otherwise, PCR ratings are used. Counting of successful projects rated in PCRs, PVRs, and PPERs is based on the year of their circulation. Baseline and later values have changed as more PPERs and PVRs become available.

^e Perceptions survey is conducted every 3 years.

^f Disbursement ratio is defined as the ratio of total disbursement in a given year or period over the net amount available at the beginning of the year and/or period, plus amount that became effective during the year and/or period, less cancellations made during the year and/or period.

^g Includes projects identifying gender as a theme and other projects with effective gender mainstreaming.

Sources: ADB Reports and recommendations of the President issued in 2009, Central Operations Services Office, Controller's Department, Department of External Relations, Independent Evaluation Department, Office of Cofinancing Operations, Regional and Sustainable Development Department, regional departments, resident missions, and Strategy and Policy Department.

► Level 4: Organizational Effectiveness

Table A1.D1: Human and Budget Resources

Indicator	Baseline Year ^a	Baseline Value	Asian Development Bank				2012 Target	Score
			2007	2008	2009			
Human Resources								●
Budgeted professional staff and national officers in operations departments (%) ^b	2004–2006 average	52	53 ^c	53 ^c	53 ^c	56 ^c		●
Budgeted professional staff and national officers in resident missions (%) ^d	2004–2006 average	42	44 ^c	46 ^c	47 ^c	48 ^c		●
Representation of women professional staff in total (%) ^e	2007	29	29	28	28	35		●
Staff engagement survey results (index)	2008	60		60		67		●
Budget Adequacy								●
Internal administrative expenses per \$1 million of public and private sector project approval (\$'000)	2004–2006 average	43	36	32	28 ^f	Maintain		●
Internal administrative expenses per project approved (\$ million in 2000 constant prices)	2004–2006 average	2.8	2.5	2.4	2.3 ^f	Maintain		●
Internal administrative expenses per \$1 million disbursement (\$'000)	2004–2006 average	62	53	46	41 ^f	Maintain		●
Internal administrative expenses per project under implementation (\$'000 in 2000 constant prices)	2004–2006 average	427	411	399	396 ^f	Maintain or increase		●

- On track to achieve target
- Progress beginning to stall or regress
- Progress stalled or regressed over two or more review periods

^a For indicators with a 3-year average as baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, and the 2007–2009 average for 2009.

^b “Operations departments” means regional departments and the Private Sector Operations Department.

^c These figures represent annual percentages only, rather than the 3-year rolling average.

^d Represents the proportion of professional staff and national officer positions in resident missions of those assigned to regional departments. Includes staff outposted at resident missions from regional departments.

^e This indicator follows the baseline used for the third Gender Action Plan (2008–2010), where the target relates to 2010. Specification of a target after 2010 will be reviewed before the end of the program.

^f Includes operations financed by the Countercyclical Support Facility.

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

Table A1.D2: Business Processes and Practices

Indicator	Baseline Year	Asian Development Bank					Asian Development Fund						
		Baseline Value	2007	2008	2009 ^a	2012 Target	Score	Baseline Value	2007	2008	2009	2012 Target	Score
Business Processes and Practices													
Average sovereign operations processing time (months from fact-finding to approval) ^b	2006	21	18	16	14	18	22	18	13	10	20	ADF	●
Average time from approval to first disbursement in sovereign operations (months) ^c	2006	12	12	12	11	10	13	13	12	12	12	12	●
Proportion of sovereign operations administered by field offices (%)	2006	39	39	38	37	43	36	37	39	37	43	43	●

- Achieved or surpassed target
- On track to achieve target
- Progress beginning to stall and regress
- Progress stalled or regressed over two or more review periods

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

^a Excludes operations financed by the Countercyclical Support Facility.

^b Defined as the average time from loan or project preparatory technical assistance fact-finding to approval. Excludes multitranchise financing facility tranches not processed together with the facility. Supplementary loan approvals are computed from loan fact-finding to approval.

^c Average time from approval to first disbursement of sovereign loans and ADF grants approved in the previous 5 years (i.e., 2006 baseline covers 2001–2005 average; 2007 figure is based on 2002–2006 average; 2008 figure is based on 2003–2007 average; and 2009 figure is based on 2004–2008 average).

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

Appendix 2

List of ADB Developing Member Countries (as used in the 2009 Development Effectiveness Review)

Table A2.1: ADB Countries

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

* = developing member countries with access to the Asian Development Fund (ADF) during the eighth replenishment of the ADF (2005–2008).

Source: ADB.

Table A2.2: Classification of ADB Countries

OCR-Only Countries	Blend Countries ^{a,b}	ADF-Only Countries ^b
China, People's Republic of	Armenia	Afghanistan
Fiji Islands	Azerbaijan	Bhutan
India ^c	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 ^d	Nepal
	Palau ^d	Samoa
	Pakistan	Solomon Islands
	Papua New Guinea	Tajikistan
	Sri Lanka	Timor-Leste
	Uzbekistan	Tonga
	Viet Nam	Tuvalu
		Vanuatu

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

^a Blend countries have access to both the ADF and OCR.

^b Countries with access to ADF during its eighth replenishment period (2005–2008).

^c India is officially classified a blend country but has had no access to the ADF since 1986.

^d No access to ADF during 2005–2008.

Source: ADB.

Appendix 3

Changes to ADB Results Framework Data

This appendix explains changes made in 2009 to the Asian Development Bank (ADB) results framework indicators and data reported in the *2008 Development Effectiveness Review (2008 DEF)*.¹ Tables in this appendix include only those indicators for which data have been revised, presenting the revised data (highlighted) below the original data.

► Level 1: Asia and the Pacific Development Outcomes

The data in Tables A3.1 and A3.2 have been revised to be consistent with revisions made to the Millennium Development Goals (MDG) data set in the report *Achieving the Millennium*

Development Goals in an Era of Global Uncertainty.² The changes were necessary because of improvements made by the regional partners in the methodology for making projections, imputing missing values, and aggregating into regional averages.

While the earlier methodology applied forecasting techniques directly to actual data points to generate the 2015 forecasts and estimate values for years without data, the new methodology refines the forecasting method by transforming the MDG indicators that have different units into a single unit of measurement. Some of the MDG indicators are measured as a proportion (e.g., income poverty), some as odds ratio (e.g., ratio of girls to boys in education), and some are

Table A3.1: Poverty and Human Development in Asia and the Pacific (Level 1)
(Revised data)

Indicator	Asian Development Bank Countries			Asian Development Fund Countries		
	2005	2006	Target 2015	2005	2006	Target 2015
Population living on less than \$1.25 (PPP) per day (%)	27.5 27.7	27.4 27.6	26.5 27.1	30.2 33.8	29.9 33.3	26.9 29.7
Population with sustainable access to improved water source (%)						
Urban	92.0 95.3	95.5	96.7	88.7 90.1	90.1	95.4 95.3
Rural	76.2 80.8	82.3	80.7	74.0 75.9	76.8	82.1
Population with sustainable access to improved sanitation (%)						
Urban	70.0 68.6	69.2	80.1 80.0	76.0 72.5	72.6	85.9
Rural	33.0 41.2	41.8 41.7	64.2	42.4 41.6	42.4	64.8

PPP = purchasing power parity.

Source: Strategy and Policy Department, ADB.

¹ Asian Development Bank (ADB). 2009. *Development Effectiveness Review 2008 Report*. Manila.

² ADB, United Nations Economic and Social Commission for Asia and Pacific, and United Nations Development Programme. 2010. *Achieving the Millennium Development Goals in an Era of Global Uncertainty: Asia-Pacific Regional Report 2009/10*. Bangkok.

Table A3.2: Poverty and Human Development in Asia and the Pacific (Level 1) (Revised data)

Indicator	Asian Development Bank Countries		Asian Development Fund Countries	
	2005	Target 2015	2005	Target 2015
Primary education completion rate, both sexes (%)	92.4 88.7	100	80.7 78.3	100
Ratio of girls to boys in:				
Primary education	0.95 0.96	1.00	0.91	1.00
Secondary education	0.93 0.92	1.00	0.92	1.00
Tertiary education	0.82 0.81	1.00	0.71 0.70	1.00
Women in nonagricultural wage employment (%)	30.4 30.0	Increase	28.0 26.5	Increase
Under-5 child mortality (per 1,000 live births)	59.7 60.0	28.9 30.1	73.2 74.1	37.9 39.0

Source: Strategy and Policy Department, ADB.

Table A3.3: Growth, Regional Cooperation and Integration, Governance, and Environment in Asia and the Pacific (Revised baseline)

Indicator	Year	ADB Countries	ADF Countries
Gross domestic product (GDP) per capita			
GDP per capita (at constant 2000 prices, \$)	2006	1,099 1,097	680 678
Regional cooperation and integration			
Intraregional trade in Asia and the Pacific region's total trade (%)	2005	52 51	56 58
Access to basic infrastructure			
Access to telecommunications: fixed lines and mobile telephone subscribers (per 1,000 inhabitants)	2006	398	270 274
Governance			
Cost to start business (% of gross national income per capita)	2006	41 42	47 49
Environment			
Carbon dioxide emissions (metric tons per capita)	2004 2005	2.4 2.5	1.2

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

Source: Strategy and Policy Department, ADB.

derived from probability estimates (e.g., under-5 child mortality). The transformation into a single unit improves the suitability of applying the same forecasting method to all MDG indicators. The methodology is employed to forecast values for 2015, and to impute values where baseline values and values for other years are missing.

Regional aggregates are estimated by using a weighted average of actual country data, or imputed country values where data are missing for the year required using the new methodology. Reference populations used as weights for aggregation are obtained from the *World Population Prospect* for the respective years (e.g.,

2007 population data for 2007 regional average).³ Earlier, only 2005 population estimates were used as weights. Table A3.3 shows the updated gross domestic product per capita, intraregional trade, and data on other regional outcomes.

The 2009 revisions in methodology will help (i) provide improved and common estimates of progress on the MDGs, and (ii) harmonize MDG data among development partners in the region.

► Level 3: Operational Effectiveness

The baseline for evaluation of the results-based country partnership strategy was established in 2009 (Table A3.4).

Success ratings for completed projects were updated to include ratings from project performance evaluation reports (PPERs) and project completion report (PCR) validation reports (PVRs) prepared in 2009. Ratings assigned by these PPERs and PVRs changed the original PCR ratings. Where available, PPER ratings are taken as the final rating. If no PPER is prepared, an available PVR rating is used. Counting of “successful” projects rated in PCRs, PVRs, and PPERs is based on the year of PCR circulation.

Values for project performance rating at implementation were updated to include projects funded by Asian Development Fund (ADF) grants.

The 2012 target of “maintain” for overall disbursement ratio for sovereign operations was clarified (i.e., at least 23%), as shown in Table A3.5.

The baseline for direct-value added (DVA) cofinancing for ADF was revised to include a \$17 million cofinancing formerly classified as non-DVA.

The proportion of projects supporting private sector development reported in the 2008 *DeFR* was adjusted to include an additional project supporting private sector development in 2008 (Table A3.6).

To better reflect the proportion of projects with gender mainstreaming of those financed from the ADF, the method of counting the number of projects has been revised to measure ADF projects independent of other financing sources. Under the previous counting method, if an ADF-financed project was cofinanced by another source, such as ordinary capital resources (OCR), it was counted as “0.5.” If it was solely financed

Table A3.4: Operational Quality and Portfolio Performance (Revised data)

Indicator	Baseline Year	Asian Development Bank				Asian Development Fund			
		Baseline Value	2007	2008	2012 Target	Baseline Value	2007	2008	2012 Target
Evaluation ratings of results-based CPS (% successful)	2009	50			70	50			70
Average annual combined ratings of PPERs, PVRs, and PCRs (% successful)	2004–2006 average	72 72	73 70	71 69	80	76 75	81 77	74 68	80
Project performance rating at implementation (% satisfactory)	2004–2006 average	90	92	92 93	Maintain	90 91	92 93	92 93	90

CPS = country partnership strategy, PCR = project completion report, PPER = project performance evaluation report, PVR = PCR validation report.

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

³ United Nations. 2007. *World Population Prospects: The 2008 Revision*. Geneva.

Table A3.5: Finance Mobilization (Revised data)

Indicator	Baseline Year	Asian Development Bank				Asian Development Fund			
		Baseline Value	2007	2008	2012 Target	Baseline Value	2007	2008	2012 Target
Overall disbursement ratio for sovereign operations (%) ^a	2006	23	25	29	Maintain At least 23	18	21	25	20
Proportion of DVA cofinancing relative to ADB loans and grants approved annually (%)	2004–2006 average	10	10	13	20	13 14	13	11	20

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

^a Disbursement ratio is defined as the ratio of total disbursement in a given year or period over the net amount available at the beginning of the year and/or period, plus amount that became effective during the year and/or period, less cancellations made during the year and/or period.

Sources: Office of Cofinancing Operations, and Strategy and Policy Department, ADB.

Table A3.6: Proportion of Financing for Strategy 2020 Core Operational Areas (Revised data)

Indicator	Baseline Year	Asian Development Bank				Asian Development Fund			
		Baseline Value	2007	2008	2012 Target	Baseline Value	2007	2008	2012 Target
Proportion of projects supporting private sector development (%)	2004–2006	29	35	37 38	30	14	13	19	
Proportion of projects with gender mainstreaming (%) ^e	2004–2006	35	30	27	40	46 45	40 39	38 37	50

Sources: Regional and Sustainable Development Department, and Strategy and Policy Department, ADB.

Table A3.7: Knowledge Management (Revised data)

Indicator	Baseline Year	Asian Development Bank				Asian Development Fund			
		Baseline Value	2007	2008	2012 Target	Baseline Value	2007	2008	2012 Target
Annual MAKE survey assessment rating (%)	2006	54	58	56 55	60	Same as ADB			

MAKE = Most Admired Knowledge Enterprises.

Source: Strategy and Policy Department, ADB.

by ADF, it was counted as “1.” This method was applied in the past to allow a breakdown analysis of ADF and OCR among the total number of projects approved with gender mainstreaming. However, this resulted in the unequal weight attached to ADF projects blended with OCR financing and those without.

The new method counts all ADF projects (including projects financed by both ADF

and OCR) equally as “1,” thereby more accurately reflecting ADF projects with gender mainstreaming. A total of 47 ADF projects were recounted (ranging from 6 to 9 projects per year), 14 of which were categorized as projects with gender mainstreaming.

The Most Admired Knowledge Enterprises survey assessment rating for 2008 was rounded off more accurately and revised (Table A3.7).

Table A3.8: Partnerships (Revised Indicator Name)

Indicator	Baseline Year	Asian Development Bank			Asian Development Fund				
		Baseline Value	2007	2008	2012 Target	Base-line Value	2007	2008	2012 Target
Proportion of sovereign operations with CSO participation (%)	2006	79	81	77	80	80	89	84	80

CSO = civil society organization.

Source: Strategy and Policy Department, ADB.

Table A3.9: Business Processes and Practices (Revised Indicator Name)

Indicator	Baseline Year	Asian Development Bank			Asian Development Fund				
		Baseline Value	2007	2008	2012 Target	Baseline Value	2007	2008	2012 Target
Proportion of sovereign operations administered by field offices (%)	2006	39	39	38	43	36	37	39	43

Source: Strategy and Policy Department, ADB.

The “proportion of sovereign operations with NGO and/or CSO participation” was revised to “proportion of sovereign operations with CSO participation” (Table A3.8). The DEFIR categorizes nongovernment organizations (NGOs) as a subset of civil society organizations (CSOs).

► **Level 4: Organizational Effectiveness**

The “proportion of loans and grants administered by field offices” was changed to “proportion of sovereign operations administered by field offices” to ensure consistency with other indicator names (Table A3.9). Sovereign operations refer to projects and programs funded by OCR and ADF loans and grants.

Appendix 4

Asia and the Pacific Development Outcomes

Table A4.1: Millennium Development Goals in ADB Developing Member Countries

Item	Asian Development Bank Countries				Asian Development Fund Countries				Asian Development Fund-Only Countries						
	1990	2007	2015 Cut-off Value	2015 Projection	Target Achieved?	1990	2007	2015 Cut-off Value	2015 Projection	Target Achieved?	1990	2007	2015 Cut-off Value	2015 Projection	Target Achieved?
Population living on less than \$1.25 (PPP) a day (%)	54.21	27.65 ^b	27.10	20.15	yes	59.49 ^a	33.31 ^b	29.74	27.45	yes	59.19 ^c	40.82 ^b	29.60	30.31	no
Children under 5 moderately or severely underweight (%)	37.57	29.56	18.79	25.76	no	45.29 ^a	32.05	22.65	28.60	no	43.20 ^c	35.45	21.60	31.65	no
Total net enrollment ratio	74.61 ^a	93.95	95.00	96.14	yes	78.22 ^a	87.18	95.00	90.49	no	68.88 ^a	83.67	95.00	88.77	no
Pupils starting grade 1 who reach last grade of primary, both sexes (%)	67.23 ^a	71.26	95.00	74.44	no	72.95 ^a	76.33	95.00	75.99	no	64.78 ^a	68.50	95.00	71.66	no
Primary education completion rate, both sexes (%)	81.60 ^a	88.87	95.00	90.13	no	73.37 ^a	79.05	95.00	76.20	no	51.31 ^a	69.80	95.00	69.01	no
Gender parity index in primary level enrollment	0.85 ^a	0.97	0.95	1.06	yes	0.83 ^a	0.93	0.95	1.02	yes	0.71 ^a	0.85	0.95	0.93	no
Gender parity index in secondary level enrollment	0.73 ^a	0.94	0.95	1.09	yes	0.80 ^b	0.92	0.95	1.05	yes	0.60 ^a	0.75	0.95	0.83	no
Gender parity index in tertiary level enrollment	0.58 ^a	0.88	0.95	1.08	yes	0.58 ^a	0.76	0.95	0.89	no	0.42 ^a	0.51	0.95	0.49	no
Women in wage employment in the nonagricultural sector (%)	27.82	30.54	...	32.20	...	26.33	26.42	...	25.25	...	28.04	28.20	...	25.38	...
Children under 5 mortality rate per 1,000 live births	90.34	55.90	30.11	45.92	no	117.13	70.19	39.04	65.47	no	165.00	145.60	55.00	153.09	no

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Table A4.1 continued

Item	Asian Development Bank Countries				Asian Development Fund Countries				Asian Development Fund-Only Countries						
	1990	2007	2015 Cut-off Value	2015 Projection	Target Achieved	1990	2007	2015 Cut-off Value	2015 Projection	Target Achieved	1990	2007	2015 Cut-off Value	2015 Projection	Target Achieved
Infant mortality rate (0-1 year) per 1,000 live births	65.64	42.91	21.88	36.09	no	83.75	56.63	27.92	50.20	no	114.00	99.12	37.99	102.56	no
Adults (15+) living with HIV (number, million)	4.55 ^f	4.83	Halt or reverse	...	no	0.50 ^f	0.90	Halt or Reverse	...	no	0.18 ^f	0.16	Halt or Reverse	...	no
Women (15+) living with HIV (number, million)	1.58 ^f	1.69	Halt or reverse	...	no	0.11 ^f	0.23	Halt or Reverse	...	no	0.04 ^f	0.04	Halt or Reverse	...	no
Tuberculosis prevalence rate per 100,000 population	441.78	245.07	220.89	132.40	yes	447.85	263.04	223.92	171.14	yes	537.32	308.38	268.66	232.39	yes
Tuberculosis death rate per 100,000 population	39.87	24.54	19.93	13.71	yes	62.77	34.28	31.39	24.89	yes	55.22	37.07	27.61	50.17	no
Land area covered by forest (%)	22.06	21.92 ^d	...	21.21	no	30.70	26.02 ^d	...	20.60	no	17.58	15.36 ^d	...	9.91	no
Protected area to total surface area (%)	6.74	9.49 ^a	...	12.01	yes	3.93	8.10 ^b	...	12.56	yes	3.65	11.11 ^b	...	19.64	yes
Consumption of ozone-depleting CFCs (ODP metric tons)	64,047	8,274	...	0	yes	7,807	739	...	0	yes	500	79	...	0	yes
CO ₂ emissions (metric tons per capita)	1.48	2.63 ^b	...	4.22	no	0.82	1.05 ^b	...	1.29	no	0.81	0.36 ^b	...	0.90	no
Population using improved drinking water source, urban (%)	93.40	95.50 ^b	96.70	95.54	no	90.68	90.09 ^b	95.34	87.60	no	73.38	75.21 ^b	86.69	70.96	no
Population using improved drinking water source, rural (%)	61.44	82.34 ^b	80.72	88.11	yes	64.27	76.78 ^b	82.14	78.09	no	40.00	58.07 ^b	70.00	62.90	no
Population using improved sanitation facilities, urban (%)	60.07	69.22 ^b	80.04	72.60	no	71.79	72.65 ^b	85.89	69.57	no	59.96	61.99 ^b	78.48	59.52	no
Population using improved sanitation facilities, rural (%)	28.39	41.67 ^b	64.19	53.39	no	29.67	42.39 ^b	64.83	49.95	no	21.50	33.02 ^b	60.75	43.18	no

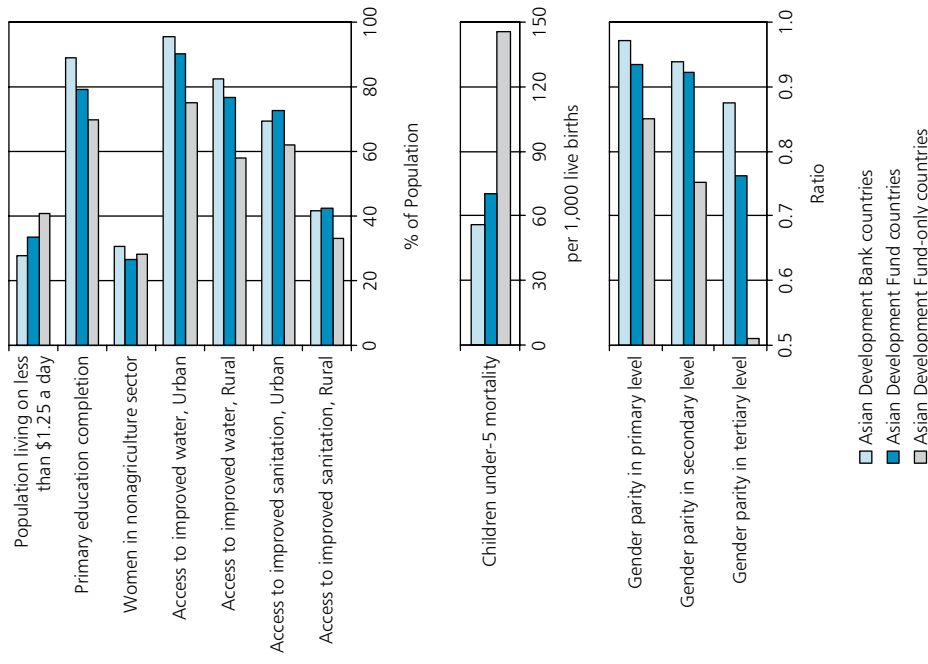
... = not available, CFC = chlorofluorocarbon, CO₂ = carbon dioxide, ODP = ozone depleting potential, PPP = purchasing power parity.

Note: Cut-off value is the absolute value that determines whether a country is treated as having achieved one of the millennium development goals.

^a 1991 data, ^b 2006 data, ^c 1999 data, ^d 2005 data, ^e 2001 data, and ^f 2008 data.

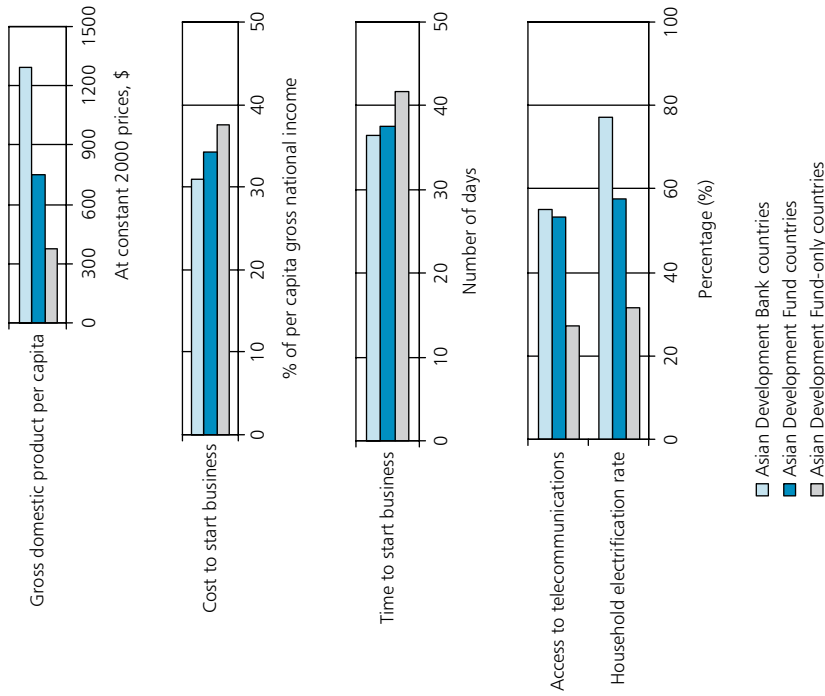
Sources: United Nations Economic and Social Commission for Asia and the Pacific, Statistics Division; and Joint United Nations Programme on HIV/AIDS. 2008. 2008 Report on the Global AIDS Epidemic. Geneva.

Figure A4.1: Poverty and Human Development in Asia and the Pacific



Source: United Nations Economic and Social Commission for Asia and the Pacific, Statistics Division.

Figure A4.2: Growth, Governance, and Infrastructure in Asia and the Pacific



Sources: (i) The World Bank Group, World Development Indicators Online, <http://ddp-ext.worldbank.org/ext/DDPQQ/member.do?method=getMembers&serid=1&queryId=6> (accessed 5 March 2010) for gross domestic product per capita and access to telecommunications; (ii) The World Bank, 2009, *Doing Business 2010: Reforming through Difficult Times*, Washington, DC for cost and time to start business; and (iii) Organisation for Economic Co-operation and Development and International Energy Agency, 2009, *World Energy Outlook 2009*, Paris, for electrification.

Appendix 5

ADB Sector Outputs

Table A5.1: Delivery of Outputs Programmed in 2003–2006, before or in 2009, by ADB Operations

Indicators by Core Sector	Outputs Programmed		Outputs Delivered		% Achieved	
	ADB	ADF	ADB	ADF	ADB	ADF
Education						
Classrooms built or upgraded (number)	149	149	555	555	372	372
Teachers trained (number)	6,000	6,000	0	0	0	0
Students benefiting from school improvement programs or direct support (number)	40,000	40,000	40,030	40,030	100	100
Energy						
Installed energy generation capacity (MW equivalent)	10,096	1	10,106	8	100	877
Transmission lines installed or upgraded (km)	1,969	280	1,749	241	89	86
Distribution lines installed or upgraded (km)	143,199	2,276	144,671	3,748	101	165
New households connected to electricity (number)	113,000	30,000	113,430	30,430	100	101
Greenhouse gas emission reduction (tCO ₂ -equiv/yr)	300,000	0	300,000	0		
Finance						
Microfinance accounts opened/end borrowers reached (number)	2,060,374	60,374	1,825,880	93,000	89	154
SME loan accounts opened/end borrowers reached (number)	52,771	22,000	237,671	20,000	450	91
Transport						
Expressways built or upgraded (km)	265	0	265	0	100	
National highways, provincial, district, and rural roads built or upgraded (km)	15,577	664	18,377	4,458	118	671
Railways constructed and/or upgraded (km)	0	0	0	0		
Beneficiaries from road projects (number)	23,045,925	4,238,000	15,803,325	6,595,400	69	156

continued on next page

Table A5.1 continued

Indicators by Core Sector	Outputs Programmed		Outputs Delivered		% Achieved	
	ADB	ADF	ADB	ADF	ADB	ADF
Water						
Water supply pipes installed or upgraded/length of network (km)	1,494	614	2,081	1,270	139	207
New households served with water supply (number)	1,914,302	457,151	1,380,968	457,151	72	100
Wastewater treatment capacity added (m ³ /day)	1,518,112	499,112	1,518,000	499,000	100	100
New households served with sanitation (number)	3,729,480	1,639,890	3,729,180	1,639,590	100	100
Land improved through irrigation services, drainage, and flood management (ha)	180,140	77,340	219,970	117,170	122	151

ADB = Asian Development Bank, ADF = Asian Development Fund, CO₂ = carbon dioxide, ha = hectare, km = kilometer, MW = megawatt, m³/day = cubic meter per day, SME = small and medium-sized enterprises, tCO₂-equiv/yr = tons of carbon dioxide equivalent avoided per year.

Sources: ADB Project and program completion reports issued in 2004–2009 for outputs delivered, reports and recommendations of the President issued in 2003–2009 for outputs programmed, and regional departments.

Table A5.2: ADB's Core Sector Outputs

Indicator	Outputs Delivered				Outputs Programmed			
	Baseline 2004–2007	2005–2008	2006–2009	Baseline 2009–2012	2010–2013	2011–2014	2012–2015	
Education								
Classrooms built or upgraded (number)	115,100	51,000	40,600	76,100	43,400	25,200	15,700	
Teachers trained (number)	564,000	598,200	332,400	1,518,000	927,400	481,600	449,200	
Students benefiting from school improvement programs or direct support (number)	19,650,000	18,413,000	7,859,000	22,515,000	8,190,000	2,900,000	2,688,000	
Energy								
Installed energy generation capacity (MW equivalent)	4,200	3,700	3,800	13,200	12,900	18,100	13,500	
Transmission lines installed or upgraded (km)	9,100	17,300	14,400	6,800	9,700	10,900	12,000	
Distribution lines installed or upgraded (km)	17,200	26,000	25,700	150,200	219,800	217,600	237,000	
New households connected to electricity (number)	751,900	2,334,000	2,317,000	447,500	2,170,000	2,868,000	2,938,000	
Greenhouse gas emission reduction (tCO ₂ -equiv/yr)	22,517,000	8,842,000	4,138,000	11,747,000	12,101,000	26,174,000	29,485,000	
Finance								
Microfinance accounts opened or end borrowers reached (number)	1,182,000	2,193,000	3,609,000	2,563,000	2,163,000	2,163,000	2,115,000	
SME loan accounts opened or end borrowers reached (number)	5,900	176,700	395,200	213,900	208,400	36,400	64,200	
Transport								
Expressways built or upgraded (km)	1,500	1,400	1,400	1,300	2,200	2,000	1,800	
National highways, provincial, district, and rural roads built or upgraded (km)	26,900	39,100	42,100	48,000	39,600	46,500	76,500	
Railways constructed and/or upgraded (km)	2,400	3,200	2,600	2,800	2,700	3,700	6,100	
Beneficiaries from road projects (number)	410,163,000	422,042,000	429,973,000	222,164,000	209,199,000	267,749,000	267,325,000	

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Table A5.2 continued

Indicator	Outputs Delivered				Outputs Programmed			
	Baseline 2004–2007	2005–2008	2006–2009	Baseline 2009–2012	2010–2013	2011–2014	2012–2015	
Water								
Water supply pipes installed or upgraded/length of network (km)	19,300	21,300	17,100	14,800	8,400	10,200	12,800	
New households served with water supply (number)	2,104,000	1,302,000	1,814,000	4,823,000	2,816,000	2,895,000	1,524,000	
Wastewater treatment capacity added (m ³ /day)	1,380,000	1,010,000	327,700	4,566,000	3,406,000	4,429,000	2,497,000	
New households served with sanitation (number)	1,501,000	1,159,000	237,500	9,393,000	7,858,000	7,954,000	5,395,000	
Land improved through irrigation services, drainage, and flood management (ha)	1,556,000	1,169,000	1,231,000	2,682,000	2,306,000	2,533,000	2,519,000	

CO₂ = carbon dioxide, ha = hectare, km = kilometer, MW = megawatt, m³/day = cubic meter per day, SME = small and medium-sized enterprises, tCO₂-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.

Sources: ADB Project and program completion reports issued in 2004–2009 for delivered outputs, reports and recommendations of the President issued in 2003–2009 for programmed outputs, and regional departments.

Table A5.3: Asian Development Fund's Core Sector Outputs

Indicator	Outputs Delivered					Outputs Programmed				
	Baseline 2004–2007	2005–2008	2006–2009	Baseline 2009–2012	2010–2013	2011–2014	2012–2015			
Education										
Classrooms built or upgraded (number)	112,000	50,600	33,900	71,400	39,300	25,200	15,300			
Teachers trained (number)	488,600	535,900	244,700	1,517,000	926,400	481,600	449,200			
Students benefiting from school improvement programs or direct support (number)	17,477,000	17,457,000	5,607,000	20,385,000	6,061,000	2,900,000	2,670,000			
Energy										
Installed energy generation capacity (MW equivalent)	252	23	19	8	41	598	1,500			
Transmission lines installed or upgraded (km)	2,200	3,300	3,500	1,200	1,600	1,600	1,700			
Distribution lines installed or upgraded (km)	17,000	9,600	9,300	3,800	2,200	543	2,700			
New households connected to electricity (number)	673,500	834,400	831,700	152,500	95,500	154,300	223,900			
Greenhouse gas emission reduction (tCO ₂ -equiv/yr)	4,308,500	2,000,000	2,000,000	1,200	1,200	251,200	395,000			
Finance										
Microfinance accounts opened or end borrowers reached (number)	1,182,000	2,150,600	1,833,000	433,000	33,000	33,000	40,100			
SME loan accounts opened or end borrowers reached (number)	5,800	176,600	395,000	202,000	202,000	29,800	57,600			
Transport										
Expressways built or upgraded (km)	162	162	176	0	0	0	0			
National highways, provincial, district, and rural roads built or upgraded (km)	18,600	24,800	27,700	18,700	20,500	23,700	21,400			
Railways constructed and/or upgraded (km)	507	656	184	888	888	888	1,600			
Beneficiaries from road projects (number)	140,964,000	133,757,200	154,345,000	97,449,000	77,262,600	86,052,000	82,456,000			
Water										
Water supply pipes installed or upgraded/length of network (km)	8,600	7,400	7,000	11,100	5,100	6,400	9,300			
New households served with water supply (number)	415,800	310,200	575,800	1,292,600	656,800	770,000	569,600			
Wastewater treatment capacity added (m ³ /day)	235,000	240,700	5,700	572,600	253,000	278,000	86,800			
New households served with sanitation (number)	94,800	76,500	161,400	2,165,900	493,200	575,900	292,700			
Land improved through irrigation services, drainage, and flood management (ha)	1,278,000	830,400	1,002,000	667,500	531,100	473,200	688,700			

CO₂ = carbon dioxide, ha = hectare, km = kilometer, MW = megawatt, m³/day = cubic meter per day, SME = small and medium-sized enterprises, tCO₂-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.

Sources: ADB Project and program completion reports issued in 2004–2009 for delivered outputs, reports and recommendations of the President issued in 2003–2009 for programmed outputs, and regional departments.

Table A5.4: ADB Core Sector Outputs Programmed in 2009–2015
(Expanded indicators)

Indicator	2009	2010	2011	2012	2013	2014	2015
EDUCATION							
Classrooms built or upgraded (number)	42,400	18,600	10,700	4,300	9,700	445	1,200
Associated facilities built or upgraded (number)	5	989	5	8	1,400	2	86
Learning institutions built or upgraded (number)	175	9,000	873	1,700	1,900	40	10
Teachers trained (number)	731,100	461,200	77,000	249,100	140,100	15,400	44,700
Teachers trained pre-service (number)	105,000	150,000	0	0	7,900	0	1,500
Teacher participants in in-service training events (number)	626,100	305,200	76,400	249,100	132,200	15,400	43,200
Students benefiting (number)	16,114,000	5,446,000	706,300	247,700	1,790,000	156,000	494,200
Students benefiting from school improvement programs (number)	16,092,000	5,002,000	605,000	246,100	1,410,000	156,000	357,300
Students benefiting from direct support (number)	22,500	78,100	30,000	5,600	381,100	0	135,900
ENERGY							
Installed energy generation capacity (MW equivalent)	1,600	862	1,200	952	1,400	2,000	9,100
Transmission lines installed or upgraded (km)	2,200	2,100	1,600	902	5,100	3,300	2,800
Distribution lines installed or upgraded (km)	3,300	2,300	2,100	142,500	72,900	109	21,500
New households connected to electricity (number)	227,000	125,000	90,500	5,000	1,949,000	823,900	160,100
Greenhouse gas emission reduction (tCO₂-equiv/yr)	0	5,241,000	2,846,000	3,661,000	354,000	19,314,000	6,157,000
FINANCE							
Microfinance accounts opened or end borrowers reached (number)	400,000	0	162,900	2,000,000	0	0	115,100
Microfinance loans provided (amount in \$ millions)	54	0	15	236	8	0	13
SME loan accounts opened or end borrowers reached (number)	10,000	174,000	28,000	1,900	4,500	2,000	55,800
SME loans provided (amount in \$ millions)	23	50	69	100	219	16	393

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Table A5.4 continued

Indicator	2009	2010	2011	2012	2013	2014	2015
TRANSPORT							
Expressways built or upgraded (km)	259	592	308	134	1,100	406	139
National highways, provincial, district, and rural roads built or upgraded (km)	16,900	6,600	7,700	16,800	8,500	13,500	37,700
Railways constructed or/and upgraded (km)	387	167	459	1,800	314	1,100	2,900
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
WATER							
Water supply pipes installed or upgraded/ length of network (km)	10,400	56	2,900	1,500	3,900	1,900	5,400
New households served with water supply (number)	2,317,000	136,400	2,188,000	181,400	310,700	215,700	815,800
New households connected to water supply (pipelined)	2,147,000	125,000	1,878,000	175,200	309,500	138,600	575,100
New households served with water supply (not pipelined)	170,000	11,400	290,000	6,200	1,200	8,600	207,100
Already connected households with improved pipelined water supply	357,100	34,200	120,000	23,300	2,508,000	3,835,000	351,800
Wastewater treatment capacity added (in m³/day)	1,550,000	0	2,241,000	775,300	390,000	1,023,000	308,600
Households served with new sanitation (number)	3,783,000	400	2,906,000	2,704,000	2,248,000	97,100	346,000
Households connected to new pipelined sanitation (number)	3,720,000	400	2,465,000	2,704,000	2,248,000	95,200	127,800
Households served with new sanitation (not pipelined)	63,500	0	440,300	0	0	1,800	166,600
Land improved through irrigation services, drainage, and flood management (ha)	537,300	73,100	401,200	1,670,000	161,100	300,300	387,600
Land improved through irrigation (and drainage) services	440,900	72,900	342,100	1,667,000	68,100	290,000	143,700
Land improved through flood management (ha)	96,300	233	59,000	282	93,000	10,300	5,400

CO₂ = carbon dioxide, ha = hectare km = kilometer, m³ = cubic meters, MW = megawatt, SME = small and medium-sized enterprises, tCO₂-equival/yr = tons of carbon dioxide equivalent per year.

Notes: (i) 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 bold; (ii) outputs for delivery in 2009 were programmed in 2003; (iii) 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; and (iv) numbers rounded to the nearest centennial or millennial.

Sources: ADB Reports and recommendations of the President issued 2003–2009, and regional departments.

Appendix 6

Outcomes of OPERATIONS Completed in 2008 and 2009

Table A6:1 Geographical Scope of Completed and Ongoing Operations
(%)

Scope	Operations Completed ^a			Ongoing Operations ^b		
	2004–2007	2006–2009	2009–2012	2010–2013	2011–2014	2012–2015
ADB OPERATIONS						
Geographical Scope						
National	56	60	64	68	65	66
Rural	29	27	25	20	21	20
Urban	15	13	11	12	14	14
Regional						
Nonregional	96	95	90	87	88	86
Regional	4	5	10	13	12	14
ADF OPERATIONS						
Geographical Scope						
National	52	59	58	60	60	63
Rural	35	32	33	31	28	25
Urban	12	8	8	9	12	12
Regional						
Nonregional	96	94	88	82	83	85
Regional	4	6	12	18	17	15

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

^a The periods refer to the years in which project completion reports were prepared.

^b The periods refer to the years in which operations are expected to be completed.

Sources: ADB Project completion reports issued from 2004 to 2009; reports and recommendations of the President issued from 2003 to 2009; and ADB estimates.

Table A6.2: ADB-Supported Sovereign Operations Reported in 2008–2009 Project Completion Reports, by Core Sector and Achievement of Sector Outcome

Sector	Asian Development Bank				Asian Development Fund			
	2008		2009		2008		2009	
	Total	% Achieved	Total	% Achieved	Total	% Achieved	Total	% Achieved
Infrastructure	49	80	34	82	28	75	25	80
Energy	9	100	6	67	5	100	5	60
Transport	22	95	15	87	11	91	11	91
Water	18	50	13	85	12	50	9	78
Education	13	92	10	70	11	91	8	63
Finance	14	64	17	65	10	60	11	82
All Core Sectors	76	79	61	75	49	76	44	77

Notes: 1. One project completion report (PCR) may report operations in more than one sector, each of which is counted separately.
2. The % achieved were computed by comparing the number of operations whose outcomes were achieved with total operations.

Sources: ADB PCRs issued in 2008–2009, which include 47 issued in 2009 for operations in core sectors, and 49 in 2008; and for Asian Development Fund operations, 39 PCRs were reviewed in 2009, and 43 in 2008.

Table A6.3: Comparison of Results Achieved by Thematic Results Reported in 2008–2009 Project Completion Reports (%)

Thematic Results	Infrastructure		Education		Finance		Total Core Sectors	
	2008	2009	2008	2009	2008	2009	2008	2009
Gender equity advanced and women empowered	35	35	62	40	43	36	41	36
Human and institutional capacity developed	21	41	61	64	36	55	36	49
Governance improved	29	33	62	60	57	65	39	48
Private sector role expanded/improved	17	35	29	20	29	53	21	38

Note: The percentages represent a proportion of operations achieving a specific result. It is the product of the proportion with a target and the proportion of the targets that was counted as achieved. Project components (operations) in different sectors were counted separately.

Sources: ADB Project completion reports (PCRs) issued in 2008–2009, which include 47 issued in 2009 for operations in core sectors and 49 PCRs in 2008.

Table A6.4: Comparison of Results Achieved by Asian Development Fund Thematic Results Reported in 2008–2009 Project Completion Reports (%)

Thematic Results	Infrastructure		Education		Finance		Total Core Sectors	
	2008	2009	2008	2009	2008	2009	2008	2009
Gender equity advanced and women empowered	40	24	55	50	40	55	43	36
Human and institutional capacity developed	27	36	55	55	35	68	35	48
Governance improved	18	28	55	50	60	91	35	48
Private sector role expanded and/or improved	14	28	27	25	30	73	21	39

Note: The percentages represent a proportion of operations achieving a specific result. It is the product of the proportion with a target and the proportion of the targets that was counted as achieved. Project components (operations) in different sectors were counted separately.

Sources: ADB Project completion reports (PCRs) issued in 2008–2009, which include 39 PCRs issued in 2009 for ADF operations in core sectors and 43 in 2008.

Table A6.5: Outcomes Achieved by Program Loans Reviewed in 2008–2009 (%)

Outcomes Achieved by Program Loans Reviewed	2008		2009		Aggregate 2008 and 2009	
	Programs Targeting Specific Outcome	Programs Achieving Intended Outcome ^a	Programs Targeting Specific Outcome	Programs Achieving Intended Outcome ^a	Programs Targeting Specific Outcome	Programs Achieving Intended Outcome ^a
Service delivery improved	100	60	100	70	100	65
Sector policy improved	100	70	100	80	100	75
Institutions improved	95	63	100	80	98	72
Public financial management improved	95	79	100	70	98	74
Transparency and public disclosure enhanced	95	95	100	75	98	85
Human resources developed	90	56	100	60	95	58
Private sector role improved	90	44	95	58	93	51
Involvement of civil society improved	75	53	90	61	83	58
Gender and development mainstreamed	55	36	80	63	68	52
Procurement systems improved	55	55	75	47	65	50
Level of corruption reduced	55	45	55	36	55	41
Decentralization improved	45	44	65	46	55	45
Public–private partnerships developed	50	30	60	33	55	32

Note: The review covered all program loan completion reports circulated in 2008 and 2009. Programs cover agriculture and natural resources, education, energy, finance, industry and trade, multisector, public sector management, and transport and information and communications technology. In 2008, 20 program completion reports (PCRs) were circulated, of which 7 were subprograms of 4 program clusters. In 2009, 20 PCRs were issued, of which 6 were subprograms of 3 program clusters.

^a Program loans with “no information” on outcomes targeted were assumed not to have achieved the targeted outcome.

Sources: ADB Program completion reports issued in 2008–2009, and Strategy and Policy Department.

Table A6.6: Types of Policy Conditions Included in Policy Matrices of Program Loans Reviewed in 2008–2009

Item	2008		2009	
	No.	%	No.	%
Implementation, establishment or restructuring of units, consultations and awareness raising activities, establishment of databases and monitoring mechanisms	200	43	195	29
Legislative action (legislation, laws, executive decrees, draft legislation, new policies and frameworks)	80	17	127	19
Administrative action (directives, agency protocols, resolutions, implementing rules and regulations)	50	11	109	16
Plans and programs (delivery of services or infrastructure)	45	10	89	13
Additional human and financial resources	39	8	55	8
Study	16	3	32	5
Divestment, privatization, outsourcing	25	5	27	4
Review of implementation, audit	13	3	20	3
Continuation of reforms (at administrative level)	3	1	18	3
Total	471	100	672	100

Notes: 1. The average disbursement of program loans reviewed in 2008 was \$104 million and \$153 million in 2009. This represents a growth of 47%. The growth rate of policy conditions between 2008 and 2009 was 42% (from 24 to 34 per loan). The unit cost of a policy condition in 2008 was \$220,807 and in 2009 was \$227,679.

2. Total percent may not add up because of rounding.

Sources: ADB Program completion reports issued in 2008 and 2009, and Strategy and Policy Department.

Table A6.7: Compliance with Policy Conditions in Program Loans Reviewed in 2008–2009

Status of Compliance	2008		2009		Total	
	No.	%	No.	%	No.	%
Fully complied	362	77	505	75	867	76
Fully complied with, late	46	10	58	9	104	9
Substantially complied	18	4	46	7	64	6
Partially complied	18	4	20	3	38	3
Not complied	11	2	5	1	16	1
Waived or cancelled	16	3	37	6	53	5
Need adjustments	0	0	1	0	1	0
Total (by tranche)	471	100	672	100	1,143	100

Sources: ADB Program completion reports issued in 2008 and 2009, and Strategy and Policy Department.

Table A6.8: Achievement of Environmental Results in Asian Development Fund Infrastructure Operations Reported in 2008–2009 Project Completion Reports

Environment Results	Sector	Infrastructure Operations (PCRs 2008)				Infrastructure Operations (PCRs 2009)			
		No.	Operations with Env. Target (%)	Achieved (%)	With Result (%)	No.	Operations with Env. Target (%)	Achieved (%)	With Result (%)
CO ₂ emissions reduced	Energy	5	0	0	0	5	0	0	0
Clean energy supported	Energy	5	40	100	40	5	20	100	20
Better environment management	Transport	11	9	0	0	11	64	86	55
Improved environment; better environment management	Water	12	92	73	67	9	78	86	67
Environment awareness improved	Water	12	42	60	25	9	78	57	44
All infrastructure operations		45	42	68	29	39	88	77	68

Env. = environment, CO₂ = carbon dioxide, PCR = project completion report.

Sources: ADB Project completion reports issued in 2008 and 2009, and Strategy and Policy Department.

Appendix 7

Sovereign Projects at and after Completion

Table A7.1: Number of Project Completion Reports, Validation Reports, and Project Performance Evaluation Reports Issued, 2004–2009

Year	PCR	PVR	PPER	Total
2004	73		1	74
2005	56		3	59
2006	50		6	56
2007	48		10	58
2008	75	30 ^a	5 ^b	110
2009	63	43	9	115

PCR = project completion report, PVR = PCR validation report, PPER = project performance evaluation report.

^a Includes 7 PVRs of 2008 PCRs.

^b Includes 2 PPERs on projects for which PCRs were prepared in 2008.

Sources: Central Operations Services Office, Independent Evaluation Department, and Strategy and Policy Department, ADB.

Table A7.2: Successful Projects Based on Completion Reports^a Issued in 2004–2009

Year	Asian Development Bank		Asian Development Fund	
	No.	% of Total PCRs	No.	% of Total PCRs
2004	49	67	26	65
2005	41	73	29	88
2006	39	78	22	76
2007	28	58	21	68
2008	52	69	28	62
2009	44	70	30	71

^a 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.

Source: Strategy and Policy Department, ADB.

**Table A7.3: Successful Projects by Country Grouping
Based on Completion Reports Prepared in 2004–2009**

Year	OCR-Only Countries		Blend Countries		ADF-Only Countries	
	No.	% of Total PCR	No.	% of Total PCR	No.	% of Total PCR
2004	20	71	19	59	10	77
2005	9	82	21	70	11	73
2006	11	73	17	74	11	92
2007	6	43	14	64	8	67
2008	12	80	26	65	14	70
2009	9	82	20	59	15	83

ADF = Asian Development Fund, OCR = ordinary capital resources, PCR = project completion report.

Source: Strategy and Policy Department, ADB.

**Table A7.4: Ratings of Projects and Programs Completed
Based on Completion Reports Prepared in 2009**

Sector	Total	Highly Successful		Successful		Partly Successful		Unsuccessful	
		No.	%	No.	%	No.	%	No.	%
Core Areas of ADB Operations	39	4	10	26	67	5	13	4	10
Infrastructure	26	2	8	18	69	5	19	1	4
Energy	2	1	50	1	50	0	0	0	0
Transport and Communication	6	0	0	4	67	1	17	1	17
Water, Sanitation, and Waste Management	6	0	0	5	83	1	17	0	0
Other Infrastructure	12	1	8	8	67	3	25	0	0
Education	7	0	0	6	86	0	0	1	14
Finance Sector Development	6	2	33	2	33	0	0	2	33
Other Areas of Operations	24	2	8	12	50	6	25	4	17
Agriculture	10	0	0	5	50	4	40	1	10
Health	1	0	0	0	0	0	0	1	100
Industry	6	0	0	4	67	1	17	1	17
Public Sector Management	7	2	29	3	43	1	14	1	14
Total	63	6	10	38	60	11	17	8	13

ADB = Asian Development Bank.

Source: Strategy and Policy Department, ADB.

Table A7.5: List of 2009 Project and Program Completion Reports Reviewed

Loan No.	Country	Project Title	Rating
Education			
1637	Maldives	Postsecondary Education Development	S
1654	Philippines	Secondary Education Development and Improvement	S
1718	Viet Nam	Teacher Training	S
1908	Mongolia	Second Education Development	S
1916	Pakistan	Decentralized Elementary Education Project (Sindh)	U
1750/1751	Philippines	Technical Education and Skills Development Project and Fund for Technical Education and Skills Development	S
1864/1865	Cambodia	Education Sector Development Program	S
Finance Sector Development			
1847	Mongolia	Housing Finance (Sector)	S
1848	Mongolia	Rural Finance	U
2199	Philippines	Microfinance Systems Development Program	HS
1987/1988	Pakistan	Rural Finance Sector Development Program	U
2000/2001	Tajikistan	Microfinance Sector Development Program	HS
2291/2292	Pakistan	Improving Access to Financial Services (Phase 1) Program	S
Energy			
1817	Tajikistan	Power Rehabilitation	S
2032	People's Republic of China (PRC)	Gansu Clean Energy Development	HS
Transport			
1649	Sri Lanka	Road Network Improvement	S
1657	Uzbekistan	Road Rehabilitation	U
1754	Papua New Guinea (PNG)	Rehabilitation of the Maritime Navigation Aids System	S
1928	Pakistan	Road Development Sector (Punjab)	PS
1986	Sri Lanka	Road Sector Development	S
1789/1790	Bangladesh	Road Maintenance and Improvement	S
Water			
1575	Sri Lanka	Third Water Supply and Sanitation Sector	S
1753	Cambodia	Stung Chinit Irrigation and Rural Infrastructure	PS
1814	PRC	West Henan Agricultural Development	S
1995	PRC	Harbin Water Supply	S
2012	Philippines	Metropolitan Waterworks and Sewerage System New Water Source Development	S
2068	Azerbaijan	Flood Mitigation	S
Other Infrastructure			
1667	Philippines	Agrarian Reform Communities	S
1823	Solomon Islands	Post-Conflict Emergency Rehabilitation	S
1846	Sri Lanka	North East Community Restoration and Development	HS
1862	Cambodia	Northwestern Rural Development	S
1871	India	Private Sector Infrastructure Facility at the State Level (PSIF II)	PS
1890	PRC	Acid Rain Control and Environmental Improvement	S

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Table A7.5 continued

Loan No.	Country	Project Title	Rating
1954	Afghanistan	Post-Conflict Multisector Program	S
1997	Afghanistan	Emergency Infrastructure Rehabilitation and Reconstruction	S
2049	Pakistan	Sindh Devolved Social Services	PS
2153	Pakistan	Multisector Rehabilitation and Improvement for Azad Jammu and Kashmir	PS
2160	Maldives	Tsunami Emergency Assistance	S
1765/1766	Indonesia	Community Empowerment for Rural Development	S
Agriculture and Natural Resources			
1403	Pakistan	Forestry Sector	PS
1652	PNG	Smallholder Support Services Pilot	S
1778	Nepal	Crop Diversification	S
1781	Viet Nam	Tea and Fruit Development	S
1925	PNG	Coastal Fisheries Management and Development	PS
2083	Afghanistan	Agriculture Sector Program	S
2158	Fiji Islands	Alternative Livelihoods Development	U
1821/1822	Mongolia	Agriculture Sector Development Program	PS
1877/1878/1879	Pakistan	Agriculture Sector Program II	PS
1972/1973	Viet Nam	Agriculture Sector Development Program/Project	S
Health			
1900	Pakistan	Reproductive Health	U
Industry and Trade			
1785	Samoa	Small Business Development	S
1978	Indonesia	Small and Medium Enterprise Export Development	U
2095	Viet Nam	Small and Medium-Sized Enterprise Development Program Cluster (Subprogram 1)	S
2129	Cambodia	Small and Medium Enterprise Development Program	S
2284	Viet Nam	Small and Medium-Sized Enterprise Development Program Cluster (Subprogram 2)	S
2066/2067	Pakistan	Small and Medium Enterprise Sector Development Program	PS
Public Sector Management			
2109	Pakistan	Supporting Public Resource Management Reforms in Balochistan	U
2216	Pakistan	Punjab Resource Management Program (Subprogram 2)	PS
2305	Indonesia	Second Development Policy Support Program	HS
2394	Indonesia	Third Development Policy Support Program	HS
1897/1898/1899	Pakistan	Access to Justice Program	S
1935/1936/1937/1938	Pakistan	Decentralization Support Program	S
2030/2031	Pakistan	Punjab Resource Management Program	S

HS = highly successful, PS = partly successful, S = successful, U = unsuccessful.

Sources: ADB Project and program completion reports issued in 2009, and Strategy and Policy Department.

Appendix 8

Project Quality at Implementation

**Table A8.1: Successful Projects Based on Project Performance Reports^a
Prepared in 2004–2009**

Year	Asian Development Bank		Asian Development Fund	
	No.	%	No.	%
2004	429	87	275	89
2005	475	93	300	92
2006	482	91	308	91
2007	547	93	367	94
2008	563	94	371	94
2009	588	95	376	94

Note: Excludes operations financed by the Countercyclical Support Facility.

^a A rating is given to each of the loans and Asian Development Fund grants administered.

Source: Central Operations Services Office, ADB.

**Table A8.2: Successful Projects Based on Project Performance Reports^a
Prepared in 2004–2009, by Country Grouping**

Item	OCR-Only Countries		Blend Countries		ADF-Only Countries	
	No.	%	No.	%	No.	%
2004	92	88	220	88	117	86
2005	99	93	251	94	124	91
2006	102	94	249	89	130	93
2007	105	92	267	93	172	95
2008	114	97	267	93	179	94
2009	134	97	263	95	189	93

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

Note: Excludes regional project, and operations financed by the Countercyclical Support Facility.

^a A rating is given to each of the loans and Asian Development Fund grants administered.

Source: Central Operations Services Office, ADB.

Appendix 9

Disbursements in Sovereign Operations

Table A9.1: Annual Disbursements for Sovereign Operations, 2007–2009
(\$ million)

Item	Asian Development Bank ^a			Asian Development Fund ^b		
	2007	2008	2009 ^c	2007	2008	2009
Project loans	3,822	4,473	4,888	1,051	1,329	1,303
Program loans	2,539	3,447	2,761	566	713	898
ADF grants	63	178	347	63	178	347
Total Disbursements	6,424	8,098	7,996	1,680	2,220	2,548

ADF = Asian Development Fund.

^a Combined sovereign loans (ordinary capital resources and ADF) and ADF grants.

^b ADF grants and loans.

^c Excludes operations financed by the Countercyclical Support Facility.

Source: Controller's Department, ADB.

Table A9.2: Disbursement Ratio for Sovereign Operations, 2006–2009
(%)

Year	Asian Development Bank ^a	Asian Development Fund ^b
2007	25	21
2008	29	25
2009	26 ^c	27

^a Combined sovereign loans (ordinary capital resources and Asian Development Fund [ADF]) and ADF grants.

^b ADF grants and loans.

^c Excludes operations financed by the Countercyclical Support Facility.

Source: Controller's Department, ADB.

Table A9.3: Disbursements for Sovereign Operations in 2009 by Country Grouping

OCR-Only Countries		Blend Countries		ADF-Only Countries	
Amount (\$ million)	Ratio (%)	Amount (\$ million)	Ratio (%)	Amount (\$ million)	Ratio (%)
3,547	27	3,682	25	761	23

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

Note: Excludes regional projects, and operations financed by the Countercyclical Support Facility.

Sources: Controller's Department, and Strategy and Policy Department, ADB.

Appendix 10

Cofinancing

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. Starting in 2006, cofinancing statistics indicate direct value-added cofinancing.¹

Table A10.1: Direct Value-Added Cofinancing, 2004–2009
(\$ million)

Year	Asian Development Bank	Asian Development Fund
2004	267	112
2005	345	223
2006	1,326	271
2007	695	209
2008	1,451	147
2009	3,750	284

Source: Office of Cofinancing Operations, ADB.

Table A10.2: Direct Value-Added Cofinancing Ratio, 2004–2009
(%)

Year	Asian Development Bank	Asian Development Fund
2004	5	9
2005	6	14
2006	18	18
2007	7	9
2008	13	6
2009	32	9

Source: Office of Cofinancing Operations, ADB.

¹ ADB. 2006. *ADB's Financing Partnership Strategy*. Manila.

Appendix 11

Strategic Focus in Operations

**Table A11.1: ADB Financing^a for Strategy 2020 Core Operational Areas
(2009 approvals)**

Item	Asian Development Bank		Asian Development Fund	
	Amount (\$ million)	%	Amount (\$ million)	%
A. Financing for Core Sectors	10,523	79	2,325	74
Infrastructure	8,726	65	2,018	65
Energy	3,560	27	493	16
Transport and Communication	2,547	19	832	27
Water, Sanitation, and Waste Management	744	6	386	12
Others ^b	1,875	14	308	10
Finance Sector Development	1,576	12	86	3
Education	221	2	221	7
B. Financing for Other Areas	2,861	21	796	26
Agriculture	255	2	115	4
Health	200	1	150	5
Industry	25	0	25	1
Public Sector Management	2,381	18	506	16
C. Operations under B with Environment or Regional Cooperation and Integration as Theme	280	2	140	4
D. Total Financing (A+B)	13,384	100	3,122	100
E. Total Financing in Core Operational Areas (A+C)	10,803	81	2,465	79

ADB = Asian Development Bank.

Note: Numbers may not add up because of rounding.

^a Financing approved for sovereign (including Asian Development Fund grants) and nonsovereign operations, excluding those financed by the Countercyclical Support Facility.

^b Includes multisector projects with infrastructure components (e.g., urban sector development and disaster rehabilitation) and public sector management projects and programs supporting policy reforms in core sectors.

Sources: ADB Reports and recommendations of the President issued in 2009, Central Operations Services Office, and Strategy and Policy Department.

**Table A11.2: Projects Supporting Strategy 2020 Selected Thematic Areas
(2009 approvals)**

Item	Asian Development Bank		Asian Development Fund	
	No. of Projects	Amount (\$ million)	No. of Projects	Amount (\$ million)
Environment	40	4,317	16	918
Private Sector Development	41	7,089	13	803
Regional Cooperation and Integration	18	1,853	14	774
Gender Equity ^a	29	2,467	23	1,453

^a Includes projects identifying gender as a theme under Asian Development Bank's project classification system and other projects with effective gender mainstreaming.

Sources: ADB Reports and recommendations of the President issued in 2009, Central Operations Services Office, Regional and Sustainable Development Department, and Strategy and Policy Department.

Table A11.3: Financing^a for Strategy 2020 Core Operational Areas by Country Grouping
(2009 approvals)

Item	OCR-Only Countries		Blend Countries		ADF-Only Countries	
	Amount (\$ million)	%	Amount (\$ million)	%	Amount (\$ million)	%
A. Financing for Core Sectors	4,970	72	3,443	82	1,145	89
Infrastructure	4,430	64	3,307	79	974	76
Energy	1,300	19	2,099	50	147	11
Transport and Communication	1,435	20	639	15	473	37
Water, Sanitation, and Waste Management	203	3	335	8	206	16
Others ^b	1,492	21	234	6	149	12
Finance Sector Development	540	8	76	2	10	1
Education	0	0	60	1	161	13
B. Financing for Other Areas	1,965	28	755	18	142	11
Agriculture	140	2	95	2	20	2
Health	50	1	130	3	20	2
Industry	0	0	25	1	0	0
Public Sector Management	1,775	26	505	12	102	8
C. Operations under B with Environment or Regional Cooperation as Theme	140	2	120	3	20	2
D. Total Financing (A+B)	6,935	100	4,198	100	1,287	100
E. Total Financing in Core Operational Areas (A+C)	5,110	74	3,563	85	1,165	91

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

- Notes: 1. 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, the Cook Islands, the Fiji Islands, Indonesia, Kazakhstan, Malaysia, the Philippines, Thailand, and Turkmenistan, as well as India, which is a blend country with no access to ADF since 1986. Blend countries are Armenia, Azerbaijan, Bangladesh, Georgia, the Marshall Islands, the Federated States of Micronesia, Pakistan, Palau, Papua New Guinea, Sri Lanka, Uzbekistan, and Viet Nam. ADF-only countries include Afghanistan, Azerbaijan, Bhutan, Cambodia, Kiribati, the Kyrgyz Republic, the Lao People's Democratic Republic, Maldives, Mongolia, Nauru, Nepal, Samoa, Solomon Islands, Tajikistan, Timor-Leste, Tonga, Tuvalu, and Vanuatu.
2. Exclude operations financed by the Countercyclical Support Facility.
3. Exclude regional projects, which accounts for the difference with totals in Table A11.1.

^a Financing approved for sovereign (including ADF grants) and nonsovereign operations, excluding those financed by the Countercyclical Support Facility.

^b Includes multisector projects with infrastructure components (e.g., urban sector development and disaster rehabilitation), and public sector management projects and programs supporting policy reforms in core sectors.

Sources: ADB Reports and recommendations of the President issued in 2009, Central Operations Services Office, Strategy and Policy Department, and ADB, ADF at www.adb.org/ADF/partners.asp

Appendix 12

Sovereign Technical Assistance Rating at Completion

Table A12.1: Successful Technical Assistance Projects Based on Completion Reports Issued in 2004–2009

Year	Asian Development Bank		Asian Development Fund	
	No.	% of total TCRs	No.	% of total TCRs
2004	129	78	74	73
2005	128	76	57	70
2006	140	79	59	72
2007	110	79	47	66
2008	148	73	61	63
2009	142	70	50	54

TCR = technical assistance completion report.

Sources: ADB TCRs issued in 2004–2009, Central Operations Services Office, and Strategy and Policy Department.

Table A12.2: Successful Technical Assistance by Country Grouping Based on Completion Reports Issued in 2004–2009

Year	OCR-Only Countries		Blend Countries		ADF-Only Countries		Countries in Fragile Situations ^a	
	Number	% of total TCRs	Number	% of total TCRs	Number	% of total TCRs	Number	% of total TCRs
2004	24	80	69	78	36	77	21	57
2005	33	83	69	78	26	65	18	72
2006	36	86	71	77	33	77	21	75
2007	33	94	61	79	16	59	11	41
2008	40	87	69	66	39	70	24	50
2009	33	77	77	73	32	57	21	47

ADF = Asian Development Fund, OCR = ordinary capital resources, TCR = technical assistance completion report.

^a Categorized according to country performance assessment ratings during the baseline period 2004–2006.

Source: Strategy and Policy Department, ADB.

Table A12.3: Advisory and Regional Technical Assistance Completed in 2009 by Rating

Sector	Total	Highly Successful		Successful		Partly Successful		Unsuccessful	
		No.	%	No.	%	No.	%	No.	%
Core Areas of ADB Operations	68	8	12	44	65	13	19	3	4
Infrastructure	38	5	13	20	53	10	26	3	8
Energy	11	0	0	7	64	4	36	0	0
Transport and Communication	15	2	13	6	40	4	27	3	20
Water, Sanitation, and Waste Management	5	1	20	4	80	0	0	0	0
Other Infrastructure	7	2	29	3	43	2	29	0	0
Finance Sector Development	22	2	9	19	86	1	5	0	0
Education	8	1	13	5	63	2	25	0	0
Other Areas of Operations	115	13	11	73	63	27	23	2	2
Agriculture	23	2	9	11	48	10	43	0	0
Health	8	2	25	3	38	3	38	0	0
Industry	8	0	0	5	63	2	25	1	13
Public Sector Management	73	9	12	51	70	12	16	1	1
Others	3	0	0	3	100	0	0	0	0
Total	183	21	11	117	64	40	22	5	3

Source: Strategy and Policy Department, ADB.

Appendix 13

Partnerships

Table 13.1: Program-Based Approaches^a Supported by ADB in 2009

Loan/Grant No.	DMC	Project Title	ADF amount (\$ million)	OCR amount (\$ million)	ADB amount (\$ million)	Approval Date	Development Partners
2529/2530	Armenia	Crisis Recovery Support Program	80.00		80.00	6 July	IMF, Russian Federation, World Bank
2561	Armenia	North–South Road Corridor Investment Program—Tranche 1	60.00		60.00	6 October	EBRD, Japan, World Bank
2571	Azerbaijan	Water Supply and Sanitation Investment Program—Tranche 1		75.00	75.00	14 October	EBRD, Germany, Japan, World Bank
2566/2567/2568/2569	Bangladesh	Public Expenditure Support Facility Program and Countercyclical Support Facility Program	144.85	600.00	744.85	13 October	Australia, Canada, European Union, Germany, The Netherlands, UNDP, United Kingdom, United States, World Bank
2585	Cambodia	Financial Sector Program II (Subprogram 3)	10.00		10.00	26 November	
2565	Cook Islands	Economic Recovery Support Program		10.00	10.00	13 October	Australia, New Zealand
2531/2532	Georgia	Growth Recovery Support Program	80.00		80.00	6 July	European Union, Germany, The Netherlands, Sweden, UNDP, United Kingdom, United States, World Bank
2521	Indonesia	Public Expenditure Support Facility		1,000.00	1,000.00	3 June	Australia, Japan, World Bank
2563	Indonesia	Countercyclical Support		500.00	500.00	7 October	Australia, European Commission, Germany, Japan, The Netherlands, World Bank
2575	Indonesia	Rural Infrastructure Support to PNPM Mandiri Project II		84.24	84.24	12 November	Islamic Development Bank, Japan, World Bank

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Table 13.1 continued

Loan/Grant No.	DMC	Project Title	ADF amount (\$ million)	OCR amount (\$ million)	ADB amount (\$ million)	Approval Date	Development Partners
2577	Indonesia	Capital Market Development Program Cluster (Subprogram 2)		300.00	300.00	16 November	
2595	Indonesia	Fifth Development Policy Support Program		200.00	200.00	8 December	Japan, World Bank
2543	Kazakhstan	Kazakhstan Countercyclical Support		500.00	500.00	10 September	Japan, UNDP, United States, World Bank
2562	Kazakhstan	CAREC Transport Corridor 1 (Zhambyl Oblast Section) [Western Europe–Western People’s Republic of China International Transit Corridor] Investment Program—Tranche 2		187.00	187.00	7 October	EBRD, Islamic Development Bank, Japan, World Bank
G0172/0173	Lao PDR	Health Sector Development Program	20.00		20.00	10 November	Japan, World Health Organization
G0166	Lao PDR	Strengthening Higher Education	24.80		24.80	5 October	Australia, European Commission, Japan, Sweden, UNICEF, World Bank
G0164	Lao PDR	Private Sector and Small and Medium-Sized Enterprises Development (Subprogram 2)	15.00		15.00	1 October	Australia, Canada, European Commission, Germany, International Finance Corporation, Japan, UNDP, Sweden, United Nations Industrial Development Organization, World Bank
2597/2598	Maldives	Economic Recovery Program/Capacity Development for Economic Recovery (TA Loan)	36.50		36.50	9 December	IMF, Japan, World Bank
2523/G0151	Mongolia	Social Sectors Support Program	60.00		60.00	24 June	Japan
G0158	Mongolia	Education for the Poor—Financial Crisis Response	17.00		17.00	18 September	IMF

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Table 13.1 continued

Loan/Grant No.	DMC	Project Title	ADF amount (\$ million)	OCR amount (\$ million)	ADB amount (\$ million)	Approval Date	Development Partners
2551/G0160	Nepal	Education Sector Cluster Program (Subprogram 3)	95.00		95.00	22 September	Australia, Denmark, European Commission, Finland, Norway, UNICEF, United Kingdom, World Bank
2524/2525	Pakistan	Accelerating Economic Transformation Program (Subprogram 2)	150.00	350.00	500.00	25 June	Germany, United Kingdom, United States, World Bank
2540	Pakistan	National Highway Development Sector Investment Program – Tranche 2		230.00	230.00	26 August	Japan, World Bank
2515	Philippines	Credit for Better Health Care		50.00	50.00	25 March	European Commission, Germany, United States, World Health Organization, World Bank
2538	Philippines	Countercyclical Support		500.00	500.00	24 August	Australia, European Union, Sweden, United Kingdom, United States, World Bank
2545	Philippines	Development Policy Support Program (Subprogram 3)		250.00	250.00	15 September	Australia, European Union, Japan, Sweden, United Kingdom, United States, World Bank
2584	Philippines	Local Government Financing and Budget Reform Program (Subprogram 2)		225.00	225.00	26 November	France
G0175	Solomon Islands	Second Road Improvement (Sector) Project	15.00		15.00	12 November	Australia, European Commission
G0152	Tajikistan	Crisis Recovery Support Program	40.00		40.00	6 July	European Commission, IMF, International Organization for Migration, World Bank

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Table 13.1 continued

Loan/Grant No.	DMC	Project Title	ADF amount (\$ million)	OCR amount (\$ million)	ADB amount (\$ million)	Approval Date	Development Partners
G0185	Tonga	Economic Support Program	10.00		10.00	3 December	Australia, International Finance Corporation, Japan, New Zealand, People's Republic of China, UNDP, World Bank
2544	Viet Nam	Countercyclical Support		500.00	500.00	15 September	Australia, Canada, Denmark, European Commission, Germany, Ireland, Japan, The Netherlands, New Zealand, Spain, Switzerland, UNDP, United Kingdom, World Bank
2570	Viet Nam	Support for the Implementation of the Poverty Reduction Program V (Subprogram 2)	100.00		100.00	15 October	Australia, Canada, Denmark, European Commission, Germany, Ireland, Japan, The Netherlands, New Zealand, Spain, Switzerland, UNDP, United Kingdom, World Bank
2582/2583	Viet Nam	Secondary Education Sector Development Program	60.00		60.00	25 November	Belgium, France, Japan, UNICEF, United Nations Educational, Scientific and Cultural Organization
2604	Viet Nam	Investment Support Program for Viet Nam Electricity		325.00	325.00	11 December	World Bank

ADB = Asian Development Bank, ADF = Asian Development Fund, CAREC = Central Asia Regional Economic Cooperation, EBRD = European Bank for Reconstruction and Development, IMF = International Monetary Fund, Lao PDR = Lao People's Democratic Republic, OCR = ordinary capital resources, PNPM = Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment), TA = technical assistance, UNICEF = United Nations Children's Fund, UNDP = United Nations Development Programme.

Note: Includes operations financed by the Countercyclical Support facility (highlighted).

^a The program-based approach (PBA) is defined by the Organisation for Economic Co-operation and Development and 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 donor coordination and harmonization of donor procedures for reporting, budgeting, financial management, and procurement; and (iv) efforts to increase the use of local systems for 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: ADB Reports and recommendations of the President issued in 2009, project processing information system, regional departments, resident missions, and Strategy and Policy Department.

Table 13.2: Number of Country Partnership Strategy and Country Portfolio Review Missions in 2009 Conducted Jointly with Other Development Partners

Regions	CPS Missions Conducted (no.)	CPS Missions Conducted Jointly with Other Development Partners (no.)	CPR Missions Conducted (no.)	CPR Missions Conducted Jointly with Other Development Partners (no.)
Central and West Asia	Tajikistan (6)	Tajikistan (6)	Kyrgyz Republic (1) Pakistan (1) Tajikistan (1) Uzbekistan (1)	Kyrgyz Republic (1) Tajikistan (1)
East Asia			Mongolia (1) PRC (1)	Mongolia (1) PRC (1)
Pacific	Kiribati (1) Papua New Guinea (1) Solomon Islands (3) Timor-Leste (2) Vanuatu (3)	Kiribati (1) Vanuatu (3)	Samoa (1)	Samoa (1)
South Asia	Bhutan (1) Nepal (1)		Bangladesh (3) India (3) Nepal (3) Sri Lanka (1)	Bangladesh (3) Nepal (1)
Southeast Asia	Lao PDR (1) Philippines (1)	Philippines (1)	Cambodia (1) Indonesia (1) Lao PDR (1) Philippines (1) Viet Nam (2)	Cambodia (1) Lao PDR (1) Viet Nam (2)
Total	20	11	23	13

CPR = country portfolio review, CPS = country partnership strategy, Lao PDR = Lao People's Democratic Republic, PRC = People's Republic of China.

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

Appendix 14

Human Resources

Table A14.1: Budgeted Staff Complement in Operations Departments, 2004–2009

Year	No. of PS and NO in Operations ^a	Total No. of PS and NO in ADB ^b	% of PS and NO 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

ADB = Asian Development Bank, NO = national officer, PS = professional staff.

^a Refers to the five regional departments and the Private Sector Operations Department.

^b Excluding directors' advisors, staff in the Independent Evaluation Department and Office of the Compliance Review Panel, and young professionals.

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

Table A14.2: Budgeted Staff Complement in Resident Missions, 2004–2009

Year	No. of PS and NO in Resident Missions ^a	No. of PS and NO in Regional Departments	% of PS and NO 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

NO = national officer, PS = professional staff.

^a Including outposted staff.

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

Table A14.3: Gender Distribution among Professional Staff, 2008–2009

Item	2008		2009	
	No.	%	No.	%
Entry Levels (levels 1–4)				
Female	112	31	112	29
Male	245	69	270	71
Pipeline Levels (levels 5–6)				
Female	111	29	117	31
Male	269	71	258	69
Senior Levels (levels 7–10)				
Female	25	18	29	17
Male	112	82	141	83
Total ADB Professional Staff^a				
Female	248	28	258	28
Male	626	72	669	72

ADB = Asian Development Bank.

^a Including staff on special leave without pay.

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

Appendix 15

Business Processes and Practices in Sovereign Operations

Table A15.1: Processing Time^a for Sovereign Operations in 2009 by Country Grouping
(months from fact-finding to approval)

Item	ADB Total	OCR-Only Countries	Blend Countries	ADF-Only Countries
Projects	16	23	17	8
Programs	8	7	7	10
Total	14	21	13	8

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

^a Refers to average time from loan or project preparatory technical assistance fact-finding to approval. Excludes multitranche financing facility tranches not processed with the facility. Supplementary loan approvals are computed from loan fact-finding to approval.

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

Table A15.2: Start-Up Time^a for Sovereign Operations in 2009 by Country Grouping
(months)

Item	ADB Total	OCR-Only Countries	Blend Countries	ADF-Only Countries
Projects	13	12	12	13
Programs	5	2	5	6
Total	11	11	11	12

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

^a Refers to average time from approval to first disbursement of sovereign loans and ADF grants approved in the previous 5 years (i.e., 2006 baseline covers 2001–2005 averages, 2007 figure is based on 2002–2006 averages, 2008 figure is based on 2003–2007 averages, and 2009 figure is based on 2004–2008 averages).

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

Appendix 16

Progress on Sector Outputs Measurement

Indicator definition and data collection guidelines finalized. The *2008 Development Effectiveness Review (DEfR)*¹ action plan laid out targets for 2009 in transport, energy, and finance indicators. ADB adopted a definition of road project beneficiaries to be used for all new road projects approved in 2010 and beyond. The definition is based on populations of administrative areas immediately surrounding the roads built or upgraded. As recommended by the Energy Community of Practice, the *DEfR* will assess greenhouse gas (GHG) emission reduction using an indicator that compares the project's expected GHG emission with the average for a megawatt of energy emitted in the region as a whole. The Asian Development Bank (ADB) has not identified additional practical indicators to aggregate outputs in finance sector operations. The *2009 DEfR* continued to use the existing two indicators for microfinance and small and medium-sized enterprises.

Incorporating results framework output indicators in projects. Guidelines were developed and results framework output indicators mainstreamed in project appraisal and completion documentation. ADB issued revised formats for reports and recommendations of the President, mandating a linked document that estimates the project contribution to the results

framework output indicators. This will ensure the uniform application of indicator definitions and guidelines across ADB. Similar guidelines will be issued for project completion reports.

Country and sector results. ADB issued guidelines for country and sector results frameworks—covering the use of the results framework output indicators—to support the 2010 streamlined country partnership strategy business process.²

Output data collection process and analysis improved. At the request of ADB's Board of Directors in 2009, ADB continued to collect data for other indicators and sub-indicators in addition to those in the ADB results framework (Appendix 5, Table 5A.4). The sub-indicators allow sector specialists to analyze output trends in more detail: for example, (i) the types of teacher training outputs delivered, distinguishing between students trained to become teachers and teachers trained to become better teachers; (ii) households benefiting from piped versus non-piped water supply; and (iii) areas with improved irrigation services versus areas with improved flood protection services.

¹ ADB. 2009. *Development Effectiveness Review 2008 Report*. Manila.

² ADB. 2010. *Preparing Results Frameworks and Monitoring Results: Country and Sector Levels*. Manila.

Development Effectiveness Review Report

The Development Effectiveness Review Report 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 specific performance indicators, baselines, and targets presented in ADB's results framework. The review measures ADB's contribution to development in Asia and the Pacific and performance as an organization. It pinpoints areas where ADB has been successful, where challenges remain, and where corrective action is required.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries substantially reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

Asian Development Bank
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