

## Evaluation Approach

# Special Evaluation Study on ADB Private Sector Operations: Contributions to Inclusive and Environmentally Sustainable Growth July 2012

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## A. Rationale

1. Strategy 2020 supports an expansion of Asian Development Bank's (ADB) work with the private sector to generate further economic growth in the Asia and Pacific region. ADB is to act as a catalyst for investments that the private sector might not otherwise be willing to make and to do more to help developing member countries (DMC) attract direct private sector investments that support inclusive growth and improve the environment.<sup>1</sup> **The special evaluation study (SES) aims to understand how ADB's private sector operations (PSO) are contributing to inclusive and environmentally sustainable growth as part of the efforts to promote private sector investments and growth, and how ADB can position itself to achieve stronger development impact, directly or indirectly.** This SES adopts the implicit Strategy 2020 definition of inclusive growth, i.e. economic growth that also benefits populations in disadvantaged and rural areas, low-income groups, small entrepreneurs, and women by expanding economic opportunities and broadening access to such opportunities by these groups.

## B. ADB Strategies and Projects

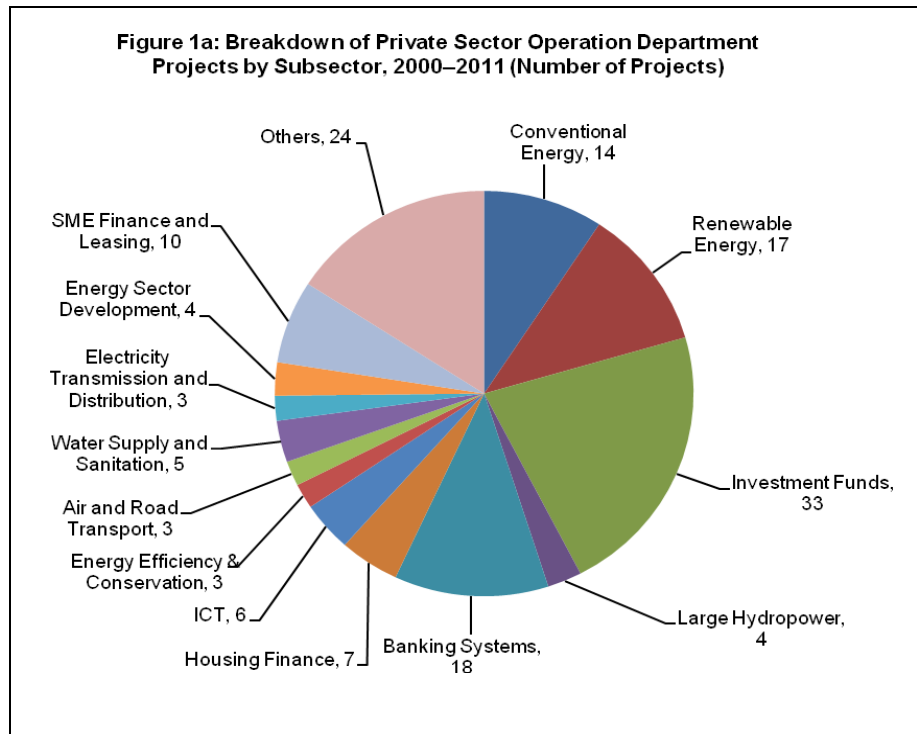
2. **Strategies.** ADB's private sector development strategy (PSDS) approved in 2000 states that ADB will seek to catalyze private sector projects that deliver specific development impacts and related demonstration effects in line with ADB's strategic priorities and country-specific operational strategies. ADB revised its strategic framework for private sector development in 2006. The revised framework identifies making direct private sector investments as one of ADB's three operational thrust areas, which together with the other two (i.e., strengthening the enabling policy and institutional environment for private sector development and promoting public sector goods and services), is expected to result in more private investments and stronger private sectors in ADB developing member countries through positive demonstration effects. ADB is to focus its private sector investments on "market developing" transactions that promote a larger and sustained flow of private capital into specific sector and countries with priority given to transactions that directly or indirectly enhance poverty reduction. PSDS, as well as Strategy 2020, recognize that both, the level of growth and its pattern (or how the benefits of growth are distributed) matter for poverty reduction, and that PSO have a role to play in

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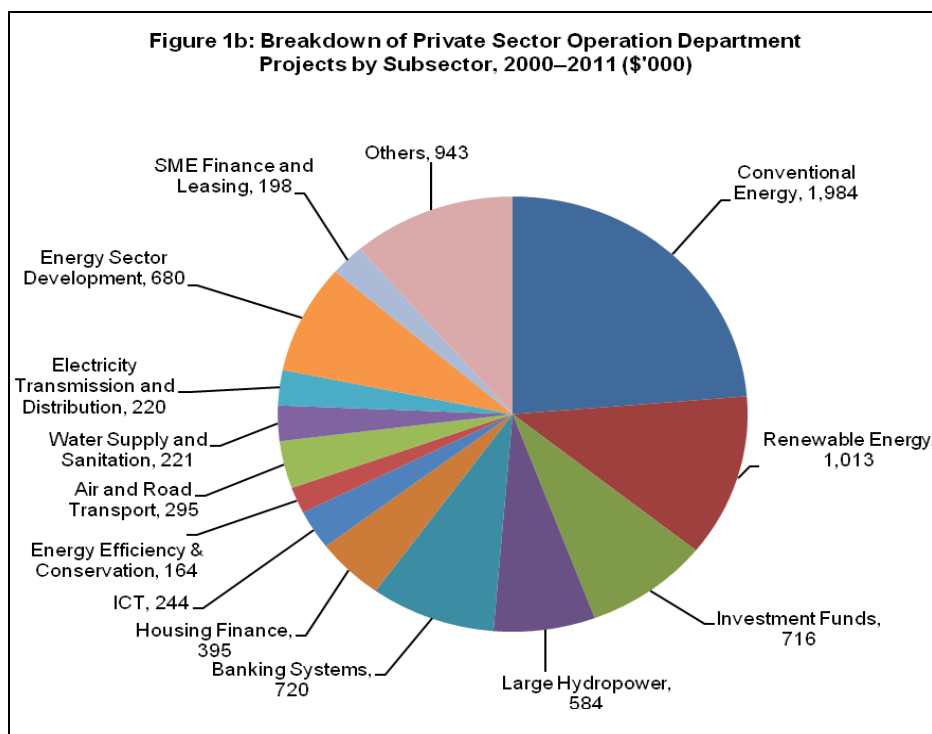
<sup>1</sup> According to Strategy 2020, inclusive growth involves two mutually reinforcing strategic focuses for ADB, i.e. support for high, sustainable growth to create and expand economic opportunities and broader access to these opportunities to ensure that members of society can participate in and benefit from growth. ADB is to contribute to environmentally sustainable growth through support for the use of environmentally friendly technologies, adoption of environmental safeguard measures, and establishment of institutional capacities to strengthen their enforcement.

enhancing economic opportunities by broadening access to finance, employment, entrepreneurship, and infrastructure services.<sup>2</sup>

3. **Projects.** During 2000–2011, 151 projects in the total amount of \$8.4 billion were approved under ADB’s private sector window. While support for conventional energy/large hydropower, renewable energy and private equity funds accounted for most of Private Sector Operations Department (PSOD) approval volumes in term of value, the largest number of projects involved support for investment funds, banking systems, renewable energy, conventional energy, and small and medium-sized enterprise (SME) finance and leasing (see Attachment 1 for a full list of PSOD projects approved during that period).



<sup>2</sup> PSDS states that PSO’s orientation will be to achieve greater development impact and/or demonstration effects, and work with governments to take deliberate steps to reduce poverty. At concept clearance and due diligence stages of any private sector project, due consideration should be given to ensuring development impact through, for example, employment opportunities, cleaner environment, access to public services, effective competition, and better corporate governance.



4. While some subsectors such as microfinance, renewable energy, and waste management have obvious linkages to inclusive and environmentally sustainable growth, a number of projects in other subsectors also explicitly sought to broaden access to economic opportunities. For example, support for banking systems or funds includes a significant number of transactions (26 out of 51 projects) that seek to increase SME lending or investment. Eight funds support environmental objectives. All support for information and communications technology (ICT) comprises projects that aim at expanding telecommunications services to rural communities. In addition, projects might have an indirect impact on inclusiveness. The majority of projects by PSOD that were approved during the last decade do not have any explicit inclusion or environmental objectives, although a number of them might have significant social and environmental benefits. For example, conventional energy projects can help increase economic participation rates by alleviating power supply problems, which, in some DMCs, affect small entrepreneurs disproportionately. By the same token, it is possible for infrastructure projects to have unintended negative social or environmental impacts.

5. **Available evaluation findings.** No independent evaluations have been undertaken to assess specifically how PSOs are contributing towards inclusive and environmentally sustainable growth. The proposed SES will address this gap. Existing evaluation findings on the development impact of PSOD projects are of limited use in this regard due to methodological issues (see following para.) and the small evaluation evidence base for PSOD transactions.<sup>3</sup>

6. Most available evaluation reports assessed development impact according to Independent Evaluation Department's (IED) 2007 evaluation guidelines for nonsovereign transactions, which in turn are based on Evaluations Cooperation Group (ECG) best practice standards. The existing nonsovereign operations (NSO) evaluation methodology defines development impact as a combination of: (i) project contributions to private sector development

<sup>3</sup> Only 27 (self) evaluation reports are available so far for the 151 PSOD projects approved from 2000–2011.

(i.e., increases in private sector share and role in the economy; improved sector competition and market efficiency; the development of market frameworks; the mobilization of additional investment/financing; and the transfer and wider dissemination of new/improved industry or business skills, know-how, products, services, and standards); (ii) contributions to economic development (i.e., economic rate of return); (iii) business success (i.e., financial performance and returns); and (iv) environmental, social, health, and safety (ESHS) performance. With regard to (iv), while the NSO evaluation guidelines state that the evaluation of social impacts should focus on the level and distribution of a project's direct and indirect economic costs and benefits, and include a stakeholder analysis and poverty reduction assessment that reflects the character of the NSO, this has usually not been done, as rating criteria for ESHS performance only reflect the level of compliance with safeguards requirements.

7. Based on available evaluation findings for 30 private sector transactions approved during the review period, development impact was assessed as *satisfactory* or above for 80% of these projects due to positive component ratings for contributions to private sector development (83% of projects were assessed as *satisfactory* or above in this category) and for ESHS (97%). Component ratings of *satisfactory* or above were lower for business success (62%) and economic development (91%). While 91% of evaluated infrastructure transactions were found to have had *satisfactory* or above development impacts, relevant success rates for PSOD support to financial institutions and private equity funds were 75% and 67%, respectively. With two exceptions, all transactions with less than satisfactory overall development impact had less than satisfactory component ratings for private sector development, business success, and contribution to economic development.

## **C. Proposed Evaluation Study**

### **1. Objective**

8. Evaluation findings are expected to inform the selection, design and monitoring of future PSOs. The SES will, among others, seek to answer the following questions:

- (i) Has the selection of countries and assistance areas for PSO reflected ADB's strategic objective of supporting inclusive and environmentally sustainable growth?
- (ii) How have inclusive and environmentally sustainable growth objectives been addressed in project design, implementation, and monitoring?
- (iii) How effective have PSO been in contributing towards inclusive and environmentally sustainable growth? Have there been important disconnects among achieved project outputs, project outcomes, and these high-level development impacts? If so, what are the reasons?
- (iv) How can PSOD further facilitate inclusion and environmental sustainability through its PSOs in line with Strategy 2020?

### **2. Evaluation Approach and Scope**

9. The SES will focus on assessing the likely contributions of PSOD projects to inclusive and environmentally sustainable growth. This evaluation will, to the extent necessary, consider other aspects of PSO development impact, but not at the level of detail required under the current NSO evaluation guidelines (see para. 6).

10. The SES will cover PSOs approved from 2000 to 2011 to enhance the applicability of evaluation findings for future PSOD transactions. The detailed evaluation framework is shown in

Attachment 2, Figure A2.1. Evaluation criteria include relevance at the strategic level, relevance at the project level, and results:

<b>Evaluation Criteria</b>	<b>Evaluation Activities</b>
Relevance at Strategic Level	<ul style="list-style-type: none"> <li>• Literature review on private sector investment and inclusive and environmentally sustainable growth;</li> <li>• Content analysis of corporate and country strategy documents;</li> <li>• Identification and “mapping” of inclusion and environmental issues against investments by PSOD and private sector</li> </ul>
Relevance at Project Level	<ul style="list-style-type: none"> <li>• Desk review of relevant documents for all PSOs approved from 2000–2011 with focus on transmission channels, project social development and safeguards measures, labor standards, and suitability of designs for addressing inclusion and environmental issues based on a literature review of best practice standards</li> <li>• Review of PSOD project identification (filtering) mechanisms and project monitoring and reporting systems</li> </ul>
Results	<ul style="list-style-type: none"> <li>• Desk review of available evaluation findings;</li> <li>• Desk review of project monitoring reports</li> <li>• Interviews with selected project sponsors and PSOD staff</li> <li>• Case studies of selected projects involving field visits to Azerbaijan, People’s Republic of China, India, Indonesia, Kazakhstan, the Philippines, Sri Lanka, and Viet Nam, and surveys of beneficiaries. Focus on actual achievement of relevant project outcomes (e.g. enhanced access to infrastructure services, improved access to finance, employment generated, increased entrepreneurial opportunities for lower income groups/rural populations/women/small enterprises, or positive environmental impact, as well as mitigation of negative impacts)</li> </ul>

PSO = private sector operations, PSOD = Private Sector Operation Department.

11. The assessment of strategic relevance will consider ADB’s strategic objectives for PSO at the corporate and country levels, and criteria and processes for the identification and selection of PSO. In particular, the SES will review whether the location of PSO in terms of countries, regions, sectors, and support areas was conducive to achieving inclusive and sustainable growth objectives. It will be assessed how changes in corporate strategies, in particular the adoption of Strategy 2020, which introduced inclusive growth as one of ADB’s

three key development agendas, affected the nature of PSO after 2008. The SES will seek to ascertain to what extent PSOD could have done more to support inclusive and sustainable growth within given headroom constraints. As PSOD tends to act as a project financier rather than a project developer, this assessment will be based on a review of relevant private investments in the region including those supported by other international financial institutions, a review of project developer/sponsor requests received by PSOD for financing, as well as interviews with key project developers/sponsors in relevant support areas regarding their need for external financing.

12. PSO relevance at the project level with regard to inclusive and environmentally sustainable growth will be analyzed considering any direct and indirect transmission channels,<sup>4</sup> and the suitability of project designs/structures for achieving any inclusion or environmental project objectives. The latter will be assessed against established good practices for microfinance, SME finance, clean energy and renewable energy support, among others, as appropriate. The SES will also review project/sponsor measures related to social development and safeguards, as well as the quality of related social and environmental impact assessments, initial poverty and social analysis (IPSA) and summary poverty reduction and social strategies (SPRSS) undertaken for PSO transactions.<sup>5</sup>

13. While relevance of PSO will be reviewed for all projects approved during the review period, for the assessment of results, focus will be on projects that have reached early operating maturity (or at least have sufficient tangible results) and were targeted at improving access to infrastructure, access to financial services, SME development, or the development of renewable energy sources, and were thus more likely to contribute to inclusive and environmentally sustainable growth objectives through direct transmission channels. The SES will also consider demonstration effects of PSOD transactions with regard to catalyzing other private sector investment when assessing development impacts. Case studies will be selected from a range of different countries and (sub)sectors representing different project sizes, types of sponsors, levels of complexity, and environmental categories to help assess PSO results in above topic areas and the implementation of safeguards systems.

14. The SES will assess likely PSO contributions to development results rather than seek to measure attribution. It will do so by establishing the level of attainment of project outputs and outcomes and, if available, intermediate development impacts relevant for achieving inclusive or environmentally sustainable growth within results chains that link PSOD project inputs to development impacts. The SES will thus seek to ascertain whether individual projects are achieving meaningful results along a trajectory leading to inclusive and sustainable growth rather than determining actual attainment of development impacts given the very limited share of PSO (and other ADB projects) in most DMCs' investment volumes. Examples of such results chains are shown in Attachment 2, Table A2.2.

### **3. Limitations**

15. Given the limited availability of evaluation findings on the impact of PSOD investments at the beneficiary level, this evaluation will undertake stakeholder surveys to assess the effects of PSOD support for SME equity funds and other financing mechanisms targeting micro, small and

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<sup>4</sup> A project with direct transmissions channels improves economic opportunities and access to services for underserved regions or groups directly (project outcomes), rather than indirectly via contributions to economic growth and "trickle down" effects.

<sup>5</sup> IPSAs and SPRSSs have been undertaken for PSO transactions since 2008.

medium-sized enterprises. In view of the low level of resources available for such surveys, these will be undertaken for a purposefully selected sample of transactions that represent at least half of these kinds of projects and cover a diverse range of countries.

16. The implementation of the planned SME surveys will depend on the cooperation and responsiveness of ADB's private sector partners and of the SME subborrowers and investee companies benefiting from the PSOD projects. To facilitate adequate response rates, the survey of investee companies under private equity funds will be coursed through the respective fund management companies for completion, while surveys of subborrowers or lessees under other types of ADB financial sector transactions will be administrated through domestic consultants. Nevertheless, there is a risk that non-responsiveness will reduce the validity of the robustness of evaluation findings.

#### **D. Resource Requirements, Schedule, and Dissemination**

17. An IED team comprising four international staff (Henrike Feig, Nathan Subramaniam, Jean Foerster, and Kelly Hewitt), one national officer (Noel Gamo), and one administrative staff (Irene Garganta), will work on the proposed SES. Envisaged inputs levels are 6 person-months for the team leader, 4 and 3 person-months, respectively, for staff assessing development impacts of SME and energy-related transactions, 2 person-months for staff assessing PSO compliance with ADB's environmental and social safeguards and their mitigation, and 5 person-months for the evaluation officer. The IED team will be supported by a team of consultants that include:

- (i) An international SME and microfinance expert (2 person-months);
- (ii) An international renewable energy expert (3 person-months);
- (iii) An international safeguards/social development expert (1 person-month);
- (iv) In-country consultants in Azerbaijan, People's Republic of China, Kazakhstan, Sri Lanka, and Viet Nam to undertake surveys of supported MSMEs (a total of 6 person-months);
- (v) In-country consultants in 2 DMCs (most likely including Indonesia and a DMC from another Region) to help assess the implementation and results of safeguards and social development measures of selected PSOD infrastructure projects; (up to 4 person-months);
- (vi) One local consultant with environmental expertise, who will support IED staff in the review of safeguards systems and reporting for PSOD transactions by systematically compiling relevant information from project documents in to a given template and help assess the implementation of safeguards measures for selected transactions (up to 3 person-months); and
- (vii) One local consultant with social development expertise, who will support IED staff in the review of social impact assessments, IPSA and SPRSS undertaken for PSO transactions by systematically compiling relevant information from project documents in to a given template and help assess the implementation of social development measures for selected transactions (up to 2 person-months).

18. Cheolghee Kim and Kapil Thukral are the proposed IED peer reviewers. In addition, the draft report will also be reviewed by two external reviewers—Rolf Westling and Alan Poole.

19. The indicative timeline for SEs preparation is as follows:

<b>Activity</b>	<b>Schedule</b>
Approval of Evaluation Approach Paper	I July 2012
Desk Review Phase	April 2012 to August 2012
Country visits	June to September 2012
Submission for Peer Review	IV November 2012
Submission for Interdepartmental Review	II December 2012
DG-level meeting	I February 2013
DG, IED Approval	IV February 2013

20. To obtain feedback, a seminar will be held for PSOD staff. A summary of key findings and lessons in the form of learning curves will be prepared, along with other possible dissemination mediums.



## List of Approved Private Sector Operation Projects by Subsector, 2000–2011

Investment No.	Loan No.	Country	Company	Total	Date Approved
<b>EDUCATION</b>					
7169	1827	VIE	RMIT International University of Viet Nam	7.5	26-Apr-01
<b>ENERGY</b>					
<b>Conventional Energy</b>					
7165	1793	BAN	AES Meghnaghat Power	120.0	05-Dec-00
7167	1815	SRI	AES Kelanitissa Power	78.0	19-Dec-00
7176	1906	VIE	Mekong Energy Company Limited (Phu My 2.2 Power)	75.0	02-Jul-02
7178	1923	VIE	Phu My 3 Power	75.0	18-Oct-02
7185	2016	THA	BLCP Power Limited	40.0	12-Nov-03
7192		IND	Petronet LNG Ltd	9.7	13-Jan-04
7224	2214	INO	Tanggung Liquefied Natural Gas	350.0	14-Dec-05
7245	2256	IND	Petronet LNG Limited for the Dahej Liquefied Natural Gas Terminal Expansion Project	150.0	30-Aug-06
7265		PAK	Foundation Power Company Daharki Limited	46.7	30-Oct-07
7273	2405	PHI	Masinloc Power Partners Company Limited (MPPC)	200.0	15-Jan-08
7276	2419	IND	Coastal Gujarat Power Limited (CGPL)	450.0	17-Apr-08
7303	2612	PHI	KEPCO SPC Power Corporation (KSPC)	120.0	11-Dec-09
7326	2722	PAK	Uch II Power Limited	100.0	13-Dec-10
7335	2762	THA	Gulf JP NS Company Limited	170.0	07-Jul-11
<b>Electricity Transmission and Distribution</b>					
7183	1991	IND	Tala-Delhi Transmission	62.0	16-Jan-03
7254	2329	PAK	Karachi Electric Supply Corporation Limited (KESC)	150.0	29-May-07
7256	2337	CAM	(Cambodia) Power Transmission Lines Co., Ltd. (CPTL)	8.0	27-Jun-07
<b>Energy Efficiency and Conservation</b>					
7271		PRC	Energy Efficiency Multi-Project Financing Program	107.0	14-Dec-07
7313	2637	AZE	Garadagh Cement Open Joint Stock Company	27.0	01-Jun-10
7349	2844	BAN	Industrial and Infrastructure Development Finance Company (IIDFC)	30.0	14-Dec-11
<b>Energy Sector Development</b>					
7275		REG	Asia Clean Energy Fund; China Clean Energy Capital; China Environment Fund III; GEF South Asia Clean Energy Fund; MAP Clean Energy Fund	80.0	17-Apr-08
7337	2774	UZB	Lukoil Overseas Uzbekistan	300.0	01-Sep-11
7279	2422	PRC	Dalkia Asia Pte. Ltd. (Dalkia Asia) and local partners	200.0	02-Jun-08
7316	2693	PRC	Zhongran Investment Limited (ZIL)	100.0	09-Nov-10
<b>Large Hydropower</b>					
7210	2161	LAO	Nam Theun 2 Power Company Limited	100.0	04-Apr-05
7222	2198	PAK	Laraib Energy Limited	37.3	21-Nov-05

<b>Investment No.</b>	<b>Loan No.</b>	<b>Country</b>	<b>Company</b>	<b>Total</b>	<b>Date Approved</b>
7339	2792	PAK	Star Hydro Power Limited	97.0	11-Oct-11
7341	2799	LAO	Nam Ngum 3 Power Company (NN3PC)	350.0	03-Nov-11
<b>Pipelines</b>					
7227		IND	Central Uttar Pradesh Gas Limited (CUGL)	2.6	17-Jan-06
7244	2255	PRC	China Gas Holdings Limited/Central Asia Natural Gas Shenzhen Company Limited/Zhongran Investment Limited for the Municipal Natural Gas Infrastructure Development	75.0	30-Aug-06
<b>Renewable Energy</b>					
7253	2326	IND	The Tata Power Company Limited (TPC)	79.3	17-Apr-07
7277	2417	IND	Gujarat Paguthan Energy Corporation Private Limited (GPEC)	45.0	17-Apr-08
7277	2434	IND	CLP Wind Farms Private Limited (CWFPL)	60.0	17-Apr-08
7285	2435	PRC	Datang Sino-Japan (Chifeng) Renewable Power Corporation	24.1	04-Sep-08
7291	2505	PRC	Sanchuan Clean Energy Development Co. Ltd	83.6	13-Jan-09
7300		IND	Public-Private Partnership for Renewable Energy Development	40.0	28-Apr-09
7304		REG	Mekong Brahmaputra Clean Development Fund, L.P.	15.0	16-Dec-09
7311	2628	THA	Natural Energy Development Company (NED)	70.0	16-Apr-10
7314	2678	THA	Bangchak Petroleum Public Company (BCP)	134.3	05-Oct-10
7317	2698	PRC	Tianjin Xiehe Wind Power Investment Company Limited (TXWP)	120.0	09-Nov-10
7319	2704	PAK	Zorlu Enerji Power	36.8	24-Nov-10
7320		REG	Clean Resources Asia Growth	20.0	25-Nov-10
7321		REG	Renewable Energy Asia Fund	20.0	25-Nov-10
7331		IND	Solar Power Generation	150.0	19-Apr-11
7340	2798	IND	Dahanu Solar Power Private Limited	48.0	02-Nov-11
7348		PAK	Foundation Wind Energy I Limited	33.4	08-Dec-11
7348		PAK	Foundation Wind Energy II Limited	33.2	08-Dec-11
<b>FINANCE</b>					
<b>Banking Systems</b>					
7197	2081	MON	Trade and Development Bank of Mongolia	6.1	20-Apr-04
7199		AFG	Afghanistan International Bank	2.6	13-May-04
7211	2169	IND	Infrastructure Development Finance Company Limited	50.0	19-Apr-05
7216	2177	PRC	Business Development Bank Limited	20.7	11-Aug-05
7219		PRC	Bank of China	75.0	04-Oct-05
7235	2235	KAZ	JSC Alliance Bank	50.0	15-Jun-06
7236	2236	KAZ	Bank TuranAlem JSC (BTA)	75.0	15-Jun-06
7240		PRC	Hangzhou City commercial Bank Co., Ltd.	30.0	27-Jul-06
7246		KAZ	Alliance Bank JSC	100.0	10-Oct-06
7249	2320	KAZ	JSC Kazkommertsbank (KKB)	100.0	22-Mar-07
7255	2336	KAZ	JSC Bank CenterCredit	50.0	27-Jun-07
7258	2341	AZE	Bank of Baku	6.0	01-Aug-07

<b>Investment No.</b>	<b>Loan No.</b>	<b>Country</b>	<b>Company</b>	<b>Total</b>	<b>Date Approved</b>
7259	2343	MON	Khan Bank	10.0	01-Aug-07
7260	2344	GEO	Bank of Georgia	25.0	02-Aug-07
7266	2364	AZE	International Bank of Azerbaijan	40.0	05-Nov-07
7267	2365	AZE	Bank Respublika Open Joint Stock Company	10.0	05-Nov-07
7305	2615	GEO	Bank Republic, Joint-Stock Company of Georgia	20.0	29-Jan-10
7315	2690	GEO	Joint Stock Company Bank of Georgia	50.0	03-Nov-10
<b>Finance Sector Development</b>					
7193		PHI	LGU Guarantee Corporation	2.0	19-Jan-04
7201		AFG	Afghanistan Investment Guarantee Facility	10.0	24-Sep-04
7309		REG	Credit Guarantee and Investment Facility	130.0	13-Apr-10
<b>Housing Finance</b>					
7168		SRI	NDB Housing Bank Limited	0.4	15-Mar-01
7189	2057	IND	Dewan House Finance Corporation, Ltd.	20.0	18-Dec-03
7206	2155	PHI	National Home Mortgage Finance Corporation		
			NPL Disposition	34.0	17-Dec-04
7268	2367	MAL	Eucalypt Mortgages Sdn. Bhd.	10.0	15-Nov-07
7274	2418	MLD	Housing Development Finance Corporation (HDFC) of the Maldives	12.0	09-Apr-08
7283		IND	India Mortgage Guarantee Company	18.6	22-Aug-08
7322	2712	INO	Housing Finance Program	300.0	01-Dec-10
<b>Investment Funds</b>					
7156		THA	Thailand SME Investment and Restructuring Fund	25.0	09-Mar-00
7157		THA	Thailand SME Fund Management Co.	0.2	09-Mar-00
7159		PRC	Liberty New World China Enterprises	25.0	06-Oct-00
7160		REG	Asian Banking Fund	25.0	10-Oct-00
7164		SAM	Venture Capital Fund	0.4	21-Nov-00
7170		REG	Mekong Enterprise Fund	5.0	07-Sep-01
7171		THA	Lombard Thai Fund	25.0	07-Sep-01
7179		PRC	China Environment Fund 2002, LP	10.0	29-Oct-02
7181		IND	Henderson Infrastructure Fund L.L.C.	15.0	16-Dec-02
7184		REG	ASEAN-PRC SME Investment Fund	15.0	15-Apr-03
7187		REG	FEGACE Asian Sub-Fund L.P.	20.0	02-Dec-03
7195		REG	ADM Maculus Fund L.P.	25.0	19-Mar-04
7196		PRC	Yangtze Special Situations Fund	45.0	19-Mar-04
7198		REG	Shorecap International Fund	2.5	05-May-04
7204		PRC	Actis Chia Fund 2 LP	45.0	26-Nov-04
7205		IND	Baring India Private Equity Fund	20.0	26-Nov-04
7208		REG	Lombard Asia III LP	30.0	15-Mar-05
7209		REG	Aureos South-East Asia Fund	20.0	15-Mar-05
7215		AFG	Afghanistan Renewal Fund Limited	5.5	28-Jul-05
7223		IND	BTS India Private Equity Fund	15.0	23-Nov-05
7226		REG	ADM Maculus II Investments Limited	25.2	09-Jan-06
7228		IND	Infrastructure Development Finance Company (IDFC)	45.0	01-Feb-06
7230		REG	AIF Capital Asia III, LP	30.0	31-May-06
7231		REG	Mekong Enterprise Fund II	10.0	31-May-06
7233		REG	Aureos South Asia Fund, L.L.C.	17.5	08-Jun-06

<b>Investment No.</b>	<b>Loan No.</b>	<b>Country</b>	<b>Company</b>	<b>Total</b>	<b>Date Approved</b>
7234		IND	Blue River Capital I, L.L.C.	20.0	08-Jun-06
7237		REG	Kula Fund II Limited	5.0	29-Jun-06
7247		REG	Darby Asia Mezzanine Fund II	20.0	10-Nov-06
7257		PAK	JS Private Equity Fund I LLC	20.0	17-Jul-07
7299		REG	Islamic Infrastructure Fund, L.P.	100.0	28-Apr-09
7312		REG	ASEAN China Investment Fund II	25.0	21-Apr-10
7323		REG	ShoreCap II	10.0	09-Dec-10
7347		REG	Aureos Capital	15.0	01-Dec-11
<b>Microfinance</b>					
7264	2358	REG	Bank Eskhata (Tajikistan), Inecobank (Armenia), Ineximbank (Kyrgyz Republic)	20.0	22-Oct-07
7325		REG	Microfinance Risk Participation Program	250.0	13-Dec-10
<b>Money and Capital Markets</b>					
7172	1845	REG	Second Syndicated Revolving Credit Facility to AFIC	20.0	08-Oct-01
7177		BAN	Central Depository Bangladesh Limited	0.5	15-Aug-02
7200		PRC	Shenzhen Orientwise Guarantee and Investment Co. Ltd.	10.0	31-Aug-04
7200		PRC	Credit Orientwise Group Limited	3.0	09-Feb-07
7212	2173	PHI	Cameron Grandville Asset Management Inc.	5.0	24-Jun-05
7213		REG	Flagship Capital Corporation	30.0	30-Jun-05
7239		INO	Acquisition and Securitization of Motor Loan Portfolios by Deutsche Bank AG	10.0	26-Jul-06
7298		INO	Indonesian Infrastructure Financing Facility	40.0	31-Mar-09
<b>SME Finance and Leasing</b>					
7190	3709	PAK	SME PCG Facility	65.0	19-Dec-03
7218		PHI	Credit Information Bureau	18.4	29-Sep-05
7229	2233	AZE	Private Banks and Leasing Companies in Azerbaijan	10.0	30-Mar-06
7250	2322	MLD	Maldives Finance Leasing Company Pvt. Limited (MFLC)	4.5	27-Mar-07
7251	2321	SRI	Lanka ORIX Leasing Company Limited (LOLC)	10.0	27-Mar-07
7289	2486	VIE	Saigon Thuong Tin Bank (Sacombank)	25.0	10-Dec-08
7343	2810	ARM	ACBA Credit Agricole Bank	20.0	22-Nov-11
7344	2811	ARM	Ameriabank	20.0	22-Nov-11
7345	2812	ARM	Ardshinvestbank	15.0	22-Nov-11
7346	2813	ARM	Inecobank	10.0	22-Nov-11
<b>Trade and Finance</b>					
7166		PAK	Pakistan Export Finance Guarantee	2.0	07-Dec-00
7186	2033	REG	Trade Finance Facilitation Program	150.0	21-Nov-03
<b>HEALTH AND SOCIAL PROTECTION</b>					
7173	1856	VIE	Far East Medical Viet Nam Ltd. (senior loan)	6.5	13-Nov-01
7174	1857	VIE	Far East Medical Viet Nam Ltd. (subordinated loan)	3.5	13-Nov-01
<b>MULTISECTOR</b>					
7332		REG	Aloe Environment Fund III	20.0	20-May-11

<b>Investment No.</b>	<b>Loan No.</b>	<b>Country</b>	<b>Company</b>	<b>Total</b>	<b>Date Approved</b>
7334		IND	VenturEast Life Fund III	20.0	20-May-11
7336		PRC	Sino-Green Climate Investment Fund	25.0	29-Aug-11
<b>TRANSPORT and ICT</b>					
<b>Air Transport</b>					
7270	2389	PRC	Central and Western Airports Development Project	210.0	11-Dec-07
7308	2620	ARM	Armenia International Airports (ArIA)	40.0	26-Mar-10
<b>ICT</b>					
7194	2078	BAN	Grameenphone Telecommunications Expansion	20.0	26-Jan-04
7202	2098	AFG	Telecom Development Company Afghanistan B. V.	35.0	04-Nov-04
7238	2241	AFG	Roshan Phase II Expansion-Telecom Development Company Afghanistan Limited	55.0	29-Jun-06
7281	2431	AFG	Telecom Development Company of Afghanistan (Roshan)	60.0	29-Jul-08
7302	2576	PNG	Digicel (PNG) Limited	25.0	16-Nov-09
7328	2745	REG	Bemobile Limited	49.0	25-Mar-11
<b>Road Transport</b>					
7162	1769	PHI	Manila North Tollways Corporation	45.0	26-Oct-00
<b>WATER AND MUNICIPAL INFRASTRUCTURE AND SERVICES</b>					
<b>Waste Management</b>					
7296	2522	PRC	China Everbright Environmental Energy Limited (CEEEL)	100.0	04-Jun-09
<b>Water Supply and Sanitation</b>					
7262	2349	INO	PT PAM Lyonnaise Jaya (PALYJA)	50.0	31-Aug-07
7272		PRC	Asia Training and Research Initiative on Urban Management Project Development Facility	4.0	18-Dec-07
7310	2627	PRC	Tongfang (Harbin) Water Engineering Co., Ltd. (TWE)	46.6	16-Apr-10
7318		REG	Asia Water Fund	20.0	16-Nov-10
7330	2753	PRC	China Water Affairs Group Limited (CWA) and China Water Affairs Investment Limited (CIL)	100.0	25-Apr-11
<b>TOTAL</b>				<b>8,377.23</b>	

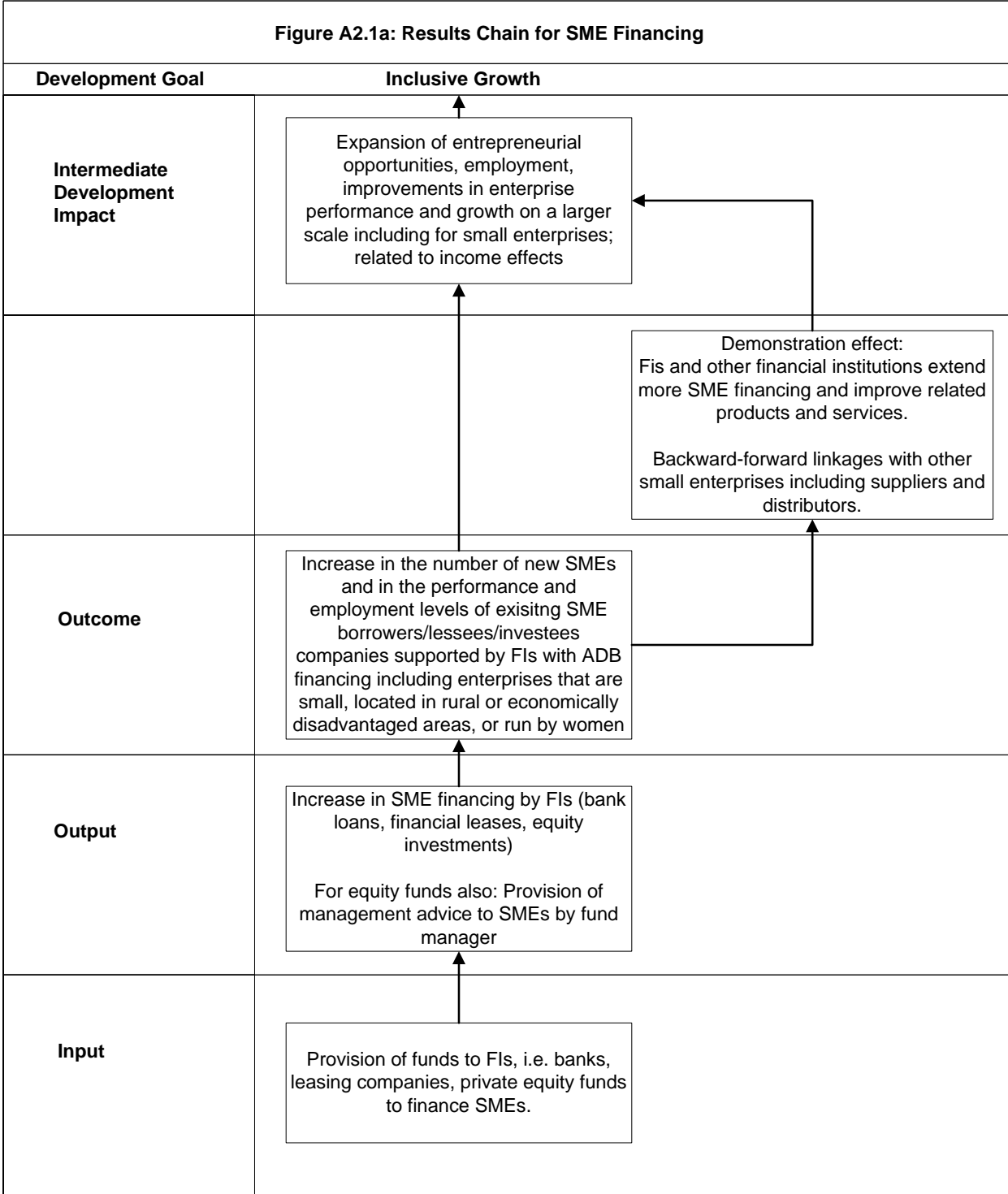
AFG = Afghanistan, ARM = Armenia, AZE = Azerbaijan, BAN = Bangladesh, CAM = Cambodia, PRC = People's Republic of China, GEO = Georgia, IND = India, INO = Indonesia, KAZ = Kazakhstan, LAO = Lao People's Democratic Republic, LLC = limited liability company, LP = limited partnership, Ltd = limited, MAL = Malaysia, MLD = Maldives, MON = Mongolia, PAK = Pakistan, PHI = Philippines, PNG = Papua New Guinea, REG = Regional, SAM = Samoa, SRI = Sri Lanka, THA = Thailand, Vie = Viet Nam.  
Notes: Includes approved private sector projects from 2000 to 2011; Excludes public sector NSO, AFIC, and cancelled projects.  
Source: Asian Development Bank database.

**Table A.2.1: Evaluation Framework**

<b>Evaluation Criteria</b>	<b>Evaluation Question</b>	<b>Evaluation Activities</b>	<b>Data Sources</b>
Relevance at Strategic Level	How can private sector investments contribute to inclusive and sustainable growth?	Literature review on linkages between private sector investment and inclusive and sustainable growth.	Theoretical and empirical literature, evaluation findings
	What has been ADB's strategic and operational approach towards supporting inclusive and environmentally sustainable growth? How did it inform the selection of countries and support areas for PSO?	Content analysis of ADB corporate strategies; desk review of selected country strategies.	2000 PSDS, 2006 revised strategic framework for PSD, Strategy 2020; CPS documents approved from 2010–2011
	Did ADB select countries, regions, sectors, and support areas for PSO that are conducive to achieving inclusive and sustainable growth objectives? Could PSOD have done more to support these objectives? Would prior engagement by RDs have helped?	Mapping of income inequality and environmental issues within the region and countries and investments by PSOD and the private sector.  Review of project origination process and investment proposals received by PSOD	Research literature, income and environmental data, project database  Interviews with PSOD staff
Relevance at Project Level	For all PSO, what transmission channels have been utilized to support inclusive and sustainable growth?	Desk review of project documents.	Approval documents for 151 PSOD projects approved from 2000–2011;
	For PSO seeking to support inclusive and environmental growth through direct transmission channels, were project designs conducive to the achievement of related objectives?	Desk review of project documents; literature review of best practice standards.	Approval documents for about 60 projects approved from 2000–2011 seeking to improve MSME development, access to finance, access to infrastructure, access to education and health services, and the environment. Available best practice standards.
	How are inclusive and environmentally sustainable growth objectives addressed in project screening, monitoring, and reporting?	Desk review of IPISA and SPRSS documents, DMFs and monitoring systems	Approval documents for PSOD projects approved from 2000–2011; PRISM
	Did project designs ensure the mitigation of negative	Desk review of project approval and	Approval documents and impact

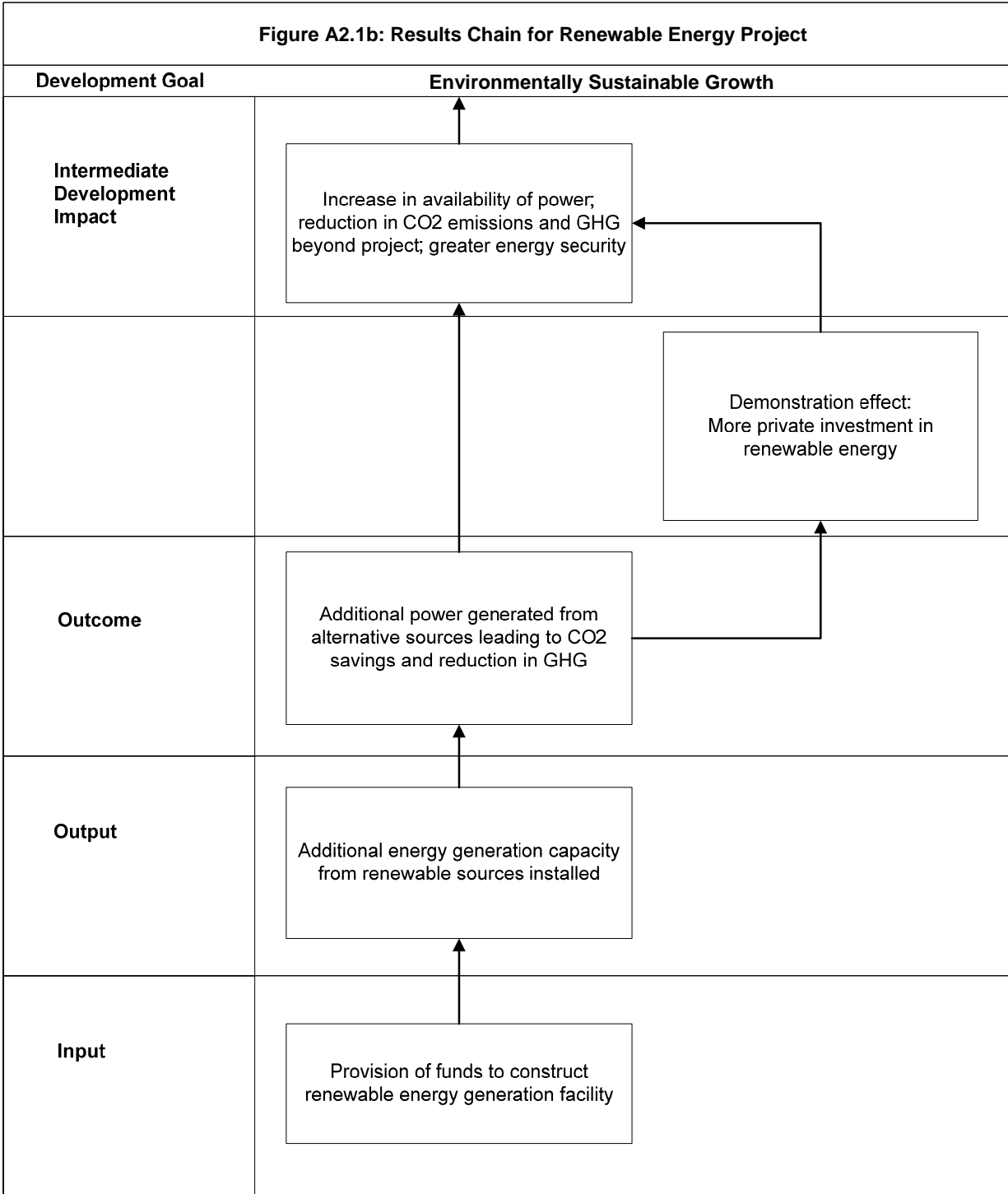
<b>Evaluation Criteria</b>	<b>Evaluation Question</b>	<b>Evaluation Activities</b>	<b>Data Sources</b>
	social and environmental impact of PSO?	safeguards-related documents	assessments for 150 PSOD projects approved from 2000–2011
Results	Did PSO help create or expand entrepreneurial opportunities, employment, backward and forward linkages with small suppliers and distributors, did PSO improve enterprise performance and growth, and did PSO improve access to goods, assets and services?	Desk review of available (self)evaluation reports; case studies involving in-country interviews of stakeholders and enterprise surveys.	Available evaluation findings for projects supporting financial institutions and funds; case studies for 20–30 purposefully selected projects supporting financial institutions and private equity funds in up to 10 DMCs.
	Did infrastructure PSO contribute to economic growth and improve the cost of and access to infrastructure services?	Desk review of available (self) evaluation reports; literature review.	Available evaluation findings for 14 projects supporting infrastructure development. Literature on the impact of power and telecoms sector constraints on the economy, particularly small private companies and retail consumers in the respective countries.
	Are PSO with environmental objectives achieving anticipated outcomes?	Case studies involving in-country interviews of stakeholders and enterprise surveys	Case studies of 8 projects in 2 countries.
	Were social development measures and the mitigation of potential negative social and environmental project impacts effective?	Desk review of available (self)evaluation reports; case studies involving in-country interviews of stakeholders	Available evaluation findings for PSOD projects approved from 2000–2011. Purposefully selected sample of 5 case studies in 3 DMCs.

ADB = Asian Development Bank, CPS = country partnership strategy, DMC = developing member countries, DMF = design monitoring framework, PRISM = Private Sector Mobilization for Family Health Planning, PSD = private sector development, PSDS = private sector development strategy, PSO = private sector operations, PSOD = Private Sector Operation Department, SME = small and medium-sized enterprises.



ADB = Asian Development Bank, FI = financial intermediaries, SME = small and medium enterprises.





CO2 = carbon dioxide, GHG = greenhouse gas.

