

# Development Effectiveness Review

# 2012 Report





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# **Contents**

| Abbreviations  | V                                      |
|--|--|
| Executive Summary  | vii                                    |
| Introduction   | 1                                      |
| Level 1: Development Progress In the Region Poverty and Human Development Outcomes Other Development Outcomes  | <b>3</b><br>3<br>7                     |
| Level 2: ADB's Core Outputs and Outcomes Core Sector Outputs Contribution to Development Outcomes Development Impact at the Country Level  | <b>13</b><br>13<br>17<br>29            |
| Level 3: ADB's Operational Effectiveness Quality of Completed Operations Quality at Entry and Portfolio Performance Finance Transfer and Mobilization Financing for Strategy 2020 Priorities Knowledge Management Partnerships | 33<br>33<br>40<br>43<br>45<br>49<br>51 |
| Level 4: ADB's Organizational Effectiveness Human Resources Budget Adequacy Business Processes and Practices   | <b>55</b><br>55<br>57<br>58            |
| Actions Synopsis of Past Actions and their Impact Priority Actions for 2013  | <b>63</b> 63                           |
| Conclusion   | 67                                     |

# Development Effectiveness Review 2012

# **Appendixes**

| ADB Performance Scorecard 2012                                | 71  |
|---|-----|
| List of ADB Developing Member Countries                       | 84  |
| Changes to Data   | 85  |
| Asia and the Pacific Development Outcomes                     | 90  |
| ADB Sector Outputs  | 96  |
| Outcomes of Operations Completed in 2012                      | 102 |
| Country Partnership Strategies at Completion                  | 111 |
| Sovereign and Nonsovereign Operations At and After Completion | 112 |
| Technical Assistance Projects at Completion                   | 117 |
| Sovereign Operations during Implementation                    | 119 |
| Disbursements   | 122 |
| Cofinancing   | 123 |
| Strategic Focus in Operations                                 | 124 |
| Partnerships  | 128 |
| Human Resources   | 131 |
| Business Processes and Practices                              | 133 |

# **Abbreviations**

ADB – Asian Development Bank ADF – Asian Development Fund

CAPE – country assistance program evaluation

CO<sub>2</sub> – carbon dioxide

CoP – community of practice
CPS – country partnership strategy
CSO – civil society organization

DEFR – development effectiveness review DMC – developing member country

DVA – direct value-added

GAP III – Third Gender Action Program GDP – gross domestic product

IAE – internal administrative expense IED – Independent Evaluation Department

km – kilometer

Lao PDR - Lao People's Democratic Republic MDG - Millennium Development Goal O&M - operation and maintenance OCR - ordinary capital resources PCR - project completion report PRC - People's Republic of China

QAE – quality at entry TA – technical assistance

UNESCAP – United Nations Economic and Social Commission for Asia and the Pacific

XARR – extended annual review report



# **Executive Summary**

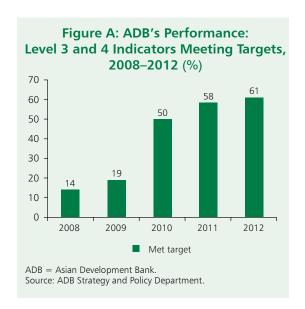
The Asian Development Bank (ADB) has completed the 2012 Development Effectiveness Review (DEfR), its sixth annual corporate performance assessment. The 2012 DEfR reviews development progress in Asia and the Pacific (level 1), and assesses ADB's performance in delivering outputs and outcomes in its core sectors (level 2) and improving operational and organizational effectiveness (levels 3 and 4). In addition, because 2012 is the interim target year of the Strategy 2020 results framework, this DEfR takes stock of progress since 2008 and shows whether ADB met the targets for levels 2–4.

### Overview

The 2012 review found that the development effectiveness review process introduced in 2008 has successfully propagated a results culture across ADB. This has led to improved performance in most areas of the results framework measuring ADB's operational and organizational effectiveness. As a result, ADB has been able to meet an increasing proportion of its targets (Figure A). It has also expanded ADB's contributions to development outcomes in the region.

### Compared with 2008,

- ADB operations are more focused on Strategy 2020 priorities, including gender mainstreaming;
- the quality at entry (QAE) of country partnership strategies and sovereign operations is consistently high and the QAE of nonsovereign operations has improved significantly;
- project start-up is more efficient;
- cofinancing has increased considerably;



- ADB coordinates more closely with other development partners and shares knowledge more effectively;
- ADB has more staff to support operations, and almost half of them work in resident missions to increase responsiveness to clients:
- resident missions are more empowered;
- ADB staff are more engaged and motivated; and
- the gender balance at ADB has improved significantly.

The DEfR also highlighted areas requiring further improvement. Actions to strengthen project readiness and implementation supervision need reinforcing to raise project success and outcome achievement rates—two of the areas where performance improved but targets were not reached. These measures

# Development Effectiveness Review 2012

will also ensure fuller and more timely delivery of sector outputs and raise disbursement ratios which have declined since 2008. Management actions adopted through this DEfR respond to these priorities.

In 2012, ADB achieved its level 2 output delivery target for 13 of the 19 indicators, but missed the target for outcome achievement despite the improvement. ADB met its targets for 22 (61%) of the 36 level 3–4 indicators (Figure B), including QAE of country partnership strategies and sovereign operations; all indicators under the categories of financing for Strategy 2020 priorities, partnerships, and decentralization: and three of the four indicators for human resources management. Of the 14 indicators that fell short of their targets, 7 (19%) improved compared to 2008. These indicators measure quality of sovereign operations at completion, QAE of nonsovereign operations, external perceptions about ADB's role in reducing poverty and sharing knowledge, and gender balance at ADB. However, two indicators were unchanged and five deteriorated. Indicators with weakened performance include nonsovereign operations at completion, disbursement ratios of sovereign and nonsovereign operations, and two of the four

Figure B: ADB's Performance in 2012, Levels 3–4

14% (5)
6% (2)
19% (7)

Target met
Target unmet, but improved
Target unmet, no change
Target unmet, and worsened

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

budget adequacy indicators. The scorecard table summarizes the performance of ADB as a whole and the Asian Development Fund (ADF) as a subset.

# ► Level 1 Summary: Development Progress in the Region

Asia and the Pacific made solid progress in reducing poverty and improving human development since the baseline year of 2005. Access to basic infrastructure increased, especially telecommunications, and governance indicators improved. Yet, the latest data confirm that poverty remains the region's central challenge, with at least one in five people living on less than \$1.25 a day. Indicators on child mortality and access to sanitation made insufficient headway to be able to achieve the 2015 targets. Progress lagged in ADF countries as a whole, and gaps across countries remained. This context underscores the need for all development partners to continue working together with a sharper focus on development results.

# ► Level 2 Summary: ADB's Outputs and Outcomes

ADB's performance in delivering programmed core sector **outputs** by 2012 remained mixed. Of the 19 indicators for ADB-supported operations as a whole, 13 exceeded the 85% target. For ADF-funded operations, only 8 of the 18 indicators met the target. Project implementation delays hampered output delivery in both ADB and ADF operations.

The achievement of core sector **outcomes** of ADB-supported operations continued to improve since 2010. However, it remained below the 80% target. In addition to sector outcomes, ADB-supported policy-based operations helped strengthen accountability and transparency in public sector management, implement reforms to support private sector

#### Asia and Pacific Development Outcomes (Level 1) **ADB Countries ADF Countries** Poverty and Human Development Outcomes good poor Other Development Outcomes good good **ADB Performance ADB Operations ADF Operations** Core Outputs and Outcomes (Level 2) **Output Delivery** good poor Outcome Achievement poor poor **Operational Effectiveness** (Level 3) Quality of Completed Operations poor poor Quality at Entry and Portfolio Performance good good Finance Transfer and Mobilization mixed poor Financing for Strategy 2020 Priorities good good **Gender Mainstreaming** good good Knowledge Management mixed mixed **Partnerships** aood aood Organizational Effectiveness (Level 4) Human Resources<sup>a</sup> good good Budget Adequacya poor poor **Business Processes and Practices** good g good good

# **Summary Performance Scorecard 2012**

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

- ogood: Two-thirds or more of key performance indicators (KPIs) that make up the composite indicator achieved a green signal.
- mixed: At least half but less than two-thirds of KPIs that make up the composite indicator achieved a green signal.
- poor: Less than half of KPIs that make up the composite indicator achieved a green signal.

Note: Gender mainstreaming is a KPI within the composite indicator "Financing for Strategy 2020 Priorities."

Source: ADB Strategy and Policy Department.

development, and develop government institutions and human capacities.

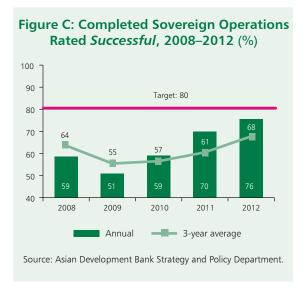
## ► Level 3 Summary: ADB's Operational Effectiveness

ADB achieved the targets for 15 of the 23 indicators at level 3. Of the eight remaining indicators, four improved, one was unchanged, and three worsened compared with 2008 performance. Of the five indicators assessing the **quality of completed operations**, ADB surpassed the 80% target for technical assistance projects rated *successful*. The success rates of

recently completed sovereign operations, although falling short of the target, continued their steady improvement since 2009 (Figure C). The 3-year average success rate increased to 68% from 61% in 2009–2011. The annual success rate in 2012 was 76%. Positive external perceptions about ADB's effectiveness in reducing poverty improved from 50% in 2009 to 57% in 2012, 3 percentage points below the 60% target.

Two indicators capturing the quality at completion of country assistance programs and nonsovereign operations declined. The combined rating of two country assistance program evaluation reports and two country operations final review

<sup>&</sup>lt;sup>a</sup> Indicators in this category measure ADB performance only.



validation reports was 50% in 2012, while the average 4-year (2009–2012) success rate for 15 completed country programs was 60%. The main weaknesses noted in these reports consistently related to program delivery and sustainability. The success rates of recently completed nonsovereign operations declined from 72% in 2009–2011 to 68% in 2010–2012, largely because of the poor performance of finance operations.

ADB met the targets for four of the five **QAE** and portfolio performance indicators. The performance of sovereign operations during implementation exceeded the 80% target, with 89% of the 579 active operations rated satisfactory. ADB also met the target for project start-up time, measured from approval to first disbursement. At the same time, further analysis pointed to the need for continued efforts to improve project readiness and implementation supervision. ADB met the QAE target for country partnership strategies in 2010 and 2012. ADB met the QAE targets for sovereign operations in three consecutive assessments (2008, 2010, and 2012). The QAE of nonsovereign operations improved considerably to 84% from 71% in 2010, nearly reaching the 85% target.

On **finance transfer and mobilization**, ADB met the cofinancing target despite the

challenging environment. However, it missed the target for the two other indicators. The ratio of disbursed to available funds for sovereign operations remained slightly below the 23% target. For nonsovereign operations, the ratio fell below the target for the first time since 2010, largely because of the significant increase in newly effective loans.

All five indicators measuring the level of **financing for Strategy 2020 priority areas** exceeded their targets, demonstrating the strong focus and selectivity of ADB operations: 85% of new operations supported the five core areas—infrastructure, environmental sustainability, regional cooperation and integration, finance sector development, and education. Financing for sectors outside the Strategy 2020 core areas increased in 2012, leading to a better balance between core and other sectors. Support for Strategy 2020 priority themes, including gender mainstreaming, continued to exceed targets.

Of the two **knowledge management** indicators, the measure of ADB staff perceptions about ADB's knowledge management continued to surpass the target, confirming improved leadership, processes, and incentives for knowledge development and sharing. The 2012 external perceptions survey of ADB's role as a knowledge bank also reported better results, but fell short of the target. All three indicators on **partnerships**—collaboration and coordination with other development partners and civil society organizations—continued to exceed targets.

# ► Level 4 Summary: ADB's Organizational Effectiveness

ADB's organizational effectiveness saw strong performance in many areas. Of the 13 indicators, 7 met their targets, 4 improved, and 2 were unchanged compared with 2008. In the **human resources** category, ADB met three of the four targets relating to the adequacy of staff resources for operations departments and resident missions, and staff

engagement and satisfaction. Progress toward gender balance among international staff was substantial: the proportion of women international staff rose from 28% in 2008 to 34% in 2012, 1 percentage point below the 35% target. While all four indicators on **budget** adequacy remained off target, two improved following the sizable annual budget increases during 2010–2012.

ADB performed strongly in improving its business processes and practices, achieving the targets for four of the five indicators in this category. ADB delegated the administration of 44% of its projects to resident missions in 2012, exceeding the 43% target for the first time. All three indicators measuring resident mission leadership—country programming, portfolio review, and economic work—were met. Although ADB did not achieve the targeted processing time for sovereign operations, processing time has shortened considerably for those operations that followed the streamlined business processes introduced in 2010.

To reinforce results-based performance management, ADB approved a new results framework in January 2013. The new framework will apply an improved structure and updated indicators and targets to assess ADB's performance during 2013–2016. ADB refined the guidelines for preparing country development effectiveness briefs to reflect its contributions to country outcomes more clearly. ADB also updated its website to provide easier access to results data at the corporate, country, and project levels.

### ▶ 2013 Actions

The 2012 DEFR confirmed the progress made through various initiatives introduced since 2008. At the same time, it reiterated the importance of project implementation—particularly project readiness and supervision—in increasing the effectiveness of ADB's operations. To sustain this progress and advance toward the revised targets in the

new results framework, ADB will focus on the following actions, keeping in mind the country and sector context:

## 1. Improve project success and outcomes

# **Project readiness**

- Adopt a target and time frame by the end of June 2013 for achieving project readiness for all infrastructure operations, focusing on completing before project approval (i) the detailed engineering design (or preliminary design depending on the contract structure), (ii) the bidding process for engagement of supervision consultants and contractors, (iii) necessary actions to ensure safeguard readiness, and (iv) government approvals and clearances relating to funding and institutional arrangements.
- Complete by the end of June 2013 the review of existing instruments for funding detailed engineering design.
- Monitor and report progress on project readiness regularly at operations review meetings.

## Procurement quality and efficiency

• Implement the recommendations of the recently approved ADB Procurement Governance Review, focusing on (i) adopting a risk-differentiated approach to procurement; (ii) involving procurement specialists early on in complex procurement; (iii) strengthening staff skills and capacity for procurement through accreditation, training, and outposting; and (iv) streamlining ADB's procurement processes and measuring efficiency against minimum service standards.

# Resources for project readiness and supervision

 Reallocate and share staff resources as appropriate and increase staff skills

# Development Effectiveness Review 2012

- in procurement and implementation supervision through targeted recruitment (including project engineers) and training.
- Recognize more systematically good staff performance in improving project readiness and implementation supervision in staff performance reviews.

### Finance sector operations

 Consolidate finance sector skills and knowledge in support of operations, sequence operations to support reforms through technical assistance projects before approving projects and credit lines, and pursue focus and selectivity in responding to country needs.

### **Quality at entry**

 Continue to improve the QAE of country partnership strategies, and sovereign and nonsovereign operations following the recommendations of the QAE working group.

### **Quality of project completion reports**

 Strengthen quality control of project completion reports within operations departments; and clarify expected standards by updating guidelines for project completion reports, and Independent Evaluation Department validation reports and project performance evaluation reports, ensuring a consistent approach to rating project success across these three tools.

# 2. Increase the representation of women in international staff

 Complete the development Diversity and Inclusion Framework, 2013–2016, which will include new targets on representation of women international staff, and begin implementation of the framework.

# 3. Manage budget efficiently to support project outcomes

 Ensure budget adequacy for project implementation through reallocation.

### 4. Improve project processing efficiency

 Continue to implement the 2010 streamlined business processes.

In addition to these actions, ADB will revise its business processes and tools for collecting and validating data to ensure effective use of the new results framework from 2013. This will involve (i) updating staff guidelines for monitoring the new level 2 core sector indicators, and incorporating related changes into e-Operations accordingly, (ii) implementing the new staff guidance note on incorporating inclusive economic growth in country partnership strategies issued in March 2013, and (iii) conducting a communication campaign to inform ADB staff and external stakeholders about the content and use of the new results framework.

# **Development Effectiveness Review 2012 Indicator Signals Explained**

# **Composite Indicator Scores**

| Score | Explanation  |
|-------|--|
| good  | Two-thirds or more of KPIs that make up the composite indicator achieved a green signal.                     |
| mixed | At least half but less than two-thirds of KPIs that make up the composite indicator achieved a green signal. |
| poor  | Less than half of KPIs that make up the composite indicator achieved a green signal.                         |

KPI = key performance indicator.

Source: Asian Development Bank Strategy and Policy Department.

# **Key Performance Indicator Signals**

| Progress  | Signal                   | Annual Change <sup>a</sup> |
|---|--------------------------|----------------------------|
| <b>Level 1</b> (Asia and Pacific Develop  |                          | <b>3</b> -                 |
| At or above target—region's performance at or above cutoff value for 2015                     | $\overline{\mathscr{C}}$ |                            |
|   |                          | Improved                   |
| On track—region's performance on track to achieve cutoff value for 2015                       |                          | Stable                     |
| 14.40 151 25 15   |                          | Deteriorated               |
|   |                          | Improved                   |
| Off track—region's performance fell short of desired progress to attain cutoff value for 2015 |                          | Stagnated                  |
|   |                          | Deteriorated               |
| Levels 2–4 (ADB's Perfo   | ormance)                 |                            |
| ADB 2012 target achieved  |                          |                            |
|   |                          | Improved                   |
| ADB 2012 target not achieved  |                          | Stagnated                  |
|   |                          | Deteriorated               |

ADB = Asian Development Bank.

<sup>&</sup>lt;sup>a</sup> An arrow indicates a significant (≥ 3%) change from previous performance: an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration.

<sup>&</sup>lt;sup>b</sup> Level 1 uses progress against baselines to determine signals for indicators in the category Other Development Outcomes. Source: ADB Strategy and Policy Department.



# Introduction

The 2012 Development Effectiveness Review (DEfR) is the sixth annual corporate performance report of the Asian Development Bank (ADB). Using ADB's corporate results framework, 1 the review tracks development progress in Asia and the Pacific (level 1), and assesses ADB's performance in implementing its long-term strategic framework, Strategy 2020<sup>2</sup> (levels 2–4), as shown in Figure 1. Based on this assessment, the DEfR identifies the main challenges ADB faces and proposes measures to overcome them. In addition, as 2012 marked the end of the first results framework period for levels 2–4, this DEfR examines whether ADB achieved the targets for each of the indicators. It also takes stock of the performance trends since 2008 for a range of indicators, charting how they were influenced by Management's actions.

The 2012 DEfR uses green, amber, and red scorecard signals to encapsulate performance trends for ADB as a whole and the Asian Development Fund (ADF) as a subset. The full ADB performance scorecard for 2012 is in Appendix 1.<sup>3</sup>

The 2012 DEfR is the last assessment based on the corporate results framework approved by ADB's Board of Directors in 2008 and refined

### Figure 1: Strategy 2020 Results Framework

### Level 1

Development progress in Asia and the Pacific



### Level 2

ADB's contribution to development results



#### Level 3

ADB's operational effectiveness



### evel 4

ADB's organizational effectiveness

ADB = Asian Development Bank.

Source: ADB Strategy and Policy Department.

in January 2011.<sup>4</sup> ADB will use its new results framework, approved by the Board in January 2013, to assess its performance in 2013–2016. The new framework is a product of a review ADB initiated in January 2012 to reinforce its relevance as a corporate management tool. It continues to maintain a flexible approach that will allow further revisions in the future.

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

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

The assessment of ADB generally covers (i) for level 1, progress in all of ADB's developing member countries (DMCs); and (ii) for levels 2–4, ADB-supported operations funded by ordinary capital resources (OCR) and the ADF. The assessment of ADF generally covers (i) for level 1, progress in ADF countries (a subgroup of ADB DMCs that have access to the ADF, including blend countries with access to both OCR and the ADF); and (ii) for levels 2–4, ADF-funded operations. "ADB operations" refers to operations funded by OCR and the ADF. "ADF operations" refers to operations funded by the ADF. Lists of DMCs by country category are in Appendix 2.

<sup>&</sup>lt;sup>4</sup> ADB. 2012. Review of the ADB Results Framework. Manila http://www.adb.org/documents/review-adb-results-framework



# Level 1 Development Progress in the Region

ADB monitors development progress and challenges in Asia and the Pacific using level 1 indicators. Level 1 uses two sets of indicators. The first set captures progress in reducing poverty and promoting human development, using selected Millennium Development Goal (MDG) indicators. The second set measures other development outcomes—growth, regional cooperation and integration, basic infrastructure provision, finance, governance, and the environment—that are integral to reducing poverty and raising the living standards of people in Asia and the Pacific. The explanation of the indicator signals used in level 1 is on page xiii.

### 

The region as a whole made solid progress in reducing income poverty, increasing gender parity in primary and secondary education, and providing access to water in rural areas (Table 1 and Appendix 4). Indicators for primary education completion and urban access to an improved water source achieved their 2015 targets for the first time. Progress in increasing women's participation in nonagricultural wage employment was limited and reductions in child mortality have been insufficient. Sanitation provision in both rural and urban areas remains

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

|   | Asian [ | Developme<br>Countries | nt Bank                     | nk Asian Development Fund<br>Countries |                |                             | Asian Development Fund-<br>Only Countries |                |                             |  |
|---|---------|------------------------|-----------------------------|--|----------------|-----------------------------|---|----------------|-----------------------------|--|
| Indicator   | 2005ª   | Latest<br>2010         | Target<br>2015 <sup>a</sup> | 2005ª                                  | Latest<br>2010 | Target<br>2015 <sup>a</sup> | 2005ª                                     | Latest<br>2010 | Target<br>2015 <sup>a</sup> |  |
| Population living on<br>less than \$1.25<br>(PPP) per day (%) | 27.1    | 20.5                   | 28.1                        | 28.5                                   | 21.9           | 30.7                        | 34.8                                      | 22.3           | 35.2                        |  |
| Primary education<br>completion rate, both<br>sexes (%)       | 92.7    | 96.7                   | 100.0                       | 80.4                                   | 83.2           | 100.0                       | 67.2                                      | 67.5           | 100.0                       |  |
| Ratio of girls to boys in:                                    |         |                        |                             |  |                |                             |   |                |                             |  |
| Primary education   | 0.96    | 1.00                   | 1.00                        | 0.87                                   | 0.93           | 1.00                        | 0.81                                      | 0.88           | 1.00                        |  |
| Secondary education   | 0.91    | 0.97                   | 1.00                        | 0.92                                   | 0.95           | 1.00                        | 0.71                                      | 0.84           | 1.00                        |  |
| Tertiary education  | 0.82    | 0.92                   | 1.00                        | 0.73                                   | 0.80           | 1.00                        | 0.48                                      | 0.50           | 1.00                        |  |

continued on next page

# Development Effectiveness Review 2012

Table 1 continued

|  | Asian Development Bank<br>Countries |                |                             | Asian [ | Developme<br>Countries |                             | Asian Development Fund-<br>Only Countries |                    |                             |
|--|-------------------------------------|----------------|-----------------------------|---------|------------------------|-----------------------------|---|--------------------|-----------------------------|
| Indicator  | 2005ª                               | Latest<br>2010 | Target<br>2015 <sup>a</sup> | 2005ª   | Latest<br>2010         | Target<br>2015 <sup>a</sup> | 2005ª                                     | Latest<br>2010     | Target<br>2015 <sup>a</sup> |
| Women in non-<br>agricultural wage<br>employment (%)                     | 30.0                                | 31.3           | Increase                    | 26.7    | 26.9                   | Increase                    | 28.8                                      | 26.7               | Increase                    |
| Under-5 child mortality<br>(per 1,000 live<br>births)                    | 56                                  | 45⁵            | 29                          | 63      | 51                     | 35                          | 88  | 71                 | 48                          |
| Women (aged 15 and<br>above) living with<br>HIV (number, million)        | 0.45                                | 0.79b          | Reverse                     | 0.22    | 0.34 <sup>b</sup>      | Reverse                     | 0.129                                     | 0.132 <sup>b</sup> | Reverse                     |
| Population with<br>sustainable access<br>to improved water<br>source (%) |                                     |                |                             |         |                        |                             |   |                    |                             |
| Urban  | 95.6                                | 96.4           | 96.2                        | 91.5    | 92.4                   | 94.9                        | 82.0                                      | 87.4               | 83.4                        |
| Rural  | 79.8                                | 85.9           | 84.5                        | 75.9    | 79.5                   | 84.9                        | 58.7                                      | 64.2               | 72.1                        |
| Population with sustainable access to improved sanitation (%)            |                                     |                |                             |         |                        |                             |   |                    |                             |
| Urban  | 67.0                                | 70.9           | 77.9                        | 71.1    | 73.6                   | 82.3                        | 64.0                                      | 67.6               | 78.8                        |
| Rural  | 37.5                                | 43.3           | 58.8                        | 43.0    | 48.5                   | 63.1                        | 32.4                                      | 36.2               | 61.2                        |

 ${\sf PPP} = {\sf purchasing} \ {\sf power} \ {\sf parity}.$ 

### Notes:

- 1. Asian Development Bank (ADB) countries include all of ADB's developing member countries. Asian Development Fund (ADF) countries are a subset of ADB countries that have access to the ADF (including blend countries with access to both ordinary capital resources and the ADF). ADF-only countries are a subset of ADB countries that have access only to the ADF. ADB, ADF, and ADF-only country lists are based on country classification during the eighth ADF replenishment period (Appendix 2).
- 2. Estimates are averages of actual country values weighted by population size or imputed country values wherever data are missing for the year required.
- 3. For ADB and ADF latest values, bold font signifies that the indicator has achieved or is on track to achieve the 2015 target.
- <sup>a</sup> Some 2005 baselines and 2015 targets have been recalculated based on new data.
- <sup>b</sup> 2011 data.

Sources: Regional aggregates are prepared by the Strategy and Policy Department using country data from the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division as part of the partnership between the ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals. Population data used as weights are from the United Nations Population Division, World Population Prospects: The 2010 Revision; HIV data are from the Joint United Nations Programme on HIV/AIDS. 2011. Global Report: UNAIDS Report on the Global AIDS Epidemic 2011. Geneva. Forecasts were computed based on historical trends by the UNESCAP Statistics Division using the United Nations Millennium Development Goal Indicators database (http://mdgs.un.org/unsd/mdg/).

below the 2015 target, although the latest data showed improvement. For the region as a whole, two-thirds of the MDG 2015 targets have been achieved or are on track to be achieved; therefore the region's score is now rated *good*. ADF countries are making insufficient progress as fewer than half of their performance targets have been achieved or are on track; consequently, progress in ADF countries is rated *poor*. The performance of ADF-only countries is similar to that of ADF countries, with only 5 of 12 poverty and human development indicators achieved or on track.

While the region-wide progress continued to be impressive, country-level performances remained mixed. Of the 40 ADB developing member countries (DMCs), only 13 (33%) have achieved or are on track to achieve more than two-thirds of the MDG indicators. Of this group, 9 were ADF countries.

### Income Poverty

ADB, ADF, and ADF-only country groups all achieved the MDG target of halving extreme poverty well ahead of the 2015 deadline.<sup>7</sup> However, two major challenges remain. First, 20% of the region's population was still living in extreme poverty (defined as living on less than \$1.25 a day) in 2010, about 70% of these people live in South Asia.<sup>8</sup> Second, the threat of extreme poverty hangs over the vulnerable (defined as those living on \$1.25–\$2.00 a day). World Bank data showed that as the number of extreme poor declined, the number of the vulnerable grew from 700 million in 1990 to 900 million in 2008.

The strong economic growth experienced in the past had a major impact on reducing poverty, but in many countries growth has been accompanied by rising income inequality, which limits how much the poor can benefit from such growth. Inequality, as measured by the Gini coefficient, rose between the early 1990s and the late 2000s in 9 of the 25 ADB DMCs for which comparative data are available. These nine countries are home to 84% of the region's population. The increase was most marked in the People's Republic of China (PRC), followed by Sri Lanka, Mongolia, the Lao People's Democratic Republic (Lao PDR), India, Georgia, Bangladesh, Tajikistan, and Indonesia.

# Quality of Primary Education—Primary Completion Rate ADB ADF

The region as a whole has already achieved the targeted primary school enrollment rates. Recently available data on the primary completion rate—a measure of education quality—indicates that progress is accelerating.9 Data for 2007 and later showed rising primary completion rates in Armenia, Bhutan, Cambodia, Georgia, Kazakhstan, the Kyrgyz Republic, the Lao PDR, and Pakistan. The significant improvement in primary completion, together with near-universal enrollment, have made the ADB DMCs early achievers of the MDG target on universal primary education. However, the subgroup of ADF countries continues to lag in the achievement of this goal, and the situation is even more serious in ADF-only countries, where about one-third of children fail to complete primary schooling.

ADB ADF

Assessment by ADB Strategy and Policy Department based on progress classification of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division ADB/UNESCAP/United Nations Development Programme database on the MDGs. ADF-only countries only receive funding from the ADF.

Appendix 4, Tables A4.1–A4.3 provides the complete list of MDG indicators monitored by the partnership between ADB, the United Nations Development Programme, and UNESCAP, broken down into ADB, ADF, and ADF-only countries.

Of the 32 ADF countries, 17 were excluded from this assessment because limited data were available. However, most of the excluded countries have small populations.

<sup>&</sup>lt;sup>8</sup> Projections by the UNESCAP Statistics Division.

<sup>&</sup>lt;sup>9</sup> The cutoff to indicate achievement of the target for primary completion is 95%.

# Gender Equality—Ratio of Girls to Boys in:

ADB 🕢 ADF **Primary Education** ADB ADF **Secondary Education** ADB ADF **Tertiary Education** 

Gender parity in primary and secondary education enrollment has already been achieved in ADB countries, and it is on track to be achieved in tertiary education.<sup>10</sup> ADF countries achieved parity in secondary education and are likely to match this performance in primary education, while parity in tertiary education remains off track. The difference between the number of boys and girls enrolled in tertiary education is most pronounced in ADFonly countries.

# Women's Empowerment—Women in Non-Agricultural Wage Employment

ADB ADF

Women's share of paid jobs outside the agriculture sector—a proxy indicator for women's empowerment—grew slowly in Asia and the Pacific as a whole from 30.0% in 2005 to 31.3% in 2010. This figure is lower than that for sub-Saharan Africa (33%), and considerably below the figure for Latin America and the Caribbean (43%). While women's wage employment in the nonagriculture sector has risen slowly in ADB and ADF countries, it has declined in ADF-only countries since 1990, largely because of reductions in Afghanistan and Nepal.<sup>11</sup>

### Access to Health—Under-5 Child Mortality

ADB 🚹 ADF 🚹

During 2005–2010, child mortality in the region fell by 20%, but the rate of progress is too slow to meet the 2015 target. If current trends continue, the region as a whole is forecast to

reduce child mortality by 55% by 2015, well below the 67% reduction targeted. The vast majority of the child deaths in the region occur in South Asia.

Key approaches to increasing child survival include ensuring women's education; preventing undernutrition; expanding primary health care services; and removing the physical, social, and financial barriers to accessing such services. 12

# Women Living with HIV

ADB ADF



From 2005 to 2011, the number of women in ADB countries reported to be living with HIV increased by 300,000 to about 800,000. Most of this increase resulted from the inclusion for the first time of data for the PRC, where 231,000 women were living with HIV. The number of women living with HIV in ADF countries rose by 50% from about 225,000 in 2005 to about 336,000 in 2011, driven by the rising number of women with HIV in Indonesia, Pakistan, and Viet Nam.<sup>13</sup> In ADF-only countries, numbers peaked in 2009 and subsequently declined slightly, leading to an overall increase of 2% in the same period. Seven of the nine countries in the world with an increasing incidence of reported HIV infection among adults are in Asia and the Pacific.14

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

**Urban Population Rural Population** 

ADB 🗹 ADF

ADB 🕢 ADF

Urban and rural populations in ADB countries met the 2015 target for safe drinking water in 2010, indicating in major improvement in coverage from that reported in the 2011 DEfR. The region's performance was boosted by new

 $<sup>^{10}</sup>$  A parity ratio of 0.95 is stipulated as the cutoff to indicate achievement of the target.

<sup>&</sup>lt;sup>11</sup> The figure for ADF-only countries declined from 28.8% in 2005 to 26.7% in 2010, whereas it increased slightly in ADF countries from 26.7% to 26.9% in the same period.

United Nations. 2012. The Millennium Development Goals Report 2012. New York.

Data may differ from that reported by countries due to analysis performed by the Joint United Nations Programme on HIV/AIDS (UNAIDS). Indonesia is included in the ADF country subgroup because it was an ADF country until 2009.

<sup>&</sup>lt;sup>14</sup> UNAIDS. 2012. Global Report: UNAIDS Report on the Global AIDS Epidemic. Geneva. p. 11.

data from six ADF-only countries—Bhutan, the Lao PDR, the Maldives, Mongolia, Myanmar, and Samoa—that have all either newly achieved their water targets or are now on track to meet them. For ADF countries however, this indicator remains off track for both urban and rural populations due to slow progress in 14 of the 32 countries in the group. If current trends continue, 97% of the region's urban population and 88% of its rural dwellers will have access to an improved water source by 2015.

Inadequate access to sanitation facilities is more severe in rural areas where coverage was only 43% in 2010 compared with 71% in urban areas. At the current rate of increase, improved sanitation coverage will reach only 52% of the rural areas and 74% of the urban areas by 2015. ADF-only countries continue to experience higher levels of deprivation, with only about one-third of the rural population benefiting from access to improved sanitation.

### Sustainable Access to Improved Sanitation:

| Urban | ADB 🛑 AD | F 🛑 |
|-------|----------|-----|
| Rural | ADB 🔲 AD | F   |

Despite increases in sanitation coverage in most countries, the rate of progress fell short of that required to meet the 2015 sanitation target for ADB and ADF countries. Accelerated progress in Azerbaijan, the PRC, the Lao PDR, and Palau allowed these countries to become either early achievers or on track to meet their sanitation targets in 2010. However, the scale of deprivation in other countries weighed down the performance of the region as a whole.

# Other Development Outcomes

ADB good ADF good

Growth in the region continued, although at a more moderate level. Gross domestic product (GDP) per capita increased annually. While telecommunications access rose substantially, access to roads and finance remained largely unchanged (Table 2). The electrification rate increased more in ADF countries than in ADB countries. Intraregional trade contracted slightly for ADB countries as a whole and increased for ADF countries. The average time and expense required to start a business further declined. With all but one performance indicator

Table 2: Growth, Regional Cooperation and Integration, Infrastructure, Finance, Governance, and Environment in Asia and the Pacific (Level 1)

|   | Baseline Values |       |     |              |      | Latest Values |     |              |
|---|-----------------|-------|-----|--------------|------|---------------|-----|--------------|
| Indicator   | Year            | ADB   | ADF | ADF-<br>Only | Year | ADB           | ADF | ADF-<br>Only |
| Growth  |                 |       |     |              |      |               |     |              |
| Gross domestic product per capita (at constant 2000 prices, \$)                           | 2006            | 1,120 | 698 | 364          | 2011 | 1,613         | 866 | 456          |
| Regional cooperation and integration  |                 |       |     |              |      |               |     |              |
| Intraregional trade in total Asia and the Pacific trade (%)                               | 2005            | 51    | 58  | 60           | 2011 | 50            | 62  | 69           |
| Access to basic infrastructure  |                 |       |     |              |      |               |     |              |
| Telecommunications: fixed lines<br>and mobile telephone subscribers<br>(per 1,000 people) | 2006            | 390   | 255 | 136          | 2011 | 869           | 903 | 647          |
| Roads: paved roads for every 10,000 people (kilometers)                                   | 2005            | 12    | 9   | 4            | 2009 | 14            | 10  | 5            |
| Electricity: electrification rate (%)   | 2002            | 68    | 47  | 18           | 2010 | 82            | 66  | 50           |

continued on next page

## Development Effectiveness Review 2012

Table 2 continued

|   | Baseline Values |     |     |      |      | Latest Values |     |      |
|---|-----------------|-----|-----|------|------|---------------|-----|------|
|   |                 |     |     | ADF- |      |               |     | ADF- |
| Indicator   | Year            | ADB | ADF | Only | Year | ADB           | ADF | Only |
| Finance   |                 |     |     |      |      |               |     |      |
| Banking assets to gross domestic product (%)  | 2005            | 78  | 58  | 59   | 2010 | 87            | 64  | 66   |
| Governance  |                 |     |     |      |      |               |     |      |
| Cost to start business (% of gross national income per capita)                                | 2006            | 42  | 48  | 59   | 2012 | 21            | 23  | 23   |
| Time to start business (days)   | 2006            | 44  | 47  | 54   | 2012 | 28            | 27  | 33   |
| Governance and public sector<br>management assessment from<br>country performance assessments | 2006            |     | 3.3 | 3.3  | 2012 |               | 3.6 | 3.6  |
| Environment   |                 |     |     |      |      |               |     |      |
| Carbon dioxide emissions (tons per capita)  | 2005            | 2.5 | 1.1 | 0.3  | 2009 | 3.2           | 1.3 | 0.4  |

 $\label{eq:ADB} ADB = Asian \ Development \ Bank, \ ADF = Asian \ Development \ Fund.$ 

#### Notes:

- 1. For ADB and ADF latest values, bold font signifies that the indicator is registering progress compared with the baseline value.
- 2. ADB countries include all of ADB's developing member countries. ADF countries are a subset of ADB countries that have access to the ADF (including blend countries with access to both ordinary capital resources and ADF). ADF-only countries are a subset of ADB countries that have access only to the ADF, ADB, ADF, and ADF-only country lists are based on country classification during the eighth ADF replenishment period (Appendix 2).
- 3. Intraregional trade as a share of total trade in Asia and the Pacific is computed as the ratio of the total trade of the country grouping with Asia and the Pacific to the country grouping's total trade with the world. Total trade is the sum of exports and imports.

Sources: World Bank, World Development Indicators Online database for gross domestic product per capita, access to telecommunications, paved roads, and carbon dioxide emissions; International Finance Corporation and the World Bank, Doing Business Online database for cost and time to start business; International Monetary Fund, Direction of Trade Statistics CD-ROM (issued in December 2012) for intraregional trade; United Nations Population Division, *World Population Prospects: The 2010 Revision* for population; Organisation for Economic Co-operation and Development, and International Energy Agency, World Energy Outlook 2012. Paris for electrification; ADB Office of Regional Economic Integration for finance; and ADB Country Performance Assessment Ratings 2012 for governance and public sector management.

registering progress, both ADB and ADF countries are rated *good*.

### Growth

ADB 🚹 ADF 🚹

Developing Asia felt the impact of the recent global slowdown arising from the sovereign debt problems in the eurozone in 2011. Growth in GDP per capita moderated to 7.3% in 2011 after rebounding from the global financial crisis to 8.1% in 2010. The weak recovery of external demand along with the withdrawal of domestic stimulus packages and expansionary monetary policy in response to inflationary pressures slowed growth in many of the economies

in the region in 2011, especially the PRC, India, Pakistan, the Philippines, Thailand, and Viet Nam. ADB countries continued to grow more rapidly than ADF countries. The combined per capita GDP growth of ADF countries was steady at 4.4% in 2010 and 2011, supported by robust growth in the larger economies of Bangladesh, Indonesia, Sri Lanka, Uzbekistan, and Viet Nam.

Economic growth in the region is likely to have slowed further in 2012 as the global economy remained sluggish owing to the euro debt crisis.<sup>15</sup> Domestic factors such as severe flooding and weaker domestic demand are also likely to have

<sup>&</sup>lt;sup>15</sup> According to ADB staff estimates, GDP growth in the developing region slowed to 6.1% in 2012.

played a role in driving economic trends. Slower growth in the PRC and India could outweigh the more rapid expansion in the major economies of Southeast Asia.

## Regional Cooperation and Integration

ADB ADF

Trade integration, as indicated by the share of Asia and the Pacific's total trade with the region to its total trade with the world, remained within a narrow range of 49%-51% during 2005-2011. The rate and depth of regional trade varies across subregions. Southeast Asia and the Pacific had the highest trade with the region, averaging 66% each in 2005 and increasing to 70% in 2011. Central Asia's trade share with the region increased from 24% to 32%, while South Asia's share rose from 32% to 35% in the same period. East Asia's trade has increased with both Asia and the Pacific and global markets. However, as East Asia is becoming more integrated with global markets, its trade share with Asia and the Pacific decreased from 49% in 2005 to 45% in 2011, even as the overall volume rose. Asia and the Pacific has higher levels of intraregional trade than both sub-Saharan Africa (11%) and Latin America and the Caribbean (21%), and only 16 percentage points less than the European Union (64%).

### Access to Basic Infrastructure:

| Telecommunications | ADB 🚹 ADF 🚹 |
|--------------------|-------------|
| Roads              | ADB ADF     |
| Electricity        | ADB 🔲 ADF 🔂 |

The number of fixed-line and mobile telephone subscriptions grew by 135% in ADB countries as a whole during 2006–2011 to an estimated 3.2 billion. By 2011, there were 869 fixed lines and mobile subscriptions for every 1,000 people. Key factors contributing to the growth of telecommunication services are technological progress, user-oriented services, the expansion of information and communication technology infrastructure investments, and falling telecom rates (footnote 12).

Telecommunication subscriptions grew faster in ADF countries, where the penetration level reached 90%. ADF-only countries, which have a penetration rate of only 65%, show the greatest room for growth.

Connectivity through paved roads in ADB countries rose from 12 kilometers (km) per 10,000 people in 2005 to 14 km per 10,000 people in 2009, although the increase was marginal (0.02%) during 2009. The expansion in road access during 2005–2009 was driven largely by the 44% growth in the PRC's road network along with 20% growth in each of the paved road networks in Indonesia and Viet Nam. The lack of more recent data makes it difficult to assess more recent trends. Progress in Asia and the Pacific compares favorably with that of sub-Saharan Africa, which had a small decrease during the same period (from 3.77 km per 10,000 to 3.75 km per 10,000), and Latin American and the Caribbean, which had a slightly larger decrease (from 9.74 km per 10,000 to 9.61 km per 10,000).

During 2002–2010, 410 million additional people gained access to electricity in ADB countries, bringing the electrification rate to 82% in 2010. This progress was realized despite the challenges posed by higher oil prices and inadequate finance for energy access improvements. However, 619 million people remain without electricity in ADB countries, accounting for about half of the total without electricity globally. Three-quarters of those without electricity in the region live in South Asia. The electrification rate was lower at 66% in ADF countries.

# Finance

The share of bank assets to GDP in the region contracted slightly in 2010 compared with the previous year, decreasing in some Central, West, and South Asian economies. The global financial crisis, sovereign debt uncertainties in Europe, the weak outlook for growth in major economies, and ongoing deleveraging by European banks provided an unfavorable environment for growth in bank assets in 2010.

ADB ADF

<sup>&</sup>lt;sup>16</sup> International Energy Agency. 2012. World Energy Outlook 2012. Paris.

## Development Effectiveness Review 2012

The proportion of adults with bank accounts in ADB countries increased, from 500 deposit accounts for every 1,000 adults on average in 2005 to a peak of 698 per 1,000 in 2007, but declined in 2008 and 2009 as data became available for the Philippines (2008) and Indonesia (2009)—two populous countries with relatively low levels of banking access. Since 2009, there has been a steady increase to 626 per 1,000 adults in 2011. The same pattern occurred in ADF countries, although with slightly lower proportions of access. About one-third of the adult population in ADB countries and almost half in ADF countries are not yet served by financial institutions.<sup>17</sup>

ADB 🔂 ADF 🔂

ADB 🔂 ADF 🔂

ADF

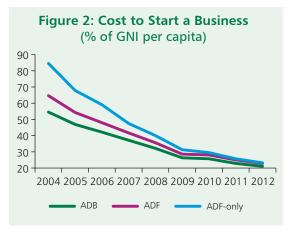
### Governance:

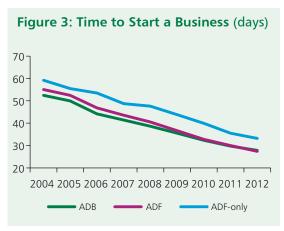
Cost to Start a Business
Time to Start a Business
Governance and Public Sector
Management Assessment

significantly during 2004–2012 in all three country groups—ADB, ADF, and ADF-only. The rate of reduction has tapered off and the trends of the country groups show convergence (Figure 2). Rapid improvements in the process of starting a business mirrored the significant progress made in improving business regulatory practices around the world. Slower progress in more recent years reflects the higher level of difficulty in undertaking the remaining reforms.

The average cost of starting a business dropped

The average time required to start a business also continued to fall in all three country groups (Figure 3). In 2012, starting a business took an average of 28 days in ADB countries, 27 days in ADF countries, and 33 days in ADF-only countries. All three groups greatly shortened the process from more than 50 days in 2005. The average time to start a business in sub-Saharan Africa decreased from 62 days in 2005 to 34 days in 2012; in Latin America and the Caribbean, the average time fell from 74 days to 53 days in the same period.



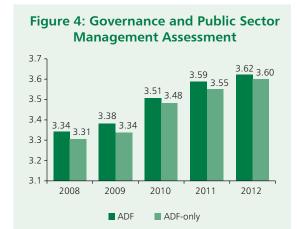


ADB = Asian Development Bank, ADF = Asian Development Fund, GNI = gross national income.

Sources: ADB Strategy and Policy Department, and International Finance Corporation and World Bank www.doingbusiness.org (accessed 24 January 2013).

<sup>17</sup> Computed by ADB's Strategy and Policy Department staff using country data on the number of depositors per 1,000 adults in commercial banks, credit unions, financial cooperatives, deposit taking microfinance institutions, other depository corporations, and other deposit takers using the online Financial Access Survey Database of the International Monetary Fund http://fas.imf.org/ (accessed 23 January 2013).

International Finance Corporation and the World Bank. 2012. World Bank and IFC Report Finds Developing Countries Made Significant Progress in Improving Business Regulations. Press release. 23 October.



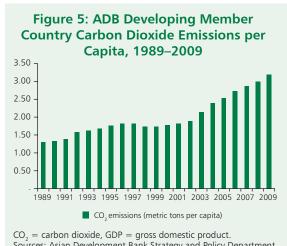
ADB = Asian Development Bank, ADF = Asian Development Fund. Source: ADB Country Performance Assessment Ratings 2012 for governance and public sector management.

The results of ADB's country assessments on governance and public sector management also showed positive trends. Both country groups increased their ratings only slightly in 2012 to 3.62 (out of a top score of 6.0) for ADF and 3.60 for ADF-only (Figure 4). In 2010–2012, ADF countries' average scores were above 3.50 for property rights and rule-based governance, quality of budget and financial management, and efficiency of revenue mobilization. Average ratings were below 3.50 for transparency, accountability and corruption in public sector, and quality of public administration.

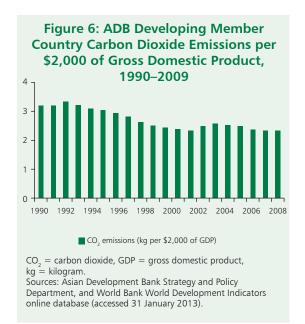
### Environment—Carbon Dioxide Emissions

Despite an overall increase in per capita carbon dioxide ( $CO_2$ ) emissions in ADB countries during 1989–2009 (Figure 5), the  $CO_2$  emissions intensity of GDP trended down in the same period (Figure 6). There has also been a trend toward a decrease in the growth rate of  $CO_2$  emissions per capita since 2004. However, this rate increased again in 2009, the latest year for which data are available.

At 3.2 tons per capita, the  $\rm CO_2$  emissions of ADB countries remained comparable to those of Latin America and the Caribbean, but were significantly higher than the 0.8 tons



 ${\rm CO_2}={\rm carbon\ dioxide},\ {\rm GDP}={\rm gross\ domestic\ product}.$  Sources: Asian Development Bank Strategy and Policy Department, and World Bank World Development Indicators online database (accessed 31 January 2013).



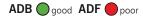
generated by sub-Saharan African countries. By contrast, per capita emissions of  $\mathrm{CO}_2$  in developed regions fell because of the slowdown in economic activity during the global crisis (footnote 12). However, in absolute terms,  $\mathrm{CO}_2$  emissions remained far higher in developed regions, reaching 10 tons per capita among members of the Organisation for Economic Co-operation and Development and 7 tons per capita in the eurozone.



# Level 2 ADB's Core Outputs and Outcomes

Level 2 of the results framework assesses two aspects of ADB-supported operations: (i) the achievement of core sector outputs targeted for delivery in 2009–2012 (section A), and (ii) the contribution of recently completed operations sovereign and nonsovereign—to their intended outcomes (section B).19 Progress in these two areas determines the level 2 scores. Section A also reports the levels of outputs delivered during 2009-2012 and outputs planned from projects approved during 2009-2012 to assess trends. Section B also examines ADB's performance in promoting the Strategy 2020 priority themes of gender equity, governance and capacity development, environmental sustainability, private sector development, and regional cooperation and integration. Section C reviews ADB's contribution to development outcomes at the country level based on two country assistance program evaluations (CAPEs).<sup>20</sup> The explanation of the indicator signals used in levels 2-4 is on page xiii.

# Core Sector Outputs



In previous DEfRs, the assessment focused on whether ADB was on track to deliver outputs

by the target year of 2012. This DEfR presents the final score on the delivery of targeted outputs from completed ADB operations. The results for the achievement of programmed core sector outputs from ADB operations during 2009–2012 are satisfactory (Table 3). Of the 19 core indicators, 13 (68%) met the 85% target, yielding an overall score of *good*. However, for ADF operations, only 8 (44%) of the 18 indicators achieved the 85% target.<sup>21</sup> Therefore, the ADF's performance is rated *poor* (Appendix 1).

### Achievement of Output Targets

For ADB operations, delays in project implementation accounted for most of the difference between delivered and programmed core sector outputs. All 19 indicators are projected to exceed the 85% target by 2015.

All education and finance indicators exceeded the target 85% achievement rate. One indicator for energy (transmission lines installed and upgraded) and one for transport (railway construction) fell below 85%. Water sector indicators all improved significantly compared with 2011 achievement rates. The achievement rate of new households served with water supply increased from 49% to 73%, wastewater

<sup>&</sup>lt;sup>19</sup> In this report, "operations" is used as a collective term for the various types of ADB assistance financed by ADB's OCR or the ADF, excluding assistance funded by technical assistance (TA) grants, which are referred to as "TA projects."

<sup>&</sup>lt;sup>20</sup> ADB's contribution to country development outcomes and impacts is also described in the development effectiveness country brief series. ADB completed an additional 5 country briefs in 2012, bringing the total to 27.

ADF operations have only 18 indicators with targeted outputs because one indicator—expressways built or upgraded—had no programmed outputs for 2009–2012.

Table 3: Progress in Achieving 2009–2012 Output Targets of ADB-Supported Operations (Level 2)

| Sector and Core Sector Outputs   | Programmed for 2009–2012 <sup>a</sup> | Delivered<br>by 2012<br>(%) | Expected Delivery After 2012 (%) |
|--|---------------------------------------|-----------------------------|----------------------------------|
| Education  | 2000 2012                             | (70)                        | 2012 (70)                        |
| Classrooms built or upgraded (number)  | 67,600                                | 87                          | 1                                |
| Teachers trained (number)  | 1,257,000                             | 98                          | 2                                |
| Students benefiting from school improvement programs or direct support (number)      | 25,481,000                            | 96                          | 1                                |
| Energy   |                                       |                             |                                  |
| Installed energy generation capacity (MW equivalent)                                 | 15,700                                | 90                          | 6                                |
| Transmission lines installed or upgraded (km)  | 6,200                                 | 74                          | 26                               |
| Distribution lines installed or upgraded (km)  | 68,200                                | 88                          | 1                                |
| New households connected to electricity (number)                                     | 916,600                               | 91                          | 0                                |
| Greenhouse gas emission reduction (tCO2-equiv/yr)                                    | 10,808,000                            | <b>89</b> ⁵                 | 9                                |
| Finance  |                                       |                             |                                  |
| Microfinance accounts opened or end borrowers reached (number)                       | 2,431,000                             | 99                          | 0                                |
| SME loan accounts opened or end borrowers reached (number)                           | 482,500                               | 98                          | 0                                |
| Transport  |                                       |                             |                                  |
| Expressways built or upgraded (km)   | 1,300                                 | 89                          | 10                               |
| National highways and provincial, district, and rural roads built or upgraded (km)°  | 39,700                                | 86                          | 8                                |
| Railways constructed and/or upgraded (km)  | 2,800                                 | 68                          | 29                               |
| Beneficiaries from road projects (number) <sup>d</sup>                               | 194,615,000                           | 93                          | 4                                |
| Water  |                                       |                             |                                  |
| Water supply pipe installed or upgraded: length of network (km)                      | 16,200                                | 79                          | 20                               |
| New households served with water supply (number)                                     | 4,574,000                             | 73                          | 15                               |
| Wastewater treatment capacity added (cubic meters per day)                           | 4,480,000                             | 67                          | 26                               |
| New households served with sanitation (number)                                       | 6,460,000                             | 51                          | 43                               |
| Land improved through irrigation services, drainage, and flood management (hectares) | 3,223,000                             | 86                          | 13                               |

 $ADB = Asian \ Development \ Bank, \ km = kilometer, \ MW = megawatt, \ SME = small \ and \ medium-sized \ enterprises, \\ tCO_2-equiv/yr = tons \ of \ carbon \ dioxide-equivalent \ per \ year.$ 

### Notes

- 1. Bold font signifies that the indicator achieved at least 85% of its targeted output by the end of 2012.
- 2. By 2012, nonsovereign projects achieved 100% of SME loans (7,014), transmission lines (1,150 km), and greenhouse gas emission reduction (3,478,580  ${\rm tCO}_2$ -equiv/year). They achieved 84% of the programmed distribution lines installed or upgraded (40,227 km) by 2012 and 97% of installed energy generation capacity (11,067 MW). The remaining outputs will be delivered after 2012.
- <sup>a</sup> ADB financed about 35% of the total cost of operations that programmed these outputs.
- <sup>b</sup> The percentage is lower than that reported in the 2011 DEfR because one project that was labeled completed in 2011 was still ongoing in 2012, and in another project staff estimates of achievement at physical completion were higher than actual figures reported in the project completion report.
- <sup>c</sup> Of the total target, 59% (23,000 km) represents the distance to be covered by rural roads.
- <sup>d</sup> About 24% of anticipated road beneficiaries are expected to benefit from rural roads.

Sources: ADB reports and recommendations of the President approved in 2003–2006 for programmed outputs; project completion reports issued in 2009–2012 for outputs delivered by 2012; extended annual review reports; and estimates from operations departments for targets and actual amounts delivered.

treatment capacity from 39% to 67%, and households served with new sanitation from 18% to 51%. Nevertheless, the overall performance of water indicators remained lower than in other sectors, with all but one indicator (land improved through irrigation services, drainage, and flood management) failing to meet the targeted achievement rate because of implementation delays.

For the ADF, the achievement rates for programmed core sector outputs in 2009–2012 were lower than for ADB operations. While all five education and finance indicators had achievement rates above the 85% target, achievement in energy, transport, and water remained modest, with only 3 of 13 indicators achieving the target (distribution lines installed or upgraded, beneficiaries from road projects, and water supply pipes installed or upgraded). Only 1% of the outputs to reduce greenhouse gas emissions and none of the outputs for railways constructed and/or upgraded were realized.<sup>22</sup>

As in ADB operations, implementation delays prevented the delivery of core outputs within the targeted time frame. In addition, 5 of the 18 indicators are not expected to deliver their targeted outputs after 2012. These include installed energy generation capacity, new households connected to electricity, new households served with water supply, wastewater treatment capacity, and households served with new sanitation.<sup>23</sup>

### Output Trends

This section provides an overview of the composition of delivered and programmed outputs of ADB and ADF operations, as well as the direction of change in delivered and programmed outputs in the core sectors of operation. It documents changes in the mix

and level of outputs over time, thereby enabling ADB to quantify and assess its current and future contribution to core sector outputs.

### **Delivered ADB Outputs**

Compared with 2008–2011, the delivered outputs in 2009–2012 increased for 9 of the 19 core sector output indicators (Appendix 5, Table A5.1). Increases were notable in

- education: teachers trained and classrooms built.
- energy: installed energy capacity and greenhouse gas emission reduction, and
- water: all five indicators.

ADB supported the electrification of 2.3 million new households by installing or upgrading 84,000 km of transmission and distribution lines during 2009–2012. More than 11.4 million students benefited from 265,300 new classrooms and other school improvement programs. ADB projects provided better access to clean water for 6.2 million households. Irrigation, drainage, and flood management programs improved 22 million hectares of land. Road construction or upgrading provided better transport access for 368 million people in Asia and the Pacific.

Delivered outputs decreased for all four transport indicators and both finance indicators. In both sectors, the decrease was because projects completed in 2012 were smaller in financial and output delivery terms than those completed in 2008.

### **Programmed ADB Outputs**

Outputs programmed to be delivered in 2015–2018 by operations approved in 2009–2012 increased significantly over the previous 4-year period (2014–2017) in 10 of 19 indicators:

Delays in one loan in Pakistan were responsible for the entire shortfall in greenhouse gas emissions reduction. Delays in one loan in Cambodia and one loan in the Lao PDR were responsible for the entire shortfall in railway construction. All three loans are ongoing and are expected to deliver the majority of their planned outputs.

Underachievement in one loan in Indonesia and two loans in Pakistan was responsible for most of the shortfall in the three water indicators. One loan in Afghanistan and one loan in Pakistan contributed most of the shortfall in energy generation and households connected to electricity.

- education: all three indicators (classrooms built or upgraded, teachers trained, and students benefitting from school improvement programs or direct support);
- energy distribution lines installed or upgraded;
- finance: both indicators (microfinance accounts opened or end borrowers reached, and small and medium-sized enterprise loan accounts opened or end borrowers reached); and
- water: water supply pipes installed or upgraded; new households served with water supply; new households served with sanitation; and land improved through irrigation, drainage, and flood management.

About 36 million students are expected to benefit from classrooms built and other school improvement programs, 6 million households will be connected to electricity, 259 million people are to benefit from road projects, and 8.5 million more households will gain access to a clean water supply (Appendix 5, Table A5.1).

In the same period, fewer outputs were programmed for all four transport indicators. In the energy sector, fewer outputs were programmed for greenhouse gas emission reduction. Fewer large road projects contributed to the drop in planned transport outputs. This decrease was offset by the steady expansion in the planned delivery of urban rail- and bus-based mass transit systems. Unlike road projects, these outputs are not covered by the 2008–2012 results framework. In the energy sector, greenhouse gas emission reductions programmed for delivery in 2015–2018 decreased compared to those programmed for 2014–2017, but remained higher than in all previous periods.

### **Delivered and Programmed ADF Outputs**

For ADF operations, delivered outputs in 2009–2012 grew for 9 of the 19 indicators (Appendix 5, Table A5.2). ADF resources enabled the construction or upgrading of 250,000 classrooms, which benefited 4.2 million students. Energy

projects led to the installation of an additional 230 megawatts of energy generation capacity. The installation and upgrading of 22,500 km of transmission and distribution lines helped connect 1.1 million more households in ADF countries to an electricity supply. Water projects enabled 2.3 million more households to be served with a clean water supply. The construction and upgrading of 36,000 km of roads benefited about 127.5 million people in Asia and the Pacific. Notable reductions compared with the previous 4-year period were seen in transmission and distribution lines installed or upgraded, new households connected to electricity, microfinance accounts opened, roads and railways built, and beneficiaries from road projects. The reasons for these changes mirror those identified for ADB outputs.

In outputs programmed for 2015–2018, all education, finance, and water indicators are expected to increase compared with the previous 4-year period (2014–2017). In the energy and transport sectors, increases are planned in transmission and distribution lines installed or upgraded, greenhouse gas emission reduction, expressways built or upgraded, and railways constructed and upgraded. Planned outputs for national highways and provincial, district, and rural roads built or upgraded declined. Reasons for the changes are similar to those identified for ADB outputs.

# New Output Indicators for Energy, Transport, and Education

The new ADB corporate results framework approved in January 2013 includes a new set of indicators for energy, transport, and education. Baseline data for the indicators have been collected for 2009–2012 (Table 4). The planned outputs for renewable energy generation capacity and urban mass transit systems are trending up, while those for use of roads are trending down. The small number of railway operations leads to larger fluctuations in outputs than in other indicators. The large fluctuations in the outputs planned for education indicators are because of the small

Table 4: Planned Outputs Using New Energy, Transport, and Education Indicators

| Sectors and Indicators   | 2009        | 2010       | 2011        | 2012       |
|--|-------------|------------|-------------|------------|
| Energy   |             |            |             |            |
| Installed energy generation capacity—renewable (megawatts)   | 1,481       | 1,871      | 875         | 1,046      |
| Transport  |             |            |             |            |
| Use of roads built or upgraded (average daily vehicle-kilometers in the first full year of operation)    | 16,289,000  | 21,510,000 | 17,574,000  | 12,295,000 |
| Use of railways built or upgraded (average daily ton-<br>kilometers in the first full year of operation) | 619,375,000 | 1,000,000  | 113,121,000 | 0          |
| Urban rail- and bus-based mass transit systems built or upgraded (kilometers)                            | 13.0        | 12.8       | 12.5        | 48.0       |
| Education  |             |            |             |            |
| Students benefiting from new or improved educational facilities (number)                                 | 137,400     | 70,600     | 798,200     | 1,124,500  |
| Students educated and trained under improved quality assurance systems (number)                          | 1,313,200   | 127,220    | 17,614,200  | 70,000     |
| Teachers trained with quality or competency standards (number)   | 471,000     | 14,000     | 188,000     | 40,900     |

Source: Asian Development Bank reports and recommendations of the President issued since 2009.

number of projects, which in some years include sector-wide programs with many beneficiaries.

# ► Contribution to Development Outcomes

ADB poor ADF poor

To determine ADB's contribution to development outcomes, 108 sector components<sup>24</sup> were reviewed (85 for core sectors and 23 for other sectors) using 67 project and program completion reports (PCRs) and 14 extended annual review reports (XARRs) issued in 2012 (Appendix 6). Of the 81 operations, 20% consisted of multisector components. Two-thirds

of the operations reviewed in PCRs and XARRs were approved during 2003–2006, and the full set was approved during 1996–2010. To allow a more realistic assessment of performance trends, the 2012 DEfR introduces adjusted effectiveness ratings based on projected Independent Evaluation Department (IED) validation results.<sup>25</sup> The adjusted effectiveness ratings are reported unless otherwise indicated.<sup>26</sup>

Outcome performance continued to rise as the unadjusted effectiveness rate for ADB (82%) and ADF (85%) surpassed the 80% target. However, when effectiveness rates of non-validated PCRs issued in 2011 and 2012

A "sector component" refers to an operation in one sector or a component of an operation with components in more than one sector.

<sup>&</sup>lt;sup>25</sup> In this report, validation results include those from PCR validation reports and project performance evaluation reports.

The effectiveness ratings were adjusted by calculating projected validation results based on the historical changes in effectiveness ratings in the five core sectors resulting from upgrading or downgrading of effectiveness ratings in PCRs through validation and evaluation reports. Ratings for 2008–2010 have been updated to reflect actual IED downgrading or upgrading of PCR ratings, while those for 2011–2012 have been adjusted using actual validations and projected validation results (Appendix 3, Table A3.4). Outside the core sectors, sample sizes are small, therefore adjusted rates would not be representative and only unadjusted rates are given.

are adjusted, the 2012 annual effectiveness rate remains below target. Consequently, performance is rated *poor* for both ADB and the ADF. Nevertheless, the trend over the past 2 years has been positive.

A comparison of output and outcome achievement analyses shows a strong link between successful delivery of outputs and achievement of outcomes. The separate assessments of outputs and outcomes in 2012 covered 34 operations in common. Of these operations, 31 substantially achieved or exceeded targets for core sector outputs and also effectively achieved outcomes.27

The 2012 traffic light scores for ADB are green for outputs and red for outcomes. The mismatch between these scores is due to three main factors. First, while output ratings are based on ADB-wide delivery achievement, outcome scores are based on project component ratings. This means that projects with relatively large amounts of delivered outputs have a disproportionate effect on the overall outputs score, whereas each project component carries an equal weight in determining outcome ratings. Second, the measurement approaches differ: output scoring uses 4-year, cumulative data, whereas outcomes are assessed using annual data. Third, the sample sizes are different: outputs include 270 operations approved in 2003–2006, while outcomes are assessed on 85 core sector components approved in 1996–2010.

## Achievement of Outcomes in ADB's Core **Sectors of Operation**

ADB 🚹 ADF 🚹





Achievement of core sector outcomes improved since 2010, reaching 72% in 2012 from 50% in 2010 for ADB overall, and 74% from 49% for the ADF in the same period (Figure 7 and Appendix 6. Table A6.1). The annual outcome achievement rate increased in four of the five core sectors. In 2012, outcomes in the water sector improved to 78% in 2012 from 48% in 2010, education outcomes rose to 86% from 29%, energy to 82% from 56%, and transport to 85% from 63%. Finance was the only core sector with declining performance: effectiveness rates lowered to 36% in 2012 from 68% in 2011 and 44% in 2010.28 Factors contributing to the poor performance in this sector are discussed on page 21. The improved overall performance was influenced by the increase in the effectiveness of Pakistan components to 80% in 2012 from 17% in 2011 and 20% in 2010 as the effects of the earlier portfolio restructuring receded.<sup>29</sup>

Using the 3-year (2010–2012) average effectiveness rate, transport remained the best-performing sector (77%), followed by energy (71%). The weaker sectors were water (57%), education (54%), and finance (52%) (Figure 8).30 The effectiveness of sector outcomes in multisector projects (unadjusted) improved notably to 83% in 2012 from 65% in 2011 and 50% in 2010 because of the improved performance across all sector components except finance.31

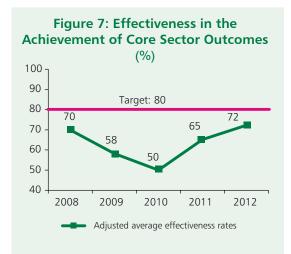
The three operations that missed the output targets were rated less than effective.

Of the 15 components originally rated less than effective in 2012, 11 (73%) were in the finance sector. "Originally rated" refers to pre-validation ratings.

<sup>&</sup>lt;sup>29</sup> Figures for Pakistan are unadjusted. Portfolio restructuring typically involves the closure of projects before their expected completion date. This leads to substantial cancellations which temporarily depress project ratings.

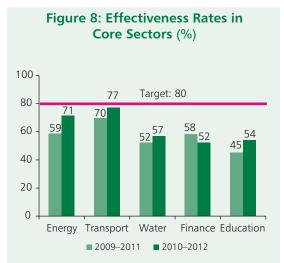
These calculations are based on PCRs, PCR validation reports, project performance evaluation reports issued during 2010–2012, and projected adjustments for 2011 and 2012.

Multisector projects may have multiple components from one or more core sectors. The outcome of each of these components is analyzed separately for outcome achievement.



Note: Rates for 2009–2010 use updated, post-validation ratings and rates for 2011 and 2012 are adjusted using actual validations and projected validation results.

Sources: Asian Development Bank project completion reports, project completion report validation reports, and project performance evaluation reports issued during 2008–2012, and Strategy and Policy Department.



Note: Rates for 2009–2010 use updated, post-validation ratings and rates for 2011 and 2012 are adjusted using actual validations and projected validation results.

Sources: Asian Development Bank project completion reports, project completion report validation reports, and project performance evaluation reports issued during 2009–2012, and Strategy and Policy Department.

**Energy.** The annual effectiveness rate of energy components increased to 82% in 2012 from 71% in 2011. Their 3-year outcome performance also rose to 71% during 2010–2012 from 59% in 2009–2011.<sup>32</sup>

Energy components achieved outcomes of improved access, quality, efficiency, and sustainability of power supply in eight countries. About 174,000 households gained access to electricity through ADB-supported projects that constructed transmission and distribution lines (3,600 km) and added more than 6,000 megawatts of energy generation capacity.<sup>33</sup> Increased access to power through the expansion of transmission and distribution lines helped meet the power demand in rural and urban areas. ADB also contributed to promoting environmental

sustainability through the use of renewable energy, such as wind power (the PRC and India), and the promotion of cleaner fuels, such as compressed natural gas (India and Indonesia).

In Pakistan, the installation of 29 km of distribution lines in the Sustainable Livelihoods in Barani Areas Project helped provide electricity connections to 581 households.<sup>34</sup> The inclusion of biogas plants in this project also provided an alternative fuel for 2,517 households, reducing the time women spend collecting fuelwood.

Good performance in energy components was supported by satisfactory management of social safeguard issues, and good coordination of project activities by ADB and implementing agencies. The one component rated *less than* 

<sup>&</sup>lt;sup>32</sup> Of the 15 energy components reviewed, 11 were in the core sector, 3 were multisector, and 1 was in agriculture and natural resources. In terms of scope, 11 were national, 3 were urban, and 2 were rural (including 1 that was both urban and rural).

Of the 6,000 megawatts supplied, 226 were generated using renewable sources.

<sup>&</sup>lt;sup>34</sup> ADB. 2012. Completion Report: Sustainable Livelihoods in Barani Areas Project in Pakistan. Manila.

effective<sup>35</sup> suffered from inadequate compliance with standard safeguard measures by the implementing agency, which resulted in delays and shortfalls in the utilization of loans for several subprojects.

**Transport and communication.** In 2012, 85% of transport components were rated *effective* in achieving outcomes, compared with 79% in 2011. The 3-year average effectiveness rate increased to 77% from 70% in the previous period. Transport and communication achieved the highest annual and 3-year average effectiveness rates for the second consecutive year.<sup>36</sup>

Outcomes achieved by transport components in 2012 include increased access of rural people to markets and social services, and more efficient and sustainable transport networks and services. About 128 million people living in both urban and rural areas benefited from new and upgraded expressways (200 km) and national, provincial, district, and rural roads (14,200 km). In addition, ADB helped reduce transport bottlenecks in the PRC's national network through the Yichang–Wanzhou Railway Project, which built 377 km of railways.<sup>37</sup>

The West Bengal Corridor Development Project in India helped improve connectivity between Bangladesh, Bhutan, India, and Nepal by cutting travel time by about 40% on average for the subprojects and reducing vehicle operating costs by 25%–30%. <sup>38</sup> The rehabilitation of rural roads funded by the same project also improved villagers' access to schools, hospitals, and markets; and helped raise household incomes by 10%–15% per year after the project roads were completed.

Transport components were effective in achieving outputs and outcomes because of high-quality road design and the implementation of road safety and environmental mitigation measures. Many transport operations included capacity building programs on management and operation and maintenance (O&M), which significantly improved the effectiveness of those projects and their prospects for sustainability.

**Water.** The effectiveness rate of water components increased substantially to 78% in 2012 from 48% in 2011.<sup>39</sup> The outcome performance improved from 52% in 2009–2011 to 57% in 2010–2012, but was still low due to the poorer performance of water components in 2010 and 2011.

Water components achieved outcomes of improved access to and quality of water supply and sanitation services. About 2.5 million households in 10 countries benefited from the installation or upgrading of about 9,400 km of water supply pipes and/or networks. About 600,000 additional households gained access to improved sanitation through ADB-funded projects that added 1.8 million cubic meters per day of wastewater treatment capacity. Improved sanitation also helped reduce the incidence of waterborne diseases and improve the quality of life of the urban poor by eliminating uncollected sewage in poor neighborhoods.

Water components in agriculture and multisector operations improved an estimated 1.6 million hectares of land through better irrigation services and flood management, leading to increased agricultural productivity

In March 2012, IED revised the labeling of evaluation rating categories from "partly" or "less" to "less than" (e.g., "less successful" becomes "less than successful") to improve clarity. For simplicity, this report uses the new terminology regardless of when the assessment was made.

<sup>&</sup>lt;sup>36</sup> Of the 24 transport and communication components reviewed in 2012, 12 were in the core sector. The other 12 were in multisector (5), agriculture and natural resources (5), and water and other municipal infrastructure and services (2).

<sup>&</sup>lt;sup>37</sup> ADB. 2012. Completion Report: Yichang–Wanzhou Railway Project in the People's Republic of China. Manila.

<sup>&</sup>lt;sup>38</sup> ADB. 2012. Completion Report: West Bengal Corridor Development Project in India. Manila.

<sup>&</sup>lt;sup>39</sup> Of the 18 water components reviewed in 2012, 13 were in the core sector and 5 were in agriculture and natural resources (3) and multisector (2) operations.

and incomes of farmers, mainly in Cambodia, Indonesia, Pakistan, Sri Lanka, and Viet Nam.

These outcomes were achieved because of the high quality of detailed engineering designs of water supply and treatment plants, and greater involvement of communities and local governments in project implementation and facilities maintenance. However, the intended outcomes of two water components were compromised by low achievement of outputs because of insufficient O&M capacity and inadequate procurement standards of the implementing agencies.

**Finance.** Finance components had the lowest annual effectiveness rate of 36% in 2012, dropping from 68% in 2011. They also had the lowest 3-year effectiveness rate at 52% in 2010-2012, a decline from 58% in 2009–2011.40 Finance components in 2012 targeted outcomes of expanded outreach of financial services and a more sustainable financial system through capital market development and policy, regulatory, and banking reforms. Finance components valued at about \$25 million enabled 700,000 borrowers in Bangladesh, Cambodia, India, Pakistan, and Sri Lanka to access credit. In addition, 1,600 small and medium-sized enterprises undertook business activities in rural and urban areas using \$10 million in credit provided under finance components.

In sovereign finance projects, factors that contributed to the *less than effective* outcome achievement included (i) inadequate technical and managerial capacity of implementing agencies and participating financial institutions, (ii) inappropriate technical design and complex institutional arrangements, (iii) lack of progress on crucial reforms, and (iv) external factors including security issues. Policy-based finance operations mainly suffered from complex and ambitious policy reforms, and low government

ownership and implementation capacity. Underperforming nonsovereign finance projects suffered from unattractive market conditions, inadequate project structuring, and weak capacity of participating financial institutions to conduct due diligence of business proposals. ADB recognizes the severity of the challenges in the finance sector and is introducing measures to address them.

**Education.** The effectiveness rate increased to 86% in 2012 from 41% in 2011. 41 Better performance of education components increased the 3-year effectiveness rate to 54% in 2010–2012 from 45% in 2009–2011. Education components that were rated *effective* were generally well-designed, responsive, and aligned with governments' plans and priorities. In most of the *effective* components, the government showed commitment to improving education outcomes, put in place supportive education policies, and provided continuous training to education professionals.

Education components achieved improved access to and quality of learning outcomes in basic and vocational education. About 2.7 million students in Cambodia, Indonesia, the Maldives, Mongolia, Pakistan, Sri Lanka, and Uzbekistan benefited from ADB-supported outputs in 2012, such as new or upgraded classrooms (241,000), teachers trained (666,000), and the provision of direct support such as scholarships and books. Education components included continual competency building measures in education management, and the design and development of training and instruction materials.

The Information and Communications Technology in Basic Education Project in Uzbekistan helped improve the quality of and create equitable access to basic education for students in rural and poor areas through

Of the 19 finance components reviewed in 2012 (12 sovereign and 7 nonsovereign operations), 12 were in the core sector. The other 7 were in agriculture and natural resources (5) and multisector (2).

<sup>&</sup>lt;sup>41</sup> Of the 9 education components reviewed in 2012, 7 were in the core sector and 2 were in multisector operations.

greater use of information and communication technology.<sup>42</sup> The project established 860 model schools and trained 416,000 teachers on the advanced use of information and communication technology and internet connectivity. It helped improve the average level of knowledge of students to 81% in mathematics, language, and science against the baseline of 71% before project implementation.

**Sustainability of outcomes.** In 2012, 87% of core components originally rated *effective* (61 of 70) were likely to sustain achieved outcomes, a 2 percentage point increase from the 2011 figure. These included all components originally rated *effective* in energy and finance, 87% of transport components, 78% of education components, and 75% of water components (all unadjusted).

The reasons for the higher sustainability of energy outcomes include (i) improved O&M capacities of implementing agencies, (ii) the adoption of O&M policies and procedures, and (iii) higher demand for high-quality services. For finance components, the key factors for sustaining results are (i) the viability of financial services and banking institutions, and (ii) a policy and regulatory environment conducive to financial and capital market development.

Nine components (13%) that were effectively delivered were rated *less likely sustainable* because of (i) inadequate government budget for O&M, (ii) insufficient consideration in project design of the capacity of implementing agencies and communities to manage infrastructure facilities, and (iii) low-quality engineering designs.

#### Achievement of Outcomes in ADB's Other Sectors of Operation

Outcome achievement in other sectors rose to 87% in 2012 from 74% in 2011 (Appendix 6,

Table A6.2). The 3-year average also increased to 76% during 2010–2012 from 68% during 2009–2011. All health and trade and industry components were rated *effective*, while 88% of public sector management components and 78% of agriculture components received the same rating. Outcome achievement increased in all four other sectors from 2009–2011 to 2010–2012. Figures for other sectors of operation are unadjusted, original ratings (footnote 26). Therefore, the effectiveness rates of core and other sectors are not directly comparable.

**Agriculture.** Seven of nine (78%) agriculture components reviewed in 2012 were rated *highly effective* or *effective*, a decline from the 2011 rate of 88%. The 3-year effectiveness rate was 75%. Outcomes of agriculture components included increasing the incomes of farmers and fishers through higher agricultural productivity, expanded access to agricultural inputs and technologies, and more sustainable use of natural resources.

Through the Emergency Assistance for Food Security Project in Bangladesh, ADB paid special attention to ensuring food security for poor and vulnerable people affected by natural disasters and rising food prices. <sup>43</sup> The project facilitated open-market sales of food grains to a wider population, enhanced food entitlements for the poor, and strengthened monitoring of food supplies and prices, raising living standards through greater food intake, better nutrition, and higher income.

**Health.** All five health components achieved target outcomes in 2012 compared with two of three (67%) components in 2011. Good outcome performance was maintained at 81% for 16 components reviewed during 2010–2012. ADB helped improve the availability of and access to quality health services through its health operations in Pakistan, Sri Lanka, Uzbekistan, and Viet Nam.

<sup>42</sup> ADB. 2012. Completion Report: Information and Communications Technology in Basic Education Project in Uzbekistan.

<sup>&</sup>lt;sup>43</sup> ADB. 2012. Completion Report: Emergency Assistance for Food Security Project in Bangladesh. Manila.

Two health operations in Viet Nam rated effective—the Rural Health Project and the Health Care in the Central Highlands Project—benefited 4 million women, children, ethnic minorities, and poor and disadvantaged people by improving the quality of primary health care. 44 Outputs included upgraded facilities and equipment in regional, provincial, and district hospitals; increased capacity of health professionals; and stronger financing and management of health services through community participation and public communication. Health programs focused on safe motherhood, nutrition, HIV/AIDS, injury prevention, and the hazards of smoking.

**Industry and trade**. Only one operation was reviewed in 2012—the Regional Customs Modernization and Infrastructure Development Project in Tajikistan—and was rated effective (compared to 3 of 4, 75% in 2011).45 The 3-year outcome performance increased to 71% (5 of 7 components rated effective) from 67% in 2009–2011. The project largely achieved its intended outcome of more efficient and transparent customs services, and facilitated regional trade and customs cooperation. An automated customs information system reduced the processing time of import clearances from 10 days to 1–2 days, increasing revenue collections from a baseline of \$103 million to \$485 million after the project.

**Public sector management.** Seven of eight public sector management components (88%) in 2012 were rated *effective* in achieving outcomes (compared to 8 of 11, 73% in 2011). The 3-year effectiveness rate increased

to 78% from 71% during 2009–2011. Public sector management operations in seven countries helped (i) improve public fiscal management and planning capacities, (ii) increase accountability in management of local government finances, and (iii) provide timely budgetary support to respond to economic crises. One public sector management component rated *less than effective* focused on sound reforms in public financial management, but found the reforms overly ambitious and unrealistic to implement because of inadequate institutional capacities.

#### Achievement of Thematic Outcomes of ADB Operations

"Thematic outcomes" refer to outcomes delivered in ADB's priority areas of capacity development, environment, gender, governance, private sector development, and regional cooperation and integration. ADB contributes to priority thematic areas through its operations (including policy-based ones) (Appendix 6, Table A6.3) and technical assistance (TA) projects.46 In 2012, targeting of thematic outcomes in recently completed operations ranged from 40% for capacity development to 6% for regional cooperation and integration. As Table 5 shows, effectiveness was highest for environmental sustainability (95%) and capacity development (94%) and lowest for regional cooperation and integration (60%).<sup>47</sup> All figures for thematic outcomes are unadjusted (footnote 26).

Targeting of thematic outcomes in recently completed TA projects (2011–2012) ranged from 84% for capacity development (234 projects)

<sup>&</sup>lt;sup>44</sup> ADB. 2012. Completion Report: Rural Health Project in Viet Nam. Manila; and ADB. 2012. Completion Report: Health Care in the Central Highlands Project in Viet Nam. Manila.

<sup>45</sup> ADB. 2012. Completion Report: Regional Customs Modernization and Infrastructure Development Project in Tajikistan. Manila.

<sup>&</sup>lt;sup>46</sup> Thematic outcomes are rated by ADB Strategy and Policy Department staff. An operation or TA project was judged to be effective based on assessment of the achievement of the thematic outcome in the PCR or XARR.

Strategy 2020 identifies gender equity, good governance and capacity development, and private sector development as drivers of change. PCRs were reviewed in terms of their contribution to these four themes and the two thematic operational areas: environmental sustainability and regional cooperation and integration. Figures for 2010 and 2011 were recalculated from component-based to PCR-based.

Table 5: Thematic Outcomes in ADB Operations, 2010–2012 (%)

|                                      | 20   | 1 <b>2</b> ª                                      | 2010-  | -2012 <sup>b</sup>                                |
|--------------------------------------|--|---|--|---|
| Theme                                | Operations<br>Targeting<br>Specific<br>Outcome | Operations<br>Effective<br>in Achieving<br>Target | Operations<br>Targeting<br>Specific<br>Outcome | Operations<br>Effective in<br>Achieving<br>Target |
| Environmental sustainability         | 25   | 95  | 32   | 86  |
| Regional cooperation and integration | 6  | 60  | 9  | 63  |
| Gender equality                      | 34   | 65  | 37   | 54  |
| Governance                           | 28   | 70  | 57   | 74  |
| Capacity development                 | 40   | 94  | 67   | 75  |
| Private sector development           | 31   | 72  | 50   | 65  |

ADB = Asian Development Bank.

Note: Numbers do not sum precisely because an operation may have one or more thematic target and achievement.

Sources: ADB project completion reports and extended annual review reports issued in 2010–2012, and Strategy and Policy Department.

to 4% for gender equality (12 projects).<sup>48</sup> The effectiveness in achieving TA thematic outcomes was mixed. More than 80% of TA projects supporting governance, capacity development, environmental sustainability, and regional cooperation and integration were effective in achieving intended outcomes. The effectiveness rates were lower for TA projects targeting gender equality (50%) and private sector development (66%) (Appendix 6, Table A6.5).

# Contribution to Environmental Sustainability

Of the 81 completed sovereign and nonsovereign operations reviewed in 2012, 20 operations (25%) targeted environmental sustainability, and almost all of them achieved significant results (Table 6). Operations with this theme aimed to support clean energy (10% of all operations), improve environmental management (12%), ensure safe and clean water supply (9%),

promote environmental awareness (6%), and reduce  $CO_2$  emissions (2%). All operations that specified targets were effective in contributing to the outcomes of reduced  $CO_2$  emissions, clean energy, and clean and safe water supply; 90% (9 of 10) of operations contributing to improved environmental management were effective; and the same was true for 80% (4 of 5) of operations to improve environmental awareness.

Two transport operations helped reduce CO<sub>2</sub> emissions and air pollutants. The Xi'an Urban Transport Project in the PRC addressed motor vehicle emissions by implementing an action plan for air quality management, as well as through vehicle emissions controls including a mobile emissions inspection system.<sup>49</sup>

All clean energy development operations were effective in achieving results. In India, the Gujarat Paguthan Wind Energy Financing Facility supported the use of clean energy from

<sup>&</sup>lt;sup>a</sup> Analysis is based on 67 sovereign and 14 nonsovereign operations, except for gender, which was only targeted in sovereign operations.

<sup>&</sup>lt;sup>b</sup> Analysis is based on 221 sovereign and 34 nonsovereign operations, except for gender, which was only targeted in sovereign operations.

<sup>&</sup>lt;sup>48</sup> The review covered 135 TA completion reports issued in 2011 and 143 in 2012, excluding project preparatory TA projects.

<sup>&</sup>lt;sup>49</sup> ADB. 2012. Completion Report: Xi'an Urban Transport Project in the People's Republic of China. Manila.

Table 6: Environmental Outcomes in ADB Operations, 2010–2012 (%)

|   | 20  | 12   | 2010-                                       | -2012  |
|---|---|--|---|--|
| Environment Results   | Components<br>Targeting<br>Specific Outcome | Components<br>Effective in<br>Achieving Target | Components<br>Targeting<br>Specific Outcome | Components<br>Effective in<br>Achieving Target |
| Carbon dioxide emissions reduced                            | 2   | 100  | 7   | 88   |
| Clean energy supported                                      | 10  | 100  | 6   | 94   |
| Clean and safe water supply and sanitation systems improved | 9   | 100  | 15  | 76   |
| Environmental management improved                           | 12  | 90   | 20  | 80   |
| Environmental awareness improved                            | 6   | 80   | 13  | 81   |
| Total   | 25  | 95   | 32  | 86   |

ADB = Asian Development Bank.

Note: Numbers do not sum precisely because an operation may have one or more environmental target and achievement. The analysis is based on sovereign and nonsovereign operations.

Sources: ADB project completion reports issued in 2010–2012, and Strategy and Policy Department.

wind power, developing renewable energy, and helping reduce emissions of greenhouse gases and other pollutants in a country heavily reliant on thermal power.<sup>50</sup> About 6.5 million tons of CO<sub>2</sub> equivalent per year were saved in five energy operations in the PRC and India.

Seven operations supported the provision of clean water in the PRC, Georgia, India, Nepal, Pakistan, and Samoa, and all were effective in achieving the intended outcomes. The Urban and Environmental Improvement Project in Nepal, for example, helped improve drinking water quality and sewerage disposal practices, improving public health and reducing the pollution of groundwater and surface water in the vicinity of the project. <sup>51</sup>

Of the 10 operations intended to improve environmental management, 9 were effective in achieving outcomes. Seven infrastructure operations (energy, transport, and water) achieved improved environmental management through sector-wide institutional and capacity

development reforms. These reforms included the adoption of better environmental guidelines and the creation of regulatory and inspection agencies, complemented by the provision of training on monitoring and strict compliance with environmental procedures. In Indonesia's Coral Reef Rehabilitation and Management Project, an effective management program on marine ecosystems and coastal resources helped increase live coral cover by an average of 9.4% annually, greatly exceeding the 2% target.<sup>52</sup> One less effective operation in the water sector suffered from capacity and resource constraints, which resulted in the environmental management and monitoring plan not being developed.

Of the five operations intended to increase environmental awareness, four were effective in achieving results. Operations were designed to provide public awareness activities covering public health and water conservation, and education on environmental protection. The environmental outcome of one operation was

<sup>&</sup>lt;sup>50</sup> ADB. 2012. Completion Report: Gujarat Paguthan Wind Energy Financing Facility in India. Manila.

<sup>&</sup>lt;sup>51</sup> ADB. 2012. Completion Report: Urban and Environmental Improvement Project in Nepal. Manila.

<sup>&</sup>lt;sup>52</sup> ADB. 2012. Completion Report: Coral Reef Rehabilitation and Management Project in Indonesia. Manila.

unclear based on PCR assessment and was therefore rated less satisfactory.

About 19% of TA projects targeted environmental sustainability as an intended outcome and 74% of those were effective (Appendix 6, Table A6.5). A regional TA project, Improving the Health Status of Vulnerable Communities Threatened by Legacy or Artisanal Pollution, systematically assessed the health risks associated with artisanal toxic waste sites and estimated remediation costs.<sup>53</sup> This project provided a feasibility study for the development of a financing mechanism, such as a health and pollution fund, to support DMCs in addressing legacy and artisanal sites.

An energy TA project for Thailand improved the capacity of institutions and municipalities to identify, design, finance, and implement energy efficiency measures that will help decrease the rate of greenhouse gas emissions in municipalities.<sup>54</sup> Another TA project conducted a comprehensive assessment of work on biofuels in South Asia for the Government of India and compiled international experiences on the production and use of biofuels.<sup>55</sup> The analyses of the technical and socioeconomic impacts of biofuels production and use informed policy decisions made by the Government of India.

# Contribution to Regional Cooperation and Integration

Of the sovereign and nonsovereign operations reviewed in 2012, five operations targeted regional cooperation and integration as a priority theme, and three were effective.

Outcome achievement in 2012 was slightly lower than the 2010–2012 average (Table 5).

Regional cooperation and integration operations facilitated trade by improving customs services and cross-border infrastructure. In Cambodia, for example, the Greater Mekong Subregion Transmission Project helped establish a high-voltage interregional connection link with Viet Nam, enabling Viet Nam to export low-cost power to Cambodia. <sup>56</sup> In two transport operations, the development of cross-border facilities was dropped because of changes in financing priorities and poor security conditions. <sup>57</sup>

Of the TA projects reviewed in 2012, 43% targeted regional cooperation and integration outcomes, and 97% of these were effective (Appendix 6, Table A6.5). Regional cooperation and integration outcomes included (i) more international trade and investment with regional and non-regional economies; (ii) greater regional macroeconomic and financial stability and financial market development; (iii) improved transport networks for better connectivity and trade, food security, clean energy, environment, and communicable disease prevention and control; (iv) fewer financial vulnerabilities in the region through the development of the domestic and regional bond market; and (v) higher volume of cross-border bond issuance and investment in Asian currency bond markets in the region.

#### **Contribution to Gender Equality**

Of the 67 sovereign operations completed in 2012, 23 operations (34%) incorporated effective gender mainstreaming and explicit gender targets at the time of project appraisal.

<sup>53</sup> ADB. 2012. Technical Assistance Completion Report: Improving the Health Status of Vulnerable Communities Threatened by Legacy or Artisanal Pollution in Regional Cooperation. Manila.

<sup>&</sup>lt;sup>54</sup> ADB. 2012. *Technical Assistance Completion Report: Mainstreaming Energy Efficiency Measures in Thai Municipalities in Thailand*. Manila.

<sup>55</sup> ADB. 2012. Technical Assistance Completion Report: Study on Cross-Sectoral Implications of Biofuel Production and Use in India. Manila.

<sup>&</sup>lt;sup>56</sup> ADB. 2012. Completion Report: Greater Mekong Subregion Transmission Project in Cambodia. Manila.

<sup>&</sup>lt;sup>57</sup> Although these regional cooperation and integration components were dropped, they did not significantly affect the overall rating of the transport sector outcomes.

Of these, 65% were effective in achieving intended gender equity results, compared with 59% in 2011.<sup>58</sup>

In 2012, PCR coverage of gender equity results and implementation of gender action plans in projects improved markedly. Although quality still varies, a greater proportion of PCRs had a separate gender appendix detailing achievements and providing sex-disaggregated data to evaluate the implementation of the project's gender action plan. The main gender equity results included (i) improved participation of women in water user groups, livelihood training, and decision making; (ii) greater time savings for women resulting from better access to water supply and sanitation facilities; (iii) improved capacities through training for female teachers and scholarships for girls; (iv) greater access to credit; (v) more jobs and income for women; and (v) lower maternal and infant mortality rates through improved health services for women before and during pregnancy and delivery.

One effective project—the Bangladesh Urban Governance and Infrastructure Improvement Project—promoted women's participation in local urban governance and infrastructure development. Development 700 locally elected women leaders received training to enable them to serve on tender committees in urban infrastructure development and decision making on sanitation, health, education, and municipal taxes and utility bills. Separate office spaces were built for women councilors and sanitation facilities were developed for women in public markets, bus terminals, and other public buildings. The project

resulted in the adoption of female quotas for town- and ward-level committees nationwide.

The Viet Nam Health Care in the Central Highlands Project led to an increase in women's access to health services and a reduction in the infant mortality rate from 60 per 1,000 live births in 1999 to 42 per 1,000 in 2009.60 Ethnic minority women obtained health care cards enabling them to access health services and have their families with them during hospitalization. In most provinces where the project was implemented, more than 90% of births were attended by trained health workers. Provinces exceeded the gender target of 50% participation of women in health care training: 52% of 2,442 candidates were women, including 77% of paramedical trainees, 57% of primary health care trainees, and 29% of postgraduate doctors trained.

The effectiveness of TA projects targeting gender equity increased to 60% in 2012 from 43% in 2011 (Appendix 6, Table A6.5). These projects increased awareness of the importance of gender and development in government planning and budgeting.

# Contribution to Governance and Capacity Development

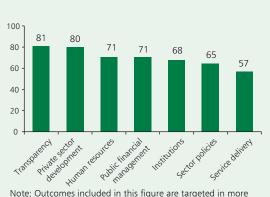
Good governance was targeted in 23 operations (28%) reviewed in 2012, and 70% of these were effective. Operations completed in 2012 aimed to put in place sector policy frameworks, promote transparency through citizen awareness and participation, and support decentralization in the delivery of services.

In previous years, the assessment tracked project components (i) targeting specific outcomes, and (ii) effectively achieving explicit gender targets. In 2012, this approach was replaced with a more structured analysis: (i) reported results using sex-disaggregated data; and (ii) intended gender equity results and achievements, including reported achievements against the project gender action plan activities and targets (70% of gender action plan activities completed and 75% of gender targets achieved). In addition, until 2011, the assessment included projects classified as category I (gender equity theme), category II (effective gender mainstreaming), and category III (some gender elements) at the time of project appraisal. The new approach includes only the first 2 categories.

<sup>59</sup> ADB. 2012. Completion Report: Urban Governance and Infrastructure Improvement Project in Bangladesh. Manila.

<sup>&</sup>lt;sup>60</sup> ADB. 2012. Completion Report: Health Care in the Central Highlands Project in Viet Nam. Manila.





Note: Outcomes included in this figure are targeted in more than 50% of policy-based operations reviewed.

Source: Asian Development Bank Strategy and Policy Department.

Of 37 policy-based operations<sup>61</sup> reviewed in 2010-2012, 65% were rated effective in achieving outcomes, an improvement from 63% during 2009–2011. All operations in transport, education, health, and agriculture and natural resources were effective. In other sectors, 75% of multisector operations, 69% of public sector management, 50% of finance, and 67% energy operations were effective. Many policy-based operations aimed to improve sector policy frameworks (84%), institutions (84%), private sector development (68%), human resources (65%), public financial management (65%), transparency (57%), and service delivery (57%). Effectiveness in achieving these outcomes ranged from 57% to 81% (Figure 9). Transparency was the most effective outcome, while service delivery was the least effective (Appendix 6, Table A6.9).

In an assessment of ADB's support for promoting good governance in Pacific DMCs during 2000–2010, IED rated many interventions less than effective. 62 Many projects did not achieve important outputs and outcomes for a variety of reasons including overly ambitious objectives, weak counterpart support, and disruptions because of political transitions. The report recommended shifting from broad-based policy lending to sector development programs for priority sectors, and forming more effective partnerships with governments and stakeholders to achieve governance outcomes.

About 40% of operations included capacity development as a priority, and 94% were effective. Most operations contributed to strengthening management capacity of institutions, providing skills development training to personnel, and enhancing coordination among public and private agencies. Improved capacities in these areas helped to effectively implement transport regulations in Viet Nam, operate and maintain water supply services in India and Nepal, and administer coastal resources in Indonesia.

Governance and capacity development remained a major priority for ADB's recently completed TA projects. In 2012, about 63% of TA projects targeted governance outcomes and 73% targeted capacity development. Of these, 84% were effective in improving governance and 79% were effective in building government capacity in (i) planning and policy formulation; (ii) financial management; (iii) local governance and community development; (iv) disbursement and loan accounting and servicing; (v) taxation; and (vi) project implementation, monitoring, and evaluation (Appendix 6, Table A6.5).

In the Cook Islands, a TA project helped the government consolidate, align, and simplify the different planning, management, and monitoring systems with the national sustainable development plan and mediumterm budget framework. The project also strengthened the collaboration between the

<sup>&</sup>lt;sup>61</sup> Countercyclical program loans (for budgetary support) are excluded. All figures are unadjusted.

ADB. 2012. Asian Development Bank's Support for Promoting Good Governance in the Pacific Developing Member Countries. Manila.

central agencies to ensure that performanceoriented planning and monitoring used available capacities efficiently.

A TA project in the PRC strengthened the capacity and effectiveness of the public employment service in Sichuan Province. The project provided a comprehensive labor market analysis, information systems and networks, and an effective means of information dissemination to migrant workers. It also built institutional and staff capacity-building needs in key areas—including information management, coordination, and networking—to improve vocational guidance for migrant workers.

#### **Contribution to Private Sector Development**

In 2012, 25 operations (31%) were designed to support private sector development and 72% of them were effective (Table 5 and Appendix 6, Table A6.3). Most effective operations used public-private partnerships to attract private investment in infrastructure. ADB expanded the private sector's role in (i) developing renewable energy operations in the PRC, India, and Indonesia; (ii) improving operation and management of roads in India and Pakistan; and (iii) upgrading a nationwide cellular telephone system in Afghanistan. Less effective operations, mostly in the finance sector, were unable to increase private sector participation because of unstable market and security conditions in the project areas.

Private sector development was the objective of about 22% of TA projects. Only about 56% of the TA projects were effective, well below the 76% rate in the 2011 assessment (Appendix 6, Table A6.5). These TA projects successfully promoted private sector development by improving laws and creating an enabling environment for the private sector, and promoting public—private partnerships. Less effective TA projects encountered challenges resulting from weak executing agency capacity,

changes in government policy, complex government procedures and processes, poor project design, and implementation delays because of insufficient interest from potential private partners and investors.

Significant innovations were pursued under TA for the Development of Prudential and Supervision Standards for Islamic Financial Markets. <sup>63</sup> The project assisted in harmonizing prudential standards, data collection, and commercial risk measurement using performance targets and indicators. Several international prudential standards were developed, endorsed by DMCs, and published on the website of the Islamic Financial Services Board.

## Development Impact at the Country Level

Whereas the preceding analysis was based on individual ADB operations, ADB's effectiveness in contributing to a country's development can best be gauged by examining IED's evaluations of ADB's completed country strategies and programs in 2012. This section summarizes the findings for Afghanistan and the Kyrgyz Republic.

#### Afghanistan

ADB played a major role in developing key infrastructure to improve connectivity and expand access to electricity for people and businesses in Afghanistan. Despite highly uncertain and extremely risky and difficult conditions, ADB investment in transport and energy—comprising 72% of ADB's total investment in Afghanistan in 2002–2011—is likely to achieve the socioeconomic impacts envisaged. An assessment of completed operations shows that the 750-kilometer (km) network of improved roads reduced travel time; four airports ADB supported are providing access to remote parts of the country; and the new and upgraded transmission lines have

<sup>&</sup>lt;sup>63</sup> ADB. 2012. Technical Assistance Completion Report: Development of Prudential and Supervision Standards for Islamic Financial Markets in Regional Assistance. Manila.

#### Development Effectiveness Review 2012

augmented power supplies to Kabul, where electricity was available almost around the clock in 2012 compared with about 4 hours a day in 2002. The improved transmission networks have enabled reliable imports of electricity from Uzbekistan (year-round) and Tajikistan (during summer months) to meet more than 75% of the country's electricity needs. ADB's program for agriculture and national resources, which emphasized water resources management, delivered limited results.

ADB's private sector operations in the country played an important role in expanding access to banking and telecommunications for people and businesses—critical services for building economic activity in a post-conflict country such as Afghanistan. ADB was the first multilateral development bank to invest in a private commercial bank in Afghanistan in order to expand banking services and help advance corporate governance standards. Its investment in Roshan Telecom supported a significant expansion of the mobile phone network and the introduction of a mobile money transfer and payment system in the country.

The country assistance program evaluation (CAPE) rated ADB's overall strategy and program in Afghanistan during 2002–2011 *less than successful*. While the country strategy was focused and the program was relevant, the program delivery faced considerable implementation challenges.<sup>64</sup> These included cost overruns, security incidents, and limited capacity of the executing agencies.<sup>65</sup>

#### The Kyrgyz Republic

ADB's three country assistance programs in the Kyrgyz Republic spanning 1994–2010 responded to major constraints to development and poverty reduction, including infrastructure bottlenecks, capacity constraints to the delivery of quality basic services, and governance.66 ADB's long-term support for regional road networks helped improve connectivity within the country and with its neighbors. The rehabilitated sections (483 km from ADBsupported projects) of the 670 km Bishkek-Osh road have reduced travel time from about 20 hours to 8–9 hours. ADB's support for basic education contributed to a 28% increase in enrollment during 1997–2004 and a decrease in the annual number of students dropping out of school from 6,100 to 1,300 in the same period. Community-based early childhood development interventions helped lower the infant mortality rate by 20% during 2004–2009 and the child mortality rate by 30% in project areas. Furthermore, ADB helped improve governance through support to finance, private sector development, and public sector management. This support achieved good results in improving the functioning of the finance sector and establishing a basic budget law. ADB also supported natural disaster response through quick-disbursing post-disaster projects.

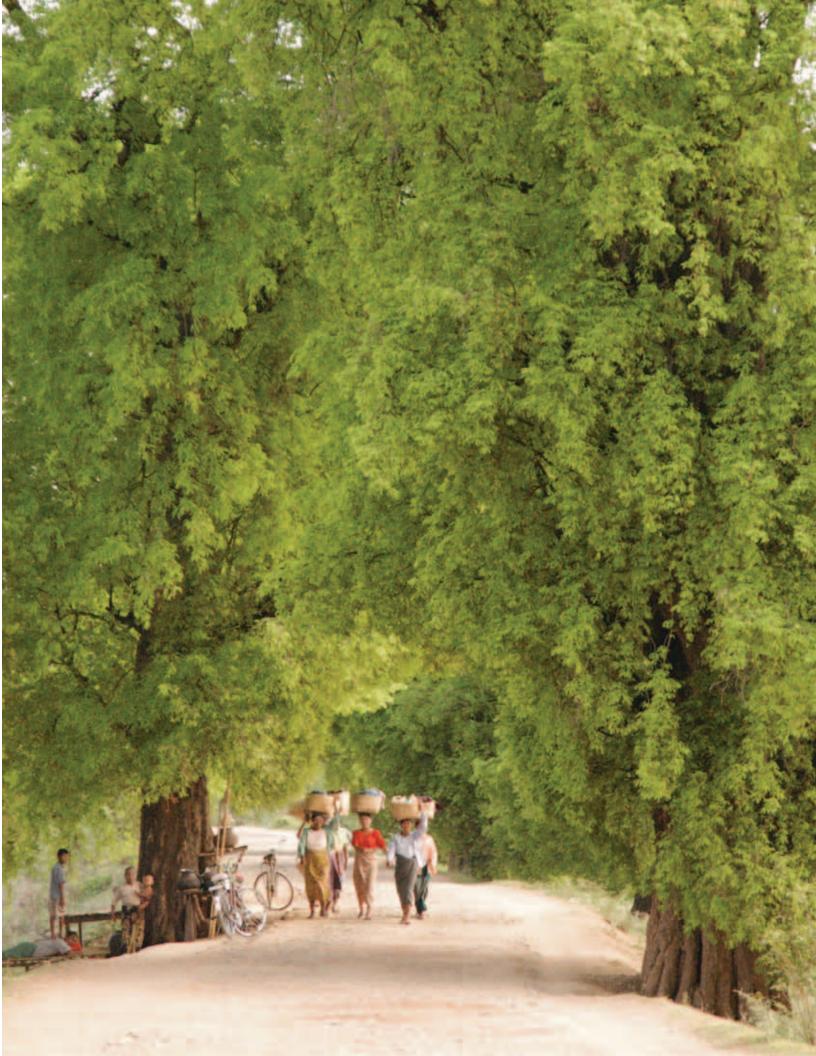
ADB support, combined with that of other development partners, helped the country transition to a market economy and stimulated economic growth and poverty reduction.

Overall, IED rated ADB's performance successful.

<sup>64</sup> ADB. 2012. Country Assistance Program Evaluation: Afghanistan. Manila. The overall IED rating was 1.528. A score of 1.6 or above is required for a successful rating.

The guidelines used for the Afghanistan CAPE contain a standard evaluation methodology that is applied regardless of the state of fragility or the effects of conflict.

<sup>&</sup>lt;sup>66</sup> ADB. 2012. Country Assistance Program Evaluation: Kyrgyz Republic—Evolving Transition to a Market Economy. Manila.





# Level 3 ADB's Operational Effectiveness

At level 3, ADB assesses the relevance and quality of its services to ensure that they deliver optimal value to clients and achieve the intended results that are measured at level 2. This section shows whether the 23 indicators at this level of the results framework achieved their targets. These indicators assess whether ADB is focusing on its comparative strengths and managing its activities effectively at the country and individual project levels. They also track whether ADB is mobilizing sufficient finance and knowledge for DMCs and sustaining strong partnerships to maximize impact. In addition, level 3 seeks to reflect feedback from ADB's clients and other external stakeholders on its performance using two indicators based on external surveys.

#### Quality of Completed Operations

ADB poor ADF poor

In assessing the quality of ADB's completed operations, five indicators are examined: success ratings of completed country assistance programs, sovereign operations, nonsovereign operations, and TA projects; and perceptions of ADB's effectiveness in reducing poverty (Table 7). ADB did not meet the target for the success rate of completed country partnership strategies (CPSs). The success rates of completed sovereign operations continued to improve, although the performance fell short of the target. Nonsovereign operations also missed the target and their performance declined. The quality of completed TA projects surpassed the target for the first time. The

external perceptions survey, conducted every 3 years, found that positive views about ADB's effectiveness in reducing poverty increased, although not sufficiently to meet the target. With only one of the five indicators achieving the 2012 target, the aggregate score for ADB is poor. The ADF is also rated poor as only one of the four indicators met the target.

# Completed Country Partnership Strategies Rated Successful ADB ADF ADF

IED assesses ADB's performance in designing and implementing country assistance programs through CAPEs and country operations final review validation reports. Based on the combined ratings of only two CAPEs and two country operations final review validation reports, the success rate of completed CPSs in 2012 was 50% for both ADB countries and ADF countries (Table 8). This is below the 2012 target of 70%. The average success rate for the 15 completed CPSs evaluated during 2009–2012 was 60%.

The main lessons identified by CAPEs and country operations final review validation reports in 2009–2012 relate to strategy and program design, and program delivery and sustainability. The design of country strategies and programs should be underpinned by a thorough assessment of the country's needs, capacity, and constraints. Successful CPSs generally focus on a few sectors and adopt programs that match the requirements and capacity of the country. In high-middle-income countries, ADB could increase its value by shifting from investment program financing

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

|   |                               |               | Asi  | ian De | velopn | nent B | ank  |                |               | As | sian De | velopn | nent Fu | nd   |                |
|---|-------------------------------|---------------|------|--------|--------|--------|------|----------------|---------------|----|---------|--------|---------|------|----------------|
| Indicator   | Baseline<br>Year <sup>a</sup> | Base-<br>line | 2008 | 2009   | 2010   | 2011   | 2012 | 2012<br>Target | Base-<br>line |    | 2008    | 2009   | 2010    | 2011 | 2012<br>Target |
| Completed<br>CPSs rated<br>successful (%)   | 2009                          | 50            |      | 50     | 100    | 57     | 50   | 70             | 50            |    | 50      | 100    | 67      | 50   | 70             |
| Completed<br>sovereign<br>operations rated<br>successful (%) <sup>b</sup>                     | 2004–<br>2006<br>average      | 71            | 64   | 55     | 57     | 61°    | 68°  | 80             | 76            | 64 | 55      | 54     | 57°     | 65°  | 80             |
| Completed<br>nonsovereign<br>operations rated<br>successful (%)                               | 2008–<br>2010<br>average      | 69            |      |        | 69     | 72     | 68   | 80             |               |    |         |        |         |      |                |
| Completed technical assistance projects rated successful (%)                                  | 2004–<br>2006<br>average      | 80            | 78   | 76     | 75     | 78     | 83   | 80             | 78            | 74 | 72      | 73     | 76      | 82   | 80             |
| Positive<br>perceptions<br>of ADB<br>effectiveness<br>in reducing<br>poverty (%) <sup>d</sup> | 2006                          | 45            |      | 50     |        |        | 57   | 60             |               |    |         |        |         | Same | as ADB         |

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

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

Table 8: Country Partnership Strategy Success Rate, 2012

| Country Partnership Strategy Assessment                 | Successful            | Less than Successful |
|---|-----------------------|----------------------|
| Country assistance program evaluation                   | Kyrgyz Republic (ADF) | Afghanistan (ADF)    |
| Country operations final review validation report       | Azerbaijan (ADF)      | Armenia (ADF)        |
| Total number of country partnership strategies assessed | <b>2</b> (50%)        | <b>2</b> (50%)       |

ADF = Asian Development Fund.

Source: Asian Development Bank Strategy and Policy Department.

<sup>&</sup>lt;sup>a</sup> For indicators with a 3-year average as the baseline, the figures represent the 2006–2008 average for 2008, the 2007–2009 average for 2009, the 2008–2010 average for 2010, the 2009–2011 average for 2011, and the 2010–2012 average for 2012.

b Where available, project performance evaluation report (PPER) ratings are taken as the final rating. If a PPER was not prepared, an available project completion report (PCR) validation report rating is used. Otherwise, PCR ratings are used. Therefore, historical values will change when PPER and PCR validation report ratings differ from the original PCR ratings. Counting of projects rated successful in PCRs, PCR validation reports, and PPERs is based on the year of PCR circulation.

The 2011 and 2012 success rates for sovereign operations incorporate projected changes in project success rates resulting from future Independent Evaluation Department validations.

d The ADB perceptions survey is conducted every 3 years.

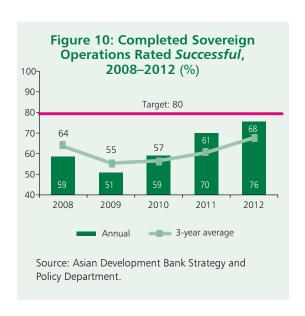
to providing knowledge services and solutions. In conflict-affected situations, ADB must pay particular attention to risk management and sustainability. In environments with weak institutions, a gradual and phased approach to institutional reforms and capacity development can help resolve systemic weaknesses.

The CAPEs and country operations final review validation reports generally show that most of ADB's country strategies are focused and relevant, but that the delivery and sustainability of country programs is weaker. The delivery of ADB's programs could be improved by removing the main causes of project implementation delays, such as weak project implementation capacity of executing agencies, inappropriate project design, and insufficient ADB supervision. To increase the sustainability of ADB's country programs, its operations need to ensure that adequate local capacity and funding mechanisms are available for O&M of infrastructure assets.

#### 

To achieve a more objective assessment, this DEfR uses adjusted success rates for sovereign operations completed in 2011 and 2012. The adjusted rates incorporate projected changes in project success ratings resulting from IED's validations and evaluations.<sup>67</sup>

The average 3-year success rate of completed sovereign operations continued to improve during 2010–2012, but remained below the



80% target. ADB rated 68% of its operations and 65% of its ADF operations *successful* (Figure 10).

The success rate of project operations rose from 63% in 2009–2011 to 70% in 2010–2012; and from 51% to 60% in the same period for policy-based operations. The annual success rate of ADB operations improved steadily from 51% in 2009 to 76% in 2012. For ADF operations, annual performance increased from 48% to 74% over the same period.

The average 3-year project success rates improved for all country groups.<sup>68</sup> The average success rate for ADF-only countries increased to 67% in 2010–2012 from 64% in 2009–2011. For countries with fragile and conflict-affected

All sovereign project success rates for 2011 and 2012 quoted in this report have been adjusted, except for the success rates by country (Appendix 3, Tables A3.5 and A3.6; and Appendix 8, Tables A8.2–A8.5). Adjusted project success rates incorporate projected IED validation results, based on the historical average rates of upgrading or downgrading of PCR ratings. Success rates for 2004–2010 are almost final, as validation and evaluation for this set of operations are substantially complete (only eight validation reports for two PCRs issued in 2009 and six PCRs issued in 2010 remain to be completed in 2013). For nonsovereign operations, the success rates for 2011 and 2012 were not adjusted because the small number of IED's XARR validations and evaluations does not provide a sufficient basis for estimating future changes in ratings (Appendix 8, Tables A8.6–A8.8).

The four country groups are ordinary capital resources (OCR)-only countries, which are funded only by OCR; ADF-only countries, which are funded only by the ADF; blend countries, which have access to both OCR and the ADF; and countries with fragile and conflict-affected situations. All figures are adjusted.

## Development Effectiveness Review 2012

situations, the success rate increased to 71% from 67% in the same period. Blend countries improved significantly to 64% in 2010–2012 from 54% in 2009–2011, while ordinary capital resources (OCR) countries rose to 76% from 72% in the same period.

The main reasons for less than successful and unsuccessful ratings of projects completed during 2008–2012 relate to project design and implementation (Table 9). Project design was often inappropriate, complex, or overambitious, and lacked an adequate assessment of the government's capacity and commitment, and local conditions. Project implementation problems were caused by weak project management capacity of executing agencies, complex implementation arrangements; delayed or inadequate response by ADB and the executing agency to implementation issues, including procurement problems; and unforeseen factors, including political and economic issues.

As Figure 11 shows, health (94%) and transport (83%) exceeded the 80% target. Multisector

operations showed a steep increase from an average success rate of 66% during 2009–2011 to 78% during 2010–2012, largely because of the strong performance of emergency operations. The sectors with success rates lower than 60% were finance (44%), education (52%), water (59%), and industry and trade (59%).<sup>69</sup>

For education, the annual success rate improved significantly to 72% in 2012 from 41% in 2011. Despite this, the 3-year average success rate decreased from 57% in 2009–2011 to 52% in 2010–2012 because of the low success rates in 2010 (40%) and 2011 (41%). Of the eight less than successful or unsuccessful projects completed during 2009–2012, five were technical and vocational education projects. In 2012, ADB's Education community of practice (CoP) created a working group that meets regularly to examine the reasons for the poorer performance of this type of project and incorporate lessons in the design and implementation of new projects.

The 3-year average success rate in the finance sector fell to 44% in 2010–2012 from 49% in

Table 9: Reasons Cited for Less than Successful and Unsuccessful Projects
Completed in 2008–2012 (%)

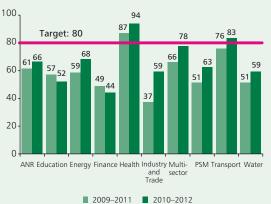
| Reasons Cited   | %  |
|---|----|
| Project Design  |    |
| Inadequate assessment of government capacity, commitment, and local conditions  | 83 |
| Complex, overambitious, or inappropriate design                                 | 81 |
| Project Implementation  |    |
| Weak local institutional capacity and/or lack of government support             | 91 |
| Insufficient supervision by ADB and/or executing agencies during implementation | 47 |
| Complex, unclear institutional arrangements                                     | 39 |
| Unforeseen political, economic, and other factors                               | 33 |
| Problems with procurement including suppliers of equipment                      | 25 |

Note: A project completion report (PCR) may cite more than one reason. Latest ratings (i.e., PCR validation report or project performance evaluation report ratings) were considered.

Sources: PCRs and validation and evaluation reports for 118 projects rated *less than successful* and *unsuccessful* circulated in 2008–2012 (31 in 2008; 30 in 2009; 32 in 2010; 17 in 2011; and 8 in 2012), and Asian Development Bank Strategy and Policy Department.

<sup>&</sup>lt;sup>69</sup> All sectors have at least 15 completed operations except health, which has 11, and industry and trade, which has 6.





ANR = agriculture and natural resources, PSM = public sector management.

Note: The success rates for all sectors incorporate projected changes in project success ratings resulting from Independent Evaluation Department's validations and evaluations.

Source: Asian Development Bank Strategy and Policy Department.

2009–2011. Of the 32 operations completed during 2008-2012, 26 (81%) were in the microfinance and finance sector development subsectors. Seventeen (89%) of the 19 completed operations rated less than successful or unsuccessful were in these two subsectors. The main reasons for the unsuccessful ratings include (i) complex and overoptimistic project design, particularly for program loans for finance sector development; (ii) inadequate staff expertise in micro- and rural finance related areas; (iii) weak legal and regulatory environment in DMCs; and (iv) limited capacity of executing agencies. ADB will consolidate sector skills and knowledge in support of operations, sequence operations to support reforms through TA projects before approving projects and credit lines, and pursue focus and selectivity in responding to country needs.

Downgrading of project success ratings by IED's validation reports considerably lowered historical success rates. IED validated the assessments of 244 of 405 PCRs completed during 2007–2012. The overall project success rating was downgraded from successful to less than successful for 34 PCRs, and upgraded from less than successful to successful for 3 PCRs. As a result, historical annual success rates from PCRs fell by 8–16 percentage points during 2007–2010. The main reasons for PCR downgrades are (i) the PCR assessment did not fully consider key issues that adversely affected project performance, (ii) targeted outcomes and outputs were not fully achieved, (iii) achievement of outcomes and outputs was not substantiated, and (iv) the recalculated economic internal rate of return was lower than the PCR estimate and the ADB threshold.

While the 2012 DEfR confirms the upward trend in project success rates, its findings on project weaknesses highlight the need to consolidate actions on project performance. ADB will continue to improve quality at entry (QAE). Building on the initiatives introduced since 2010, ADB Management will prioritize actions to reinforce project readiness, focusing on detailed engineering design, procurement readiness, safeguard readiness, and government funding and institutional arrangements. ADB is also reviewing existing instruments for funding detailed engineering design to identify areas for improvement. Progress on project readiness will be monitored regularly at operations review meetings chaired by vice-presidents (Table 20).

Furthermore, to improve the quality and efficiency of procurement, ADB will implement the recently approved ADB Procurement Governance Review.<sup>70</sup> Operations departments will reinforce staff resources and expertise for project readiness and implementation supervision through staff reallocation and sharing, and targeted recruitment and training.

ADB. 2013. ADB Procurement Governance Review. Manila. www.adb.org/documents/adb-procurement-governance-review

#### Development Effectiveness Review 2012

Good staff performance in improving readiness and supervision will be more systematically recognized in performance reviews. To promote higher-quality PCR reporting, ADB is clarifying expected standards by updating its guidelines on the preparation of PCRs, validation reports, and project performance evaluation reports, and encouraging a consistent approach to project rating across these three tools. Operations departments are also strengthening the quality control process for PCRs and implementing more systematic sharing of knowledge gained from them.

**Taking stock.** Following 2 consecutive years of decline in the 3-year success ratings of completed sovereign operations in 2008–2009, Management instructed a high-level working team to identify issues and propose actions to improve project performance and outcomes. On the team's recommendations, ADB introduced initiatives in 2011 to improve project readiness and project implementation, supported by better organizational arrangements, strengthened staff skills, and greater incentives. Each regional department adopted action plans focusing on country- and region-specific measures.

To improve monitoring of project performance, quarterly review meetings on portfolio performance were instituted in 2010 chaired by the operations vice-presidents. These events provided a forum to identify and solve implementation difficulties and monitor progress. ADB also updated its project performance reporting system to allow more reliable assessments of ongoing projects and to facilitate timely interventions. In 2012, ADB upgraded the Central Operations Services Office to the Operations Services and Financial Management Department to strengthen support for project implementation and portfolio management. Management's commitment to improving project implementation and outcomes is also reflected

in the new results framework, which devotes a new category and more indicators to measuring project quality during implementation.

# Completed Nonsovereign Operations Rated Successful ADB

The success rate of recently completed nonsovereign operations dropped 4 percentage points to 68% in 2010-2012, from 72% in 2009–2011, falling short of the 80% target (Table 7).<sup>71</sup> Of the 34 extended annual review reports (XARRs) completed in 2010–2012, the 11 in infrastructure (energy and transport) had an average success rate of 91%, while the 23 in finance had an average success rate of 57% (Appendix 8, Table A8.7). However, the overall success rate was significantly higher when calculated in volume terms, with 80% of the total volume of operations assessed during 2010–2012 (\$1,789 million) rated successful at completion. Although finance was the main contributor to lowering of the overall success rates for nonsovereign operations, in terms of number of assessed operations, its share in volume terms was only 35% of total operations assessed during 2010–2012, with the remaining 65% accounted for by infrastructure operations.

The main reasons for the *less than successful* and unsuccessful performance included weak financial returns in the aftermath of the Asian financial crisis of 1997–1998, higher defaults following the global economic crisis of 2007–2008, internal security concerns (notably in Afghanistan during 2006–2007), and prepayments and/or low utilization of some of ADB's facilities because of constricted post-crises demand for funding. Other reasons pertained to weaknesses in ADB's project structuring, risk assessment, and monitoring. Systemic improvements in project QAE are expected to increase the success rate of completed nonsovereign operations.

The success rates for nonsovereign operations in 2011 and 2012 were not adjusted because the small number of IED's XARR validations and evaluations does not provide a sufficient basis for estimating future changes in ratings (Appendix 8, Tables A8.6–A8.8).

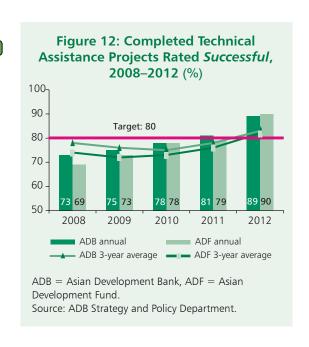
# ■ Completed Technical Assistance Projects Rated Successful ADB ADF

ADB sustained the upward trend in the 3-year average TA project success rate. The 2010–2012 success rate of TA projects was 83% for ADB and 82% for ADF, surpassing the 80% target for the first time for both (Figure 12 and Appendix 9).<sup>72</sup>

The success rate improved for all four country groups. It increased considerably in ADF-only countries (from 66% in 2009–2011 to 76% in 2010–2012) and in countries with fragile and conflict-affected situations (from 61% to 75%). Modest improvements were seen in blend countries (from 68% to 69%) and in OCR countries (from 83% to 84%). Success rates of most sectors met or exceeded the target of 80%. Lower success rates were seen in finance (76%) and health (73%).

The analysis of 171 TA projects rated *partly successful* and *unsuccessful* during 2008–2012 highlighted important lessons for project design and implementation. These include the need to design TA projects with more realistic outcomes and time frames, supported by high-quality design and monitoring frameworks, demand analysis for TA outputs, and assessment of executing agency capacity. ADB needs to continue to strengthen the quality of its supervision, which has sometimes suffered from high ADB staff turnover, inefficient financial closure, and a lack of proactive coordination with governments and other partners.

**Taking stock.** The 2008 DEfR raised concerns about the stagnant success rates of completed TA projects in ADB countries and highlighted a decline in TA success in ADF countries. The declining trend continued in 2009 and 2010. Management called on regional departments to ensure their TA portfolios were adequately designed and supervised. ADB (i) began to



undertake, and later expanded, high-level tripartite TA portfolio review meetings; (ii) restricted the number of TA projects under supervision; and (iii) drew up and implemented TA-specific portfolio management plans to resolve implementation problems. By 2011, these measures had put ADB on track to achieve the targeted success rate. TA success rates improved further in 2012, surpassing the target.

## Positive Perceptions on ADB Effectiveness in Reducing Poverty ADB

The third independent perceptions survey of ADB's work, covering 900 respondents from 31 ADB member countries, was conducted in 2012–2013.<sup>73</sup> Data showed that 57% of the participating opinion leaders and stakeholders, including ADB clients, perceived ADB to be helping reduce poverty in Asia and the Pacific. This reflects an increase of 7 percentage points from the previous survey in 2009 but falls short of the 60% target set for 2012. The

<sup>&</sup>lt;sup>72</sup> The success rates were derived from 416 TA PCRs (excluding project preparatory TA projects) issued during 2010–2012. The TA projects were approved during the 2002–2011 (more than 80% during 2007–2010), and had a median approval year of 2008.

The perceptions survey will be published in the second guarter of 2013.

survey includes respondents from government, the private sector, civil society, the media, development partners, and academia.

#### Quality at Entry and Portfolio Performance

ADB good ADF good

Five indicators track the QAE of operations and portfolio performance. These are the QAE of CPSs and sovereign and nonsovereign projects, the performance of sovereign operations during implementation, and project start-up time (Table 10). The QAE of CPSs exceeded the target for ADB and ADF operations. The QAE of sovereign operations met the ADB target, and almost met the ADF target. Nonsovereign operations improved considerably, almost meeting the target. Performance during implementation surpassed the target, and the average time from approval to first disbursement remained on target. With most indicators achieving targets, this category is rated *good* for both ADB and ADF operations.

#### • Quality at Entry Rated Satisfactory:

**Country Partnership Strategies** 



The 2012 biennial QAE assessment showed that ADB has maintained the satisfactory QAE of CPSs achieved in 2010. All eight CPSs and one regional strategy approved during 2010–2011 were rated satisfactory. The strongest dimensions were country diagnostics, identification of lessons, and country strategy; the weakest dimension was risk assessment and mitigation, which was rated marginally satisfactory.

While noting the consistently high CPS QAE ratings and steady improvements in country diagnostics and identification of lessons learned, the assessment recommended (i) clearer articulation of regional integration—one of ADB's three strategic agendas—in the CPS; (ii) improved treatment of partnerships through more systematic attention to institutional

coordination mechanisms and complementarity with the activities of development partners; and (iii) stronger specification of assumptions, and better risk assessment and management, along with improved staff guidelines, templates, and training to raise quality standards.

Taking stock. A well-designed CPS is the foundation of ADB's contribution to a country's development outcomes. The QAE of CPSs has benefited from the scrutiny of the DEfR process, which introduced a target of achieving a satisfactory rate of at least 80% of all CPSs reviewed by 2012. The QAE of CPSs has improved steadily since the first biennial QAE assessment in 2006, which rated 33% of the 6 CPSs satisfactory. In 2008, 75% of the 8 CPSs were rated satisfactory, and in 2010 100% of 11 CPSs were rated satisfactory. To further increase the QAE of CPSs, Management actions stressed (i) improved country diagnostics, including thematic and sector analysis; (ii) better links between strategies and country assistance programs; and (iii) consistent application of results-based management, including country results frameworks, supported by improved CPS guidelines and regular training of ADB staff. The Management committee instituted meetings to review proposed CPSs in 2010. The high QAE of CPS during the last two rounds of assessments demonstrates the assimilation of lessons from ADB's internal review processes as well as strong teamwork.

#### **Sovereign Projects**



The 2012 QAE assessment rated 85% of the 60 sovereign projects assessed satisfactory, matching the target for ADB countries, and falling 1 percentage point below the 2012 target for ADF countries. Of the nine QAE dimensions, the strongest were (i) strategic relevance and approach; (ii) poverty, social, and environmental aspects; and (iii) technical and economic assessment. The weakest dimensions were (i) development outcomes and impacts, particularly the design and monitoring framework; (ii) achievability and sustainability; and (iii) risk assessment and management.

Table 10: Quality at Entry and Portfolio Performance (Level 3)

|  |                  |               | -    |        | -      |        |          |                |               |      | •      | ,      |        |      |                |
|--|------------------|---------------|------|--------|--------|--------|----------|----------------|---------------|------|--------|--------|--------|------|----------------|
|  |                  |               | As   | ian De | velopr | nent B | lank Asi |                |               |      | ian De | velopr | nent F | und  |                |
| Indicator  | Baseline<br>Year | Base-<br>line | 2008 | 2009   | 2010   | 2011   | 2012     | 2012<br>Target | Base-<br>line | 2008 | 2009   | 2010   | 2011   | 2012 | 2012<br>Target |
| Quality at entry of CPSs rated satisfactory (%) <sup>a</sup>   | 2006             | 33            | 75   |        | 100    |        | 100      | 80             | 33            | 75   |        | 100    |        | 100  | 80             |
| Quality at entry of<br>sovereign projects<br>rated satisfactory (%) <sup>a</sup>                           | 2006             | 81            | 85   |        | 89     |        | 85       | 85             | 76            | 83   |        | 94     |        | 84   | 85             |
| Quality at entry of<br>nonsovereign projects<br>rated <i>satisfactory</i> (%) <sup>a</sup>                 |                  | 50            | 50   |        | 71     |        | 84       | 85             |               |      |        |        |        |      |                |
| Performance of<br>sovereign operations<br>during implementation<br>rated satisfactory (%)                  | 2010             | 75            |      |        | 75     | 91     | 89       | 80             | 71            |      |        | 71     | 89     | 89   | 80             |
| Average time from<br>approval to first<br>disbursement in<br>sovereign operations<br>(months) <sup>b</sup> | 2006             | 12            | 12   | 11     | 10°    | 10     | 10       | 10             | 13            | 12   | 12     | 10     | 10     | 10   | 12             |

CPS = country partnership strategy.

- <sup>a</sup> Quality-at-entry assessments of CPSs and projects are conducted every 2 years.
- <sup>b</sup> This refers to the average time from approval to first disbursement of sovereign loans and Asian Development Fund grants approved in the previous 5 years (e.g., 2012 figure is based on 2007–2011 averages).
- <sup>c</sup> Excludes operations financed by the Countercyclical Support Facility.

Sources: Asian Development Bank Operations Services and Financial Management Department, Independent Evaluation Department, and Strategy and Policy Department.

Despite achieving the target for this indicator, scores declined across all QAE dimensions in 2012 compared with 2010 results. Furthermore, although no project or dimension was rated *unsatisfactory*, the number of projects with *marginally satisfactory* ratings in three or more project dimensions rose from 13% in 2010 to 37% in 2012. The increase in the proportion of projects with *marginally satisfactory* ratings was highest for (i) risk assessment and management, (ii) achievability and sustainability, (iii) policy and institutional aspects, and (iv) development outcomes and impacts.

To reverse the decline in scores across the QAE dimensions, the QAE assessment recommended that Management (i) improve quality control through more robust technical peer review process; (ii) ensure adequate staff skills through

creating incentives for sharing staff across divisions and departments, and mentoring of less experienced team leaders by more experienced staff; and (iii) improve design and monitoring frameworks through targeted training and stricter quality control processes.

#### Nonsovereign Projects

ADB 🔂

average QAE rating of nonsovereign projects had improved. It rated 84% of the 19 nonsovereign operations assessed *satisfactory*, 13 percentage points higher than in 2010, and just short of the 85% target.<sup>74</sup> The strongest of the 10 QAE dimensions were (i) environment and social responsibility, (ii) ADB profitability

and investment management, and (iii) strategic

alignment and project design. The weakest

The 2012 QAE assessment found that the

#### Development Effectiveness Review 2012

dimensions are (i) market, financial, economic and technical feasibility; and (ii) implementation arrangements, monitoring, and evaluation.

Four QAE dimensions scored considerably better in 2012 than in 2010: (i) definition of development objectives, outcomes, and impact; (ii) ADB profitability and investment management; (iii) risk assessment and management; and (iv) achievability of development objectives. Impact on the enabling environment, and ADB additionality and complementarity scored slightly lower, and environmental and social responsibility scored considerably lower than in 2010.

**Taking stock.** The DEfR process has helped to produce better QAE of sovereign and nonsovereign operations. The 2006 QAE assessment of sovereign projects rated 81% of ADB projects and 76% of ADF projects satisfactory. The 2012 target of 85% was quickly met in the 2008 QAE assessment of 47 ADB sovereign operations. The 2010 QAE exercise found further improvement in the QAE ratings to 89% satisfactory for ADB operations and 94% for ADF operations. Although the 2012 target had been achieved well ahead of time, regional departments continued to focus on aspects needing further attention: (i) the design and monitoring framework; (ii) fiduciary aspects; (iii) poverty, social, and environmental aspects; (iv) policy and institutional aspects; (v) implementation arrangements; and (vi) more realistic time estimates for project completion and more pre-approval steps to ensure project readiness.

The 2010 DEfR included the QAE of nonsovereign operations for the first time as a result of the refinement of the results

framework. The 2010 biennial assessment rated 71% of the nonsovereign operations assessed *satisfactory* compared with 50% in the 2008 assessment (footnote 74). Operations departments were instructed to continue to apply rigorous risk assessment and management, and to sharpen their focus on development effectiveness. The positive effects of these measures were seen in the 2012 assessment, which showed a substantial improvement over 2010 results.

# Project Performance at Implementation Rated Satisfactory ADB ✓ ADF ✓

The proportion of ADB's projects rated satisfactory at implementation remained high at 89% for ADB operations overall and 89% for ADF operations—both well above the 80% target.

Despite the positive performance, Management remains cautious about the high percentage of projects rated satisfactory by the updated project performance reporting system introduced in 2011. During 2012, targets for contract award and disbursement performance—two of the five indicators used to generate portfolio performance ratings—were adjusted downward for 20% of active projects after approval.75 Possible reasons for revising projections during implementation are that (i) many of the original projections prepared at the time of project approval tend to be overly optimistic, in particular during the start-up period; and (ii) the projections diverge from reality when projects are affected by unforeseen factors, such as political issues, security conditions, natural disasters, which cause considerable implementation delays.

The scoring methodology for nonsovereign operations was adjusted to make it consistent with the methodology used for sovereign projects and with IED practice (Appendix 3, Table A3.4). Under the harmonized methodology, a project is rated marginally satisfactory if it has an overall score of less than 2.7 or if at least seven dimensions are rated marginally satisfactory. Thus, a project receiving low scores on many dimensions will not be given an overall satisfactory rating even if it rated highly on a few dimensions and obtained a high overall score.

<sup>75</sup> The project administration instructions allow adjustments to contract award and disbursement projections during a midterm review, after a major change of scope, or after approval of an extension of project duration of more than 12 months.

In 2013, ADB will undertake strict quality control over the implementation of the project performance reporting system to ensure the accuracy of performance ratings. Actions to improve total project readiness and procurement reforms, listed in Table 20, will also enable staff to develop more accurate contract award and disbursement schedules, and establish a more realistic implementation schedule.

## **Average Time from Approval to First Disbursement in Sovereign Operations**

ADB 🕢 ADF 🗸

The average time from approval to first disbursement matched the target of 10 months for ADB operations. ADF operations also achieved an average time from approval to first disbursement of 10 months, undercutting the target time by 2 months.

**Taking stock.** As early as 2007, the DEfR recognized that persistent start-up delays were hampering ADB's operational effectiveness. ADB has since tightened the approval-to-effectiveness limits and expanded the use of project readiness filters. By 2010, ADB and ADF operations had reduced the length of time from approval to first disbursement, achieving or surpassing the 2012 targets for project start-up time. To reinforce this progress, the streamlined business process, launched in 2010, institutionalized the preparation of project administration manuals at the project approval stage.

#### Finance Transfer and Mobilization



To examine ADB's performance as a development financier, the results framework assesses finance transfer and mobilization through two indicators for disbursement, covering sovereign and nonsovereign operations, and one indicator for cofinancing (Table 11). The disbursement ratio for sovereign operations remained slightly below target for ADB and declined for the ADF. For nonsovereign loans, the ratio contracted sharply. Cofinancing for both ADB and ADF operations matched the previous year's performance, exceeding the targets. Since only one indicator met the target, this category is rated *poor* for ADB operations and mixed for ADF operations.

## **Disbursement Ratio for Sovereign Operations**







The disbursement ratio for ADB was 22.3% and that for ADF was 17.8%. Both fell short of the targets for 2 consecutive years, after having met the targets in earlier years (Table 12). For ADB policy-based operations, the disbursement ratio increased from 64.0% in 2011 to 69.3% in 2012; and for project loans the ratio declined from 19.5% to 18.2% in the same period.

For both ADB and ADF operations, the large increase in the beginning undisbursed balance was not accompanied by an equivalent rise in the overall disbursements. The age-standardized disbursement ratio for project loans and grants also fell for both ADB and ADF operations from 20.4% in 2011 to 18.3% in 2012 for ADB and from 16.8% in 2011 to 16.4% in 2012 for the ADF.<sup>76</sup> These figures suggest that the decline in the disbursement ratio was driven by performance, rather than by changes in the portfolio structure. ADB will continue to work on timely disbursement of funds through the ongoing and new actions to improve project implementation.

At the country level, four of the top five countries in terms of portfolio size (the PRC, India, Pakistan, and Viet Nam) experienced significant disbursement rate declines in 2012, mainly due to newly effective loans and grants and a high undisbursed beginning balance.

The age-standardized disbursement ratio removes the effect of the portfolio age structure on the ratio by averaging the age-group-specific disbursement ratios and weighting them according to the age structure of the portfolio during the baseline period.

**Asian Development Bank Asian Development Fund** Baseline Base-2012 Base-2012 Indicator **Year**<sup>a</sup> line 2008 2009 2010 2011 2012 Target line 2008 2009 2010 2011 2012 **Target** Overall disbursement At least ratio for sovereign 2006 23 29 26<sup>c</sup> 23° 22 22 18 25 27 21 19 18 20 23 operations (%)b Overall disbursement ratiod for At least nonsovereign 2006 43 45 37 51 52 24 50 loans and equity (%) **DVA** cofinancing 2004relative to ADB 2006 11 16<sup>c</sup> 25e 32 32 20 13 13 30 30 20 financing approved average annually (%)

**Table 11: Finance Transfer and Mobilization** (Level 3)

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

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

Because the combined portfolio of these countries represents 62% of the total portfolio, the decrease in their disbursement ratios had a considerable impact on the overall figure. The decrease was only partly offset by countries with the highest disbursement rates for 2012 (the Cook Islands, the Maldives, Nauru, the Philippines, and Samoa), whose combined portfolio represents only 4% of the total.

# Disbursement Ratio for Nonsovereign Loans and Equity ADB ADB

The overall nonsovereign disbursement ratio decreased to 24% of the total available financing in 2012, below the target of 50%.<sup>77</sup> Using the age-standardized disbursement

ratio, disbursement performance improves and moderates the decline from 34.7% in 2011 to 32.0% in 2012. This suggests that the considerable decline in the disbursement ratio in 2012 was partly a result of the unusually large increase in newly effective loans. There was a threefold increase in newly effective loans (from \$619 million in 2011 to \$1,862 million in 2012), which greatly increased the total available financing for disbursement.

Disbursements were constrained by factors such as delays on the part of project counterparts to meet conditions precedent to disbursement, and credit considerations that required ADB to prudentially slow down its disbursements on certain loans. In addition, 30% of the

<sup>&</sup>lt;sup>a</sup> For indicators with a 3-year average as the baseline, the figures represent the 2006–2008 average for 2008, the 2007–2009 average for 2009, the 2008–2010 average for 2010, the 2009–2011 average for 2011, and the 2010–2012 average for 2012.

<sup>&</sup>lt;sup>b</sup> The ratio of total disbursements in a given year to the net loan and Asian Development Fund grant amount available at the beginning of the year or period, plus loans and Asian Development Fund grants that have become effective during the year or period, less cancellations made during the year or period.

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

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

<sup>&</sup>lt;sup>e</sup> The ratio for 2010 was lowered by cancellations.

<sup>77</sup> There were 131 ongoing nonsovereign operations and 686 sovereign operations at the end of 2012. To moderate sudden changes in performance trends, the new results framework uses a 3-year average disbursement ratio as the basis for measuring disbursement performance.

Table 12: Disbursement Ratio, 2012 (%)

| Composition                   | Asian Development Bank | Asian Development Fund |
|-------------------------------|------------------------|------------------------|
| Overall Disbursement Ratio    | 22.3                   | 18.8                   |
| Project loans and grants      | 18.2                   | 16.0                   |
| Policy-based loans and grants | 69.3                   | 63.8                   |

Source: Asian Development Bank Controller's Department.

newly effective loans became effective in the fourth guarter of the year, and so their physical disbursements will occur only in 2013 and beyond. Consequently, although total available financing increased significantly, there was a net decrease in actual disbursements of 16%, or about \$127 million.

#### Cofinancing

ADB ADF



Direct value-added (DVA) cofinancing relative to financing approved annually matched the 2011 figure for both ADB (32%) and ADF (30%) operations, exceeding the 20% target by a large margin.78

In 2012, ADB mobilized \$3.6 billion in DVA cofinancing, including \$2.0 billion from official sources and \$1.6 billion from commercial sources (Appendix 12, Table A12.1). Although the official DVA cofinancing amount decreased from \$3.3 billion in 2011, the number of cofinanced projects increased to 49 in 2012 from 37 in 2011. This reflected greater efforts by ADB to secure financing partnerships. Unlike in past years, there were no large or consortium-financed projects. Commercial cofinancing included \$200 million in B-loans, \$403 million in guarantees, and \$1 billion in a parallel loan.79

ADB also mobilized \$147 million in cofinancing for 129 TA projects in 2012. ADB's development partners also committed \$534 million through trust fund replenishments and allocations from global funding initiatives.

**Taking stock.** In 2008, the DEfR drew attention to a decline in the level of cofinancing of ADF operations and called on operations departments to make cofinancing a key results area. The continued decline in ADF cofinancing in 2009 prompted Management to introduce a pilot results delivery scheme linking OCR allocations to cofinancing achievement.80 This scheme, as well as the promotion of long-term strategic alliances with partners, paid off with the 3-year average rising to 25% for ADB and 13% for the ADF in 2010. By 2011, on the strength of a record increase in grant cofinancing, the ADB and ADF targets had been surpassed. The strong 2012 figures demonstrate the value of ADB's efforts despite the less favorable economic climate.

## Financing for Strategy 2020 **Priorities**



ADB assesses its strategic focus and selectivity by tracking the proportion of financing

<sup>&</sup>lt;sup>78</sup> The DVA cofinancing ratios and amounts were calculated using the old definition of commercial cofinancing under the 2008 results framework. The new results framework will use a revised definition, adopted in 2012, which includes trade facilitation program DVA cofinancing and revised parallel DVA cofinancing.

<sup>&</sup>lt;sup>79</sup> The \$1 billion in commercial cofinancing is from the Export–Import Bank of Korea for the Surgil Natural Gas Chemicals Project. ADB. 2011. Report and Recommendation of the President to the Board of Directors: Proposed loan to Uzbekistan for the Surgil Natural Gas Chemicals Project. Manila.

<sup>&</sup>lt;sup>80</sup> The scheme links OCR allocation to performance in cofinancing operations and support for education and gender mainstreaming. Under this scheme, an additional OCR allocation of at least 2% of the original amount is awarded to regional departments achieving the targets for use in the following 2 years.

allocated to Strategy 2020 core operational areas and the support given to four priority themes: private sector development, regional cooperation and integration, environmental sustainability, and gender mainstreaming.81 The share of financing allocated to Strategy 2020 core operational areas remained above the target. ADB support for Strategy 2020 themes continued to improve during 2010–2012, surpassing the 2012 targets for both ADB and ADF operations for all themes for the second 3-year period. Gender mainstreaming made notable progress, building on the strong performance of previous years. With all indicators exceeding their targets, this category is rated *good* for both ADB and ADF (Table 13).

# Financing for Strategy 2020 Core Operational Areas ADB ✓ ADF ✓

ADB exceeded its target of allocating 80% of its total approved financing to its core areas of operations. The proportion of financing supporting core areas dropped from 96% in 2011 to 85% in 2012 for ADB, and from 96% to 92% for ADF operations in the same period. Support for other sectors of operations nearly tripled from 6% of total approved financing in 2011 to 17% in 2012. This represents a more balanced distribution of the portfolio between core sectors and other sectors.

The proportion of new approvals in infrastructure fell from 87% in 2011 to 73% in 2012 (Table 14). A large portion of newly approved infrastructure projects are in transport (34% of approved operations, 31 projects) and energy (22% of approved operations, 26 projects). Onethird of ADB's financing for energy (9 projects) will support renewable energy and one-quarter will support energy efficiency (6 projects). Of ADB's new transport operations, 16% support sustainable transport (including 3 mass transit projects). The proportion of approvals in education fell from 5% in 2011 to 2% in 2012,

primarily because of the deferral of several large loans to 2013–2014. For finance sector development, on the other hand, approvals rose from 3% in 2011 to 8% in 2012.

## Support for Private Sector Development

ADB 🗹 ADF 🗹

ADB support for private sector development remained above the 30% target, increasing by 1 percentage point to 37% during 2010–2012. ADF support for private sector development grew to 31% in the same period, exceeding the target for the first time. In 2012, ADB's support increased to 40%: 49 new projects supporting private sector development were approved (20 funded by the ADF) including 28 sovereign operations, 3 nonsovereign (public) operations, and 18 private sector operations.

In December 2012, ADB approved the addendum to the Staff Instructions on New Classification Methodology and Quality Control Process for Projects Represented as Supporting Private Sector Development. The Public–Private Partnership CoP and private sector development focal points in regional departments reviewed all sovereign projects approved in 2012 with private sector development as a theme and confirmed that their classification followed the revised staff instructions.

# Support for Regional Cooperation and Integration ADB ✓ ADF ✓

ADB and ADF support for regional cooperation and integration during 2010–2012 continued to surpass the 15% target, reaching new highs of 20% for ADB operations and 27% for ADF operations. In 2012, ADB approved 27 projects (22 funded by the ADF) supporting regional cooperation and integration, 14 of which were in transport (including 1 for information and communication technology on a broadband network in the Pacific). ADB also approved

<sup>&</sup>lt;sup>81</sup> Two of the Strategy 2020 priority themes—environmental sustainability and regional cooperation and integration—are also core areas of operations under the strategy. The other core areas of operations are infrastructure, finance sector development, and education.

**Table 13: Financing for Strategy 2020 Priorities** (Level 3)

|                        |          |       | As   | ian Dev | elopm/ | ent Ba | nk   |        | Asian Development Fund |      |      |      |      |      |        |
|------------------------|----------|-------|------|---------|--------|--------|------|--------|------------------------|------|------|------|------|------|--------|
|                        | Baseline | Base- |      |         |        |        |      | 2012   | Base-                  |      |      |      |      |      | 2012   |
| Indicator              | Yeara    | line  | 2008 | 2009b   | 2010   | 2011   | 2012 | Target | line                   | 2008 | 2009 | 2010 | 2011 | 2012 | Target |
| Financing for Strategy |          |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |
| 2020 core operational  | 2008     | 79    | 79   | 80      | 92     | 96     | 85   | 80     | 67                     | 67   | 79   | 88   | 96   | 92   | 80     |
| areas (%)              |          |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |
| Projects supporting    | 2004-    |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |
| private sector         | 2006     | 29    | 38   | 39      | 38     | 36     | 37   | 30     | 15                     | 19   | 22   | 28   | 28   | 31   | 30     |
| development (%)        | average  |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |
| Projects supporting    | 2004-    |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |
| regional cooperation   | 2006     | 7     | 7    | 10      | 15     | 18     | 20   | 15     | 11                     | 11   | 15   | 19   | 21   | 27   | 15     |
| and integration (%)    | average  |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |
| Projects supporting    | 2004–    |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |
| environmental          | 2006     | 14    | 21   | 27      | 35     | 43     | 44   | 25     | 9                      | 12   | 18   | 26   | 34   | 36   | 25     |
| sustainability (%)     | average  |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |
| Projects with gender   | 2004-    |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |
| mainstreaming (%)°     | 2006     | 35    | 27   | 27      | 34     | 41     | 49   | 40     | 45                     | 37   | 37   | 45   | 53   | 59   | 50     |
|                        | average  |       |      |         |        |        |      |        |                        |      |      |      |      |      |        |

<sup>&</sup>lt;sup>a</sup> For indicators with a 3-year average as the baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008, the 2007–2009 average for 2009, the 2008–2010 average for 2010, the 2009–2011 average for 2011, and the 2010–2012 average for 2012.

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

Table 14: Breakdown of Financing for Strategy 2020 Priorities (Level 3)

|   |            | Approv | ed Asian Develo | pment Bank F | inancing   |     |
|---|------------|--------|-----------------|--------------|------------|-----|
|   | 201        | 10     | 20              | 11           | 201        | 2   |
| Areas   | \$ billion | %      | \$ billion      | %            | \$ billion | %   |
| A. Financing for Core Sectors   | 12.19      | 89     | 13.03           | 94           | 10.88      | 83  |
| Infrastructure  | 9.79       | 72     | 12.01           | 87           | 9.60       | 73  |
| Energy  | 3.26       | 24     | 4.47            | 32           | 2.88       | 22  |
| Transport   | 4.69       | 34     | 4.64            | 33           | 4.48       | 34  |
| Water and other municipal services                                      | 0.90       | 7      | 2.27            | 16           | 1.79       | 14  |
| Others  | 0.94       | 7      | 0.63            | 5            | 0.45       | 3   |
| Finance   | 1.98       | 14     | 0.37            | 3            | 0.99       | 8   |
| Education   | 0.43       | 3      | 0.65            | 5            | 0.29       | 2   |
| B. Financing for Other Sectors  | 1.47       | 11     | 0.83            | 6            | 2.26       | 17  |
| Agriculture   | 0.23       | 2      | 0.13            | 1            | 0.19       | 1   |
| Health  | 0.46       | 3      | 0.06            | 0            | 0.12       | 1   |
| Industry  | 0.01       | 0      | 0.07            | 1            | 0.47       | 4   |
| Public sector management  | 0.76       | 6      | 0.58            | 4            | 1.49       | 11  |
| C. Operations under B with regional cooperation or environment as theme | 0.31       | 2      | 0.22            | 2            | 0.25       | 2   |
| Total financing for Strategy 2020 core operational areas (A+C)          | 12.50      | 92     | 13.24           | 96           | 11.14      | 85  |
| Total financing (A+B)   | 13.66      | 100    | 13.86           | 100          | 13.15      | 100 |

Notes: Numbers may not sum precisely because of rounding. Zero denotes "less than 0.5."

Source: Asian Development Bank Strategy and Policy Department.

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

c Includes projects identifying gender as a theme and projects with effective gender mainstreaming.

three regional energy projects on energy trade in Central and West Asia: the Energy Sector Development Investment Program (tranche 4), which will enable Turkmenistan and Uzbekistan to supply power to Afghanistan; and the Power Rehabilitation Project in the Kyrgyz Republic and the Regional Power Transmission Enhancement Project in Georgia, both of which will help improve the power supply and the efficiency of power systems in the region. §2

#### Support for Environmental Sustainability

ADB 🕢 ADF 🗹

ADB and ADF support for environmental sustainability in 2010–2012 continued to improve, and remained well above the 2012 target of 25% (ADB 44%, ADF 36%). In 2012, ADB approved 51 projects supporting environmental sustainability. These will promote energy efficiency and renewable energy, water supply and sanitation, and sustainable urban transport.

ADB now reports climate change mitigation and adaptation finance using an approach developed jointly by the multilateral development banks. The joint approach identifies activities that can be classified as climate change mitigation and adaptation, and annual reporting summarizes the total value of climate change finance associated with Board-approved projects for that year.<sup>83</sup> Using this approach, ADB classified 17 investment projects approved in 2012 as adaptation projects with a gross (whole project) value of \$2.64 billion, of which \$0.87 billion was classified as adaptation finance. ADB classified 28 projects as mitigation projects, with a gross

value of \$3.69 billion, of which \$2.38 billion was mitigation finance.

#### Support for Gender Mainstreaming

ADB 🕢 ADF 🕢

ADB exceeded the gender mainstreaming targets for the second consecutive year. Gender was mainstreamed in 49% of ADB operations and 59% of ADF operations. Major strides were made in finance (from 0% in 2011 to 43% in 2012) and in industry and trade (from 0% in 2011 to 40% in 2012). This included the innovative Women's Entrepreneurship Support Sector Program in Armenia, which targets support for women entrepreneurs by improving the enabling environment, providing training and business development services, and increasing access to finance.84 Gender mainstreaming also improved significantly in transport (from 39% in 2011 to 50% in 2012). For example, the bus rapid transit component of the Greater Dhaka Sustainable Urban Transport Project in Bangladesh will (i) provide female garment workers with safer, regular, and more affordable transport services; (ii) reserve commercial space for women vendors at bus rapid transit stations; and (iii) provide women with jobs in bus rapid transit operations.85 ADB also approved two nonsovereign projects in India and Uzbekistan supporting gender equity.

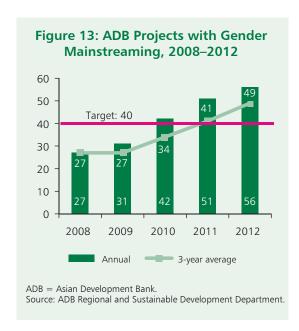
ADB continued to support gender capacity development in sectors where gender mainstreaming is considered harder to achieve. This was done through learning events for DMC partners and staff, such as the Mekong Gender

ADB. 2008. Report and Recommendation of the President to the Board of Directors: Proposed Loan to Afghanistan for the Energy Sector Development Investment Program. Manila (Tranche 4: \$200 million); ADB. 2012. Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Kyrgyz Republic for the Power Rehabilitation Project. Manila; and ADB. 2012. Report and Recommendation of the President to the Board of Directors: Proposed Loan to Georgia for the Regional Power Transmission Enhancement Project. Manila.

<sup>&</sup>lt;sup>83</sup> The joint multilateral development bank approach seeks to disaggregate total project investments into climate (mitigation and/or adaptation) and non-climate components to the extent possible.

ADB. 2012. Report and Recommendation of the President to the Board of Directors: Proposed Loan to Armenia for the Women's Entrepreneurship Support Sector Program. Manila.

ADB. 2012. Report and Recommendation of the President to the Board of Directors: Proposed Loan to Bangladesh for the Greater Dhaka Sustainable Urban Transport Project. Manila.



and Transport Workshop in Viet Nam. Two eminent speaker events were held on Gender and Food Security and the Economic and Social Costs of Gender-Based Violence to highlight key gender equity issues in the region.

**Taking stock.** The 2007 DEfR noted that ADB's performance in gender mainstreaming had regressed significantly. ADB responded by (i) strengthening regional department staff resources and skills to better identify gender mainstreaming opportunities in operations, (ii) articulating gender outcomes better in project design, and (iii) managing project activities better to deliver the desired gender outcomes. By 2008, annual figures had begun to rise. ADB appointed at least one gender specialist in each regional department to increase its internal capacity to design and implement gender mainstreaming efforts. To accelerate progress toward the target, Management in early 2009 established a working group on gender, which called for early identification of gender mainstreaming opportunities, as well as regular monitoring,

clearer gender categorization of projects, and more staff training and knowledge in this area. In 2010, Management introduced a pilot results delivery scheme linking OCR allocations to performance in gender mainstreaming (as well as cofinancing and support for education) (footnote 80). Furthermore, additional gender specialists were recruited and staff training continued with support from the Gender Equity CoP.

ADB's annual performance improved in 2010 and 2011, surpassing targets for both ADB and ADF operations. Results in 2012 were even stronger—a testament to the successful implementation of the actions recommended since concerns were first reported.

## ► Knowledge Management

ADB omixed

Progress on ADB's knowledge management is assessed through an indicator of internal perceptions of knowledge management at ADB and an indicator of external perceptions of ADB as a source of knowledge on development issues (Table 15). ADB exceeded the target for internal perceptions of knowledge management but missed the target for the external knowledge management indicator by 4 percentage points. Progress is therefore rated *mixed*.

- Staff Perceptions of Knowledge Management at ADB
- ADB 🕢
- External Perceptions of ADB as a Source of Knowledge on Development Issues ADB

The annual independent staff survey—the Most Admired Knowledge Enterprises survey—gauges staff perceptions of ADB performance on knowledge management.<sup>86</sup> Staff perceptions of knowledge management continued to improve in 2012. ADB's rating rose to 69%

ADB knowledge management perception surveys. http://www.adb.org/site/knowledge-management/knowledge-agenda/perception-surveys

| idole 13. Kilowicage Management (Level 3)  |                  |          |                        |      |      |      |      |                |  |  |  |  |
|--|------------------|----------|------------------------|------|------|------|------|----------------|--|--|--|--|
|  |                  |          | Asian Development Bank |      |      |      |      |                |  |  |  |  |
| Indicator  | Baseline<br>Year | Baseline | 2008                   | 2009 | 2010 | 2011 | 2012 | 2012<br>Target |  |  |  |  |
| Annual MAKE survey assessment rating (%)   | 2006             | 54       | 55                     | 60   | 62   | 66   | 69   | 60             |  |  |  |  |
| ADB perceived externally as excellent source of knowledge on development issues (% strongly agreeing) <sup>a</sup> | 2009             | 29       |                        | 29   |      |      | 36   | 40             |  |  |  |  |

**Table 15: Knowledge Management** (Level 3)

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

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

from 66% in 2011, surpassing the 2012 target of 60% for the third year in succession. ADB improved in all eight knowledge performance dimensions between the 2011 and 2012 surveys. Performance continued to improve on four dimensions that received the lowest scores during 2008–2011: (i) effectiveness in encouraging and sustaining the practice of knowledge management; (ii) effectiveness in developing staff intellectual growth and managing knowledge assets; (iii) working with external stakeholders; and (iv) adopting, incorporating, and applying lessons learned and experiences in operations and sharing them within ADB and with other stakeholders.

IED conducted a special evaluation study on knowledge management in 2012. Its six main findings concern (i) strengthening the enabling environment by improving incentive structures to better reward staff doing knowledge work; (ii) improving enabling technologies, particularly for knowledge storage, retrieval, and sharing; (iii) improving knowledge needs identification by expanding successful approaches undertaken by regional departments and preparing countryspecific knowledge management briefs; (iv) strengthening knowledge sharing by better capturing and sharing tacit knowledge across DMCs; (v) strengthening knowledge sharing through dissemination of knowledge products

and services; and (vi) preparing an ADB knowledge management strategic directions document.

ADB is finalizing a new knowledge management action plan, which will respond to IED's findings. The plan aims to prioritize its work on knowledge solutions, enrich the quality of ADB's and DMCs' knowledge capabilities, and advance ADB's knowledge assets. Actions already underway include (i) improving the terms of reference for the CoPs; (ii) planning the Information Systems and Technology Strategy III to support technology-based knowledge platforms and improve the integration of ADB databases; (iii) preparing knowledge management plans in some DMCs; and (iv) examining comparator organizations' practices for mobilizing private sector participation in knowledge operations. To improve the delivery of knowledge solutions to DMCs, ADB in 2012 created the Knowledge Sharing and Services Center, which consolidates the various functions and initiatives for knowledge management and knowledge sharing across ADB departments.

The indicator on external perceptions of ADB as a source of knowledge on development issues measures clients' perceptions, complementing the Most Admired Knowledge Enterprises survey of staff perceptions of ADB's knowledge management. Results of the 2012–2013

Data obtained from ADB perceptions survey conducted every 3 years. In 2010, ADB adopted a baseline and established the 2012 target.

external perceptions survey show that 36% of respondents interviewed strongly agree with the statement, "ADB is an excellent source of knowledge on development issues." This represents a significant improvement from the baseline of 29% set in 2009 and is slightly below the 2012 target of 40%.

In January 2013, the 2012 Global Go To Think Tanks Report, which surveyed more than 6,500 think tanks, ranked the ADB Institute sixth (up from 10th) among government-affiliated think tanks. The ADB Institute was also ranked the 17th best international development think tank, 24th best think tank outside the United States, and the 32nd best think tank in the world.

## Partnerships

ADB good ADF good

ADB progressed further on partnering with civil society organizations (CSOs) and expanded its use of program-based approaches. The proportion of CPS and country portfolio review missions conducted jointly with other development partners remained above target (Table 16). With all three indicators achieving

their targets, this category is rated *good* for ADB and the ADE.

Participation of Civil Society Organizations
 in Sovereign Operations
 ADB ADF ADF

ADB further increased the participation of CSOs in its sovereign operations in 2012. The proportion of operations with CSO participation rose to 98% for both ADB and ADF operations (2011: 91% for ADB, 96% for ADF). The strong performance indicates greater staff capacity to use participatory approaches, more collaboration with CSOs in the preparation of social safeguard documents and monitoring of safeguards implementation, and greater awareness of the role of CSOs among project implementers.

ADB conducted three regional hub workshops—in Australia, Indonesia, and Pakistan—to build staff capacity to effectively use participatory approaches to development support. ADB also conducted outreach in nine member countries to share its policies and approaches to participation, accountability, and transparency with government officials, the media, and CSO representatives. CSOs attended ADB's 2012 Annual Meeting in record numbers:

Table 16: Partnerships (Level 3)

|   |                  |               | Asi  | an De | velopn | nent B | ank  |                |               | As | an De | velopr | nent F | und  |                |
|---|------------------|---------------|------|-------|--------|--------|------|----------------|---------------|----|-------|--------|--------|------|----------------|
| Indicator   | Baseline<br>Year | Base-<br>line | 2008 | 2009  | 2010   | 2011   | 2012 | 2012<br>Target | Base-<br>line |    | 2009  | 2010   | 2011   | 2012 | 2012<br>Target |
| Sovereign operations with CSO participation (%)                                     | 2006             | 78            | 76   | 72ª   | 79     | 91     | 98   | 80             | 85            | 82 | 75    | 81     | 96     | 98   | 80             |
| New program-based<br>approaches<br>approved (number)<br>CPS and CPR                 | 2006             | 29            | 45   | 62ª   | 51     | 51     | 43   | 10             | 20            | 26 | 29    | 23     | 24     | 21   | 8              |
| missions conducted jointly with at least one other development partner (% annually) | 2006             | 33            | 39   | 56    | 65     | 88     | 76   | 60             | 40            | 44 | 61    | 74     | 88     | 74   | 60             |

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

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

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

## Development Effectiveness Review 2012

395 participants representing 101 CSOs were present from 34 countries, including 24 from Asia and the Pacific.

#### Program-Based Approaches

ADB ADF

ADB continued its strong support for program-based approaches. ADB approved 43 operations using program-based approaches in 2012 (including 10 in ADF-only countries), and 21 operations using program-based approaches in its ADF operations, exceeding the targets. Of the 43 operations, 21 program-based approaches were in the form of multitranche financing facility subprojects and 18 were policy-based operations.

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

ADB 🕢 ADF 🕢

In 2012, the proportion of CPS and country portfolio review missions conducted jointly with

other development partners continued to surpass the 60% target for both ADB and ADF operations. However, the proportion declined to 76% for ADB and 74% for ADF (from 88% for both ADB and ADF operations in 2011). ADB conducted 11 of 12 CPS missions and 17 of 25 country portfolio review missions in close collaboration with development partners.

#### Progress on Paris Declaration Commitments

The Global Partnership on Effective Development Cooperation, launched during the Fourth High Level Forum on Aid Effectiveness in December 2011 in Busan, established a foundation for effective cooperation in international development. In 2012, ADB played an active role in developing global governance and monitoring frameworks related to this partnership. The new ADB corporate results framework will incorporate Busan indicators when they become available.





# Level 4 ADB's Organizational Effectiveness

To support effective management of its operations measured at level 3, ADB must manage its human resources carefully to maximize the talents of more than 3,000 staff at headquarters and in resident missions across the region. It must also ensure that its operations are supported by adequate budget and efficient and flexible business processes. This section reviews progress in these areas against the 13 indicators in this level of the corporate results framework.

ADB made progress or consolidated achievements in all areas. The target for staffing of operations departments was met for the second consecutive year and that for resident missions was met for the third consecutive year. The representation of women international staff made large gains, but fell just short of the target. The biennial staff engagement survey showed more progress on the results of the 2010 survey. With most indicators achieving their targets, this category is rated *good*.

and staff motivation and satisfaction (Table 17).

#### ▶ Human Resources



Four results framework indicators capture the adequacy of staffing in operations departments and resident missions, gender balance at ADB,

Staff in Operations Departments

ADB 🗹

Staff in Resident Missions

ADB 🗹

ADB progressed in implementing its 3-year budget transformation plan by ensuring

Table 17: Human Resources (Level 4)

|  |                      | Asian Development Bank |                 |                 |                 |                 |                 |                 |  |  |  |  |
|--|----------------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|--|--|--|
| Indicator  | Baseline<br>Year     | Base-<br>line          | 2008            | 2009            | 2010            | 2011            | 2012            | 2012<br>Target  |  |  |  |  |
| Budgeted international and<br>national staff in operations<br>departments (%) <sup>a</sup> | 2004–2006<br>average | 52                     | 53⁵             | 53⁵             | 55⁵             | 56 <sup>b</sup> | 56⁵             | 56 <sup>b</sup> |  |  |  |  |
| Budgeted international and<br>national staff in resident<br>missions (%)°                  | 2004–2006<br>average | 42                     | 46 <sup>b</sup> | 47 <sup>b</sup> | 48 <sup>b</sup> | 48 <sup>b</sup> | 49 <sup>b</sup> | 48 <sup>b</sup> |  |  |  |  |
| Representation of women international staff in total (%) <sup>d</sup>                      | 2007                 | 29                     | 28              | 28              | 29              | 31              | 34              | 35              |  |  |  |  |
| Staff engagement survey results (index) <sup>e</sup>                                       | 2008                 | 60                     | 60              |                 | 68              |                 | 73              | 67              |  |  |  |  |

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

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

<sup>&</sup>lt;sup>b</sup> Figures are annual percentages, rather than 3-year rolling averages.

<sup>&</sup>lt;sup>c</sup> This represents the proportion of international and national staff positions in resident missions of those assigned to regional departments.

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

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

## Development Effectiveness Review 2012

adequate staff strength in operations departments and resident missions. At the end of 2012, 56% (985 of 1,769) of all international and national staff positions were allocated to operations departments, matching the target. Of the staff assigned to regional departments, 49% (425 of 871) were in resident missions, exceeding ADB's targets by 1 percentage point.

In 2012, ADB added 34 international and national staff to its operations departments at headquarters and in resident missions. Of the 25 new positions in regional departments, 16 (64%) were assigned to resident missions.

#### **Gender Balance at ADB**

ADB 🚹



The representation of women international staff rose to 34% in 2012 from 31% in 2011, less than 1 percentage point below the target of 35%. The increase was attributed to the continued rise in the share of women in total hiring of international staff to 52% in 2012 from 46% in 2011.

The Third Gender Action Program (GAP III), 2008–2010, and the GAP III Extension, 2011–2012, made significant progress toward gender balance and equity at ADB. They also contributed to the creation of a supportive and enabling workplace environment and culture. As a next step, ADB is developing a diversity and inclusion framework for 2013–2016 that will leverage the full capacity of the diverse workforce to tackle the complex development challenges facing ADB's DMCs. The framework will contain gender metrics, including targets for representation of women in international staff positions.

**Taking stock**. The DEfR process has helped steer efforts to improve ADB's gender balance. When GAP III was established in 2007, the proportion of women international staff was 29.3%. Under the program, recruitment and retention strategies for female staff were strengthened. However, progress was slow initially: the representation of women

Figure 14: Gender Balance at ADB, 2012 (%) 40 Target: 35 35 34 30 31 29 28 28 25 20 2009 2010 2011 2012 Representation of women international staff in total

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

international staff declined to 28.4% in 2008 and to 27.8% in 2009. In response, ADB introduced and monitored department-level targets for gender representation and refined its recruitment and retention strategy for women international staff. This led to a 1 percentage point increase in the share of women international staff in 2010.

GAP III was extended to 2012 and bolstered with additional measures, including senior staff accountability for gender results. Subsequently, the share of women professional staff rose by 2 percentage points in 2011 and by almost 3 percentage points in 2012—the biggest annual change in 6 years of DEfR reporting. This was facilitated in part by the expansion of international staff positions during 2010–2012, during which women increased their share from 35.8% of total new international staff appointments to 52.4% (compared with only 19.1% in 2008).

The representation of women international staff at entry levels (1–4) grew from 33% in 2010 to 45% in 2012, but declined slightly at pipeline levels (5-6) from 30% to 29% in the

same period. At senior levels (7–10), women's representation increased from 20% in 2010 to 27% in 2012. The number of vacancies for country office heads and deputy heads filled by women increased from 0% in 2010 to 25.9% in 2012 with the appointment of 7 women among the 27 appointees in 2012. The attrition rate of women during this period was consistently lower than that of male international staff, suggesting initiatives to increase retention may have been successful.

and recognition, ethics, values and beliefs, management, and performance evaluation. Categories receiving favorable scores of less than 60% all concerned human resource management: career development; rewards and recognition; stress, balance, and workload; and performance evaluation. Department heads consulted staff and formulated follow-up actions in response to the survey findings. Progress on the action plans are monitored and reported to staff.

#### Staff Engagement

ADB 🗹

## Budget Adequacy

ADB poor

The 2012 staff engagement survey showed continued improvement from the 2008 survey. The staff participation rate in the 2012 staff engagement survey was 93% and the staff engagement index was 73%. These results were higher than the corresponding figures from the 2010 survey, when the staff participation rate was 88% and the staff engagement index was 68%.

The scores improved in 23 of 24 survey categories. The most significant improvements in scores were on staff development, rewards

ADB's budget adequacy is measured through four internal administrative expenses (IAE) ratios related to project approvals, disbursements, and implementation (Table 18). Two budget adequacy indicators—IAE per \$1 million project approval and IAE per \$1 million project disbursement—improved in 2012, although not enough to change the rating from *poor*. The other two indicators—IAE per project approved and IAE per project under implementation—were stable. ADB's performance in all four indicators remained below the target of

Table 18: Budget Adequacy (Level 4)

|   |                               | Asian Development Bank |      |                 |      |      |                      |
|---|-------------------------------|------------------------|------|-----------------|------|------|----------------------|
| Indicator   | Baseline<br>Year <sup>a</sup> | Base-<br>line          | 2009 | 2010            | 2011 | 2012 | 2012<br>Target       |
| Internal administrative expenses<br>per \$1 million of project<br>approval (\$'000)                 | 2004–2006<br>average          | 43                     | 28   | 29              | 31   | 37   | Maintain             |
| Internal administrative expenses<br>per project approved (\$<br>million in 2000 constant<br>prices) | 2004–2006<br>average          | 2.8                    | 2.3  | 2.2             | 2.2  | 2.3  | Maintain             |
| Internal administrative expenses<br>per \$1 million disbursement<br>(\$'000)                        | 2004–2006<br>average          | 62                     | 41   | 43 <sup>b</sup> | 50   | 60   | Maintain             |
| Internal administrative expenses per project under implementation (\$'000 in 2000 constant prices)  | 2004–2006<br>average          | 427                    | 395  | 395             | 397  | 395  | Maintain or increase |

<sup>&</sup>lt;sup>a</sup> For indicators with a 3-year average as the baseline, the figures represent the 2007–2009 average for 2009, the 2008–2010 average for 2010, the 2009–2011 average for 2011, and the 2010–2012 average for 2012.

b Includes operations financed by the Countercyclical Support Facility.

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

### Development Effectiveness Review 2012

maintaining the 2004–2006 baseline values and is therefore rated poor.

IAE per \$1 million of project approval

ADB 🔂

IAE per project approved

ADB

IAE per \$1 million disbursement

ADB 🔂

IAE per project under implementation



IAE per \$1 million of project approval increased considerably in 2010-2012 to \$37,000 from \$31,000 in 2009-2011. This was made possible by the sizeable annual increases in budget under the 3-year budget transformation plan, 2010–2012.87 IAE per \$1 million disbursement rose significantly from \$50,000 to \$60,000 because the 3-year IAE budget increased by 12% from 2009-2011 to 2010-2012 while the volume of disbursements dropped by 7% in the same period.

ADB adjusted its budget indicators in the new results framework to enable measurement of budget efficiency and adequacy (footnote 4). The number of budget indicators has been reduced from four to two—one existing indicator and one new indicator. The existing indicator—IAE per \$1 million disbursementmeasures overall efficiency in using the budget to support operations. The 2016 target for this indicator is lower than the baseline, confirming ADB's commitment to greater efficiency. The new indicator captures the share of the operational budget used for project implementation. The 2016 target for this indicator envisages an increase in budget share to ensure that adequate resources are allocated to supervision of operations and

portfolio management. The DEfR will report progress on these budget indicators starting in 2014.

### **Business Processes and Practices**

ADB good ADF good

The business processes and practices indicators gauge ADB's responsiveness to its clients by reviewing the speed of project processing and the level of resident mission leadership in project administration, country programming, portfolio review, and economic work. As most indicators met or exceeded targets, the rating is good (Table 19).

### **Project Processing Time**







The average processing time for sovereign operations was shortened by 1 month to 21 months for ADB and lengthened by the same amount to 20 months for the ADF.88 Processing time fell short of the targets for both ADB and the ADF. Project processing required an average of 22 months, while policy-based operation processing took 10 months.

The share of operations processed using the streamlined business processes increased considerably from 39% in 2011 to 70% in 2012. It took an average of 11 months to process operations under the streamlined business processes in 2012, significantly shorter than the average of 37 months under the previous business processes. A larger share of projects included project preparatory TA (48% in 2012 compared with 39% in 2011), lengthening total processing time and offsetting the gains from the streamlined business processes.

The objectives of the 3-year budget transformation plan, 2010–2012, are to (i) address persistent human and financial resource gaps that have accumulated over several years as operations have expanded significantly, (ii) enhance the quality of ADB operations, (iii) expand ADB's knowledge services, and (iv) implement Strategy 2020 effectively. This entails large budget and staff increases during the 3-year period.

The calculation does not include periodic financing requests that became effective in 2012. If these were included, the average processing time for both ADB and ADF would shorten to 19 months.

|   |                  |       | Asi  | an De | velopn          | nent B | ank  |                |               | As   | ian De | velop | nent F | und  |                |
|---|------------------|-------|------|-------|-----------------|--------|------|----------------|---------------|------|--------|-------|--------|------|----------------|
| Indicator   | Baseline<br>Year | Base- | 2008 | 2009  | 2010            | 2011   | 2012 | 2012<br>Target | Base-<br>line | 2008 | 2009   | 2010  | 2011   | 2012 | 2012<br>Target |
| Average sovereign operations processing time (months from fact finding to effectiveness) <sup>a</sup> | 2006             | 28    | 21   | 19⁵   | 19 <sup>b</sup> | 22     | 21   | 16             | 28            | 19   | 15     | 16    | 19     | 20   | 16             |
| Sovereign operations<br>administered by<br>resident missions (%)                                      | 2006             | 39    | 38   | 37    | 41              | 40     | 44   | 43             | 36            | 39   | 37     | 41    | 41     | 43   | 43             |
| Resident missions<br>leading country<br>programming (%)   | 2007             | 91    | 95   | 95    | 95              | 100    | 100  | 100            | 94            | 100  | 94     | 100   | 100    | 100  | 100            |
| Resident missions<br>leading country<br>portfolio review (%)  | 2007             | 91    | 91   | 95    | 95              | 100    | 100  | 100            | 94            | 100  | 100    | 100   | 100    | 100  | 100            |
| Resident missions<br>leading country<br>economic work (%)   | 2007             | 91    | 100  | 95    | 100             | 100    | 100  | 100            | 88            | 100  | 94     | 100   | 100    | 100  | 100            |

**Table 19: Business Processes and Practices** (Level 4)

### Delegation of Project Administration to Resident Missions ADB ADF ADF

### Resident Missions Leading:

| Country Programming   | ADB 🗹 ADF 🗹 |
|-----------------------|-------------|
| Portfolio Review      | ADB 🕢 ADF 🗹 |
| Country Economic Work | ADB 🕢 ADF 🗹 |

ADB delegated the administration of 44% of all ongoing projects and 43% of ongoing ADF projects to resident missions, meeting its targets for both ADB and the ADF. This was facilitated by the notable expansion of resident mission capacity, supported by the 3-year budget transformation plan. All resident missions led country programming, country portfolio review, and economic work in 2012.

**Taking stock.** The DEfR has reported on the decentralization process since 2007, when Management called on departments

and offices to promote more flexible, field-driven management of operations. In 2009, ADB began implementing the expansion of field office capacity, adding new positions, improving their benefits and administration, and strengthening communication between headquarters and the field. In 2010, supported by a budget increase, ADB matched the target of allocating 48% of regional department staff to resident missions. Further progress was made in 2011 with the addition of more staff, including deputy director positions.

Supported by the 3-year budget transformation plan, ADB allocated in 2010–2012 138 additional positions to resident missions, including 20 international staff and 118 national and administrative staff. These new positions were mainly for safeguards, procurement, project implementation, portfolio management, private sector development, and public–private partnerships, as well as for strengthening the finance and administration function. The budget

<sup>&</sup>lt;sup>a</sup> Defined as the average time from loan or project preparatory technical assistance fact-finding to effectiveness. Effectiveness refers to the date on which the loan, grant, or guarantee agreement comes into force.

<sup>&</sup>lt;sup>b</sup> Excludes operations financed by the Countercyclical Support Facility.
Sources: Asian Development Bank Operations Services and Financial Management Department, regional departments, and Strategy and Policy Department.

### Development Effectiveness Review 2012

allocation for resident mission expenditures grew from \$17 million (8.4% of ADB's total IAE) in 2010 to \$95 million (17.5% of ADB's total IAE) in 2012. Significant increases were noted in staff costs, office occupancy, contractual services, and staff consultants.

To expand client responsiveness within the resources allocated, ADB is mainstreaming the "One ADB" approach, which promotes strong headquarters—field teamwork for all projects, regardless of the location of the team leader. This approach calls for consistent and substantive involvement of resident mission staff in processing and administering all projects. To assess its application, the new ADB results framework measures sovereign operations administered with substantial resident mission involvement.<sup>89</sup>

### Managing for Development Results

In January 2012, ADB began a review of its results framework to ensure its continued relevance as a corporate performance management tool. The review assessed the framework's achievements and challenges associated with its use, examined good practices, and consulted stakeholders on areas in which it could be strengthened. It adopted several improvements, including (i) incorporation of inclusive economic growth indicators; (ii) more focus on project outcomes, sustainability, and implementation;

and (iii) better measurement of nonsovereign operations, budget efficiency and adequacy, and decentralization. The new framework was approved in January 2013 and will be used to assess ADB's performance during 2013–2016.

ADB refined its guidelines for preparing country development effectiveness briefs to reflect contributions to country outcomes more explicitly. In 2012, briefs were prepared for Indonesia, the Federated States of Micronesia, the Philippines, Solomon Islands, and Sri Lanka. To improve communication about results with its stakeholders, ADB developed new pages on its website that provide easier access to data at the corporate, country, and project levels. ADB departments realigned their 2013 results-based work plans to the newly adopted corporate results framework.

In 2012, ADB's learning and development programs held at headquarters and in the India and Viet Nam resident missions trained staff on the preparation and use of results frameworks for monitoring sector outcomes and outputs. In addition, as part of the continuing efforts to mainstream results orientation in DMCs, ADB deepened its support for country programs of the Asia-Pacific Community of Practice on managing for development results in Cambodia, Malaysia, and Mongolia. To support this process, a framework for results-based public sector management was developed together with a rapid assessment guide.

<sup>&</sup>lt;sup>89</sup> This indicator includes two components: (i) projects for which administration is led by staff in resident missions, and (ii) projects for which administration is led by headquarters staff and for which resident mission staff participated in one or more review missions during the year.





### **Actions**

### Synopsis of Past Actions and Their Impact

Management actions taken during 2008–2012 aimed to increase ADB's operational effectiveness through (i) greater support for Strategy 2020 priorities, including gender mainstreaming; (ii) better project performance management (project readiness and implementation, and TA supervision); (iii) expanded cofinancing; and (iv) more effective knowledge management. A pilot results delivery scheme was introduced in 2010 to galvanize efforts to increase cofinancing and operations supporting education and gender mainstreaming (footnote 80). Other actions targeted stronger organizational effectiveness by refining ADB's human resources strategies and implementing them successfully (Our People Strategy and GAP III), increasing budget adequacy and efficiency, and streamlining business processes. Some of the actions, particularly in earlier years, aimed to increase the rigor of the DEfR process itself by strengthening the output aggregation method; the project performance reporting system; quality assurance for project classification; and the results framework, including the scorecard methodology.

The impact of earlier initiatives is starting to be seen in a number of results framework indicators. Since 2008, ADB operations are more closely aligned with Strategy 2020 priorities, including gender mainstreaming. Project quality at entry has improved, and

project start-up has become more efficient. A higher proportion of projects are successful. The level of cofinancing has increased considerably, and knowledge management and partnerships have improved. Supported by the budget increase, ADB has expanded its staff capacity, including at resident missions. ADB staff are more engaged and motivated, and gender balance at ADB has made significant strides. Empowerment of resident missions has also advanced. At the same time, actions have not yet translated into improved performance in the disbursement ratios of sovereign and nonsovereign operations, and the success rate of nonsovereign operations. Management is aware that improvement in many areas will require the implementation of actions over the long term. The 2013 priority actions will therefore focus on areas where targets were not met, while sustaining progress in other areas.

### Priority Actions for 2013

The 2012 DEFR confirmed the progress made through initiatives introduced since 2008 and reiterated the importance of project implementation—particularly project readiness and implementation supervision—in raising the effectiveness of ADB's operations. Improvements included in the new results framework will support these initiatives by facilitating closer monitoring of project implementation performance. To sustain this progress and advance toward the revised targets of the new framework, ADB will introduce a

<sup>&</sup>lt;sup>90</sup> The 2013–2016 results framework includes a new results area exclusively on project implementation at level 3, and an additional indicator measuring efficiency in processing procurement contracts.

### Development Effectiveness Review 2012

suite of measures to improve project outcomes, paying close attention to the country and sector context, as well as measures to improve organizational effectiveness (Table 20).

In addition to these actions, ADB will revise its business processes and tools for collecting and validating data to ensure effective use of the new results framework in 2013. This will involve (i) updating staff guidelines on monitoring the new level 2 core sector indicators and incorporating related changes into e-Operations, (ii) implementing the new staff guidance note on incorporating inclusive economic growth in CPSs, and (iii) conducting a communication campaign to inform ADB staff and external stakeholders about the content and use of the new results framework.

Table 20: Priority Actions for 2013 to Improve ADB Performance

| Actions  | Page Number Discussing Actions | Responsibility:<br>Lead (support)                  | Time<br>Frame  |
|--|--------------------------------|--|----------------|
| Improve project success and outcomes   |                                |  |                |
| Project readiness  |                                |  |                |
| Adopt a target and time frame for achieving project readiness for all infrastructure operations, focusing on completing before project approval (i) detailed engineering design (or preliminary design depending on the contract structure), (ii) bidding process for engagement of supervision consultants and contractors, (iii) necessary actions to ensure safeguard readiness, and (iv) government approvals and clearances relating to funding and institutional arrangements. | 37                             | Regional departments<br>(OGC, OSFMD, RSDD,<br>SPD) | June 2013      |
| <ul> <li>Complete the review of existing instruments for<br/>funding detailed engineering design.</li> </ul>   | 37                             | SPD (regional departments)                         | June 2013      |
| <ul> <li>Monitor and report progress on project readiness<br/>regularly at operations review meetings.</li> </ul>  | 37                             | OSFMD, SPD (regional departments)                  | 2013<br>onward |
| Procurement quality and efficiency   |                                |  |                |
| Implement the recommendations of the recently approved ADB Procurement Governance Review, focusing on (i) adopting a risk-differentiated approach to procurement; (ii) involving procurement specialists early on in complex procurement; (iii) strengthening staff skills and capacity for procurement through accreditation, training, and outposting; and (iv) streamlining ADB's procurement processes and measuring efficiency against minimum service standards.               | 37                             | OSFMD, regional departments (OGC)                  | 2013<br>onward |
| Resources for project readiness and supervision  |                                |  |                |
| <ul> <li>Reallocate and share staff resources as appropriate<br/>and increase staff skills in procurement and<br/>implementation supervision through targeted<br/>recruitment (including project engineers) and training.</li> </ul>   | 37–38                          | Operations departments,<br>OSFMD (BPMSD)           | 2013<br>onward |

Table 20 continued

| Actions   | Page Number<br>Discussing<br>Actions | Responsibility:<br>Lead (support)              | Time<br>Frame  |
|---|--------------------------------------|--|----------------|
| Recognize more systematically good staff<br>performance in improving project readiness and<br>implementation supervision in staff performance<br>reviews.   | 38                                   | Operations departments (BPMSD)                 | 2013<br>onward |
| Finance sector operations   |                                      |  |                |
| Consolidate finance sector skills and knowledge<br>in support of operations, sequence operations to<br>support reforms through technical assistance projects<br>before approving projects and credit lines, and pursue<br>focus and selectivity in responding to country needs. | 37                                   | Operations departments,<br>(Finance CoP, OREI) | 2013<br>onward |
| Quality at entry  |                                      |  |                |
| Continue improving the quality at entry of CPSs, and sovereign and nonsovereign operations following the recommendations of the quality at entry working  | 40–41                                | Operations departments                         | Ongoing        |
| group.  |                                      | (SPD)  |                |
| Quality of project completion reports   |                                      |  |                |
| Strengthen quality control of project completion reports within operations departments.   | 38                                   | Operations departments                         | Ongoing        |
| <ul> <li>Clarify expected standards by updating guidelines on<br/>project completion reports, and IED validation reports<br/>and project performance evaluation reports, and<br/>ensure consistent approach to rating project success<br/>across these three tools.</li> </ul>  | 38                                   | IED, OSFMD, (operations departments)           | Q2 2013        |
| Increase representation of women in international staff   |                                      |  |                |
| Complete the development of the Diversity and Inclusion Framework, 2013–2016, which will include new targets on representation of women international staff, and begin implementation of the framework.   | 56                                   | BPMSD, all departments and offices             | 2013           |
| Manage budget efficiently to support project outcomes   |                                      |  |                |
| <ul> <li>Ensure budget adequacy for project implementation<br/>by reallocating resources while continuing to ensure<br/>efficient budget use.</li> </ul>  | 58                                   | All departments and offices (BPMSD)            | Ongoing        |
| Improve project processing efficiency   |                                      |  |                |
| Continue to implement the 2010 streamlined business processes.  | 58                                   | Operations departments                         | Ongoing        |

ADB = Asian Development Bank, BPMSD = Budget, Personnel and Management Systems Department, CoP = community of practice, IED = Independent Evaluation Department, OGC = Office of the General Counsel, OREI = Office of Regional Economic Integration, OSFMD = Operations Services and Financial Management Department, Q = quarter, RSDD = Regional and Sustainable Development Department, SPD = Strategy and Policy Department.

Note: "Operations departments" refers to regional departments and the Private Sector Operations Department. Source: ADB Strategy and Policy Department.



### Conclusion

New data on poverty and human development trends in the region indicated continued progress. Asia and the Pacific reduced poverty and improved many social outcomes, albeit with weaker results in ADF countries. The MDGs for gender parity in primary and secondary education and rural and urban access to water were achieved in aggregate, leading to a *good* rating for poverty and human development outcomes. However, progress on sanitation and health indicators remained insufficient. About 20% of the region's population remains in extreme poverty, and the number of people defined as vulnerable is increasing. The context underscores the need for all development players to continue working together with a sharper focus on development results.

The ADB results framework indicators on operational effectiveness showed progress in many areas since 2008, although some remained below their targets. ADB's new operations remained focused on Strategy 2020 priorities and well designed. The proportion of recently completed operations that successfully delivered results continued to increase. Good progress on knowledge management and partnerships was sustained. At the same time, project implementation weaknesses caused by inadequate project readiness and project management issues continue to constrain ADB's operational effectiveness.

Organizational effectiveness remained strong. The DEfR process helped improve human resource management, including gender balance at ADB. ADB made steady progress in decentralizing staff to resident missions and delegating to them a larger share of project administration and country programming management, portfolio review, and economic work.

ADB's performance in 2013–2016 in support of Strategy 2020 will be assessed against a new results framework with revised indicators and updated baselines and targets. ADB Management has reinforced its actions to overcome performance issues raised in the 2012 DEFR and will monitor their progress.

The scrutiny provided by the annual DEfR exercise and the actions introduced in 2009–2012 have led to a greater staff orientation toward development results. As expected, some problems have been more difficult to address than others and require more comprehensive and sustained reforms. ADB recognizes that persistence is needed to overcome the more difficult performance challenges and will continue to strive to improve performance and expand its contribution to the development of the region.



### **Appendixes**

### Appendix 1

# **ADB Performance Scorecard 2012**

► Level 1: Asia and Pacific Development Outcomes

**Table A1.1: Poverty and Human Development** 

|  | Asian Devel                   | Asian Development Bank Countries | c Countries                 | pood   | Asian Devel                   | Asian Development Fund Countries <sup>a</sup> | d Countries <sup>a</sup> | poor   |
|--|-------------------------------|----------------------------------|-----------------------------|--------|-------------------------------|---|--------------------------|--------|
| Indicator  | Baseline<br>2005 <sup>b</sup> | Latest<br>2010                   | Target<br>2015 <sup>D</sup> | Signal | Baseline<br>2005 <sup>b</sup> | Latest<br>2010                                | Target<br>2015           | Signal |
| Population living on less than \$1.25 (PPP) per day (%)          | 27.1 <sup>b</sup>             | 20.5                             | 28.1                        |        | 28.5                          | 21.9  | 30.7                     |        |
| Primary education completion rate, both sexes (%)                | 92.7                          | 2.96                             | 100.0                       |        | 80.4                          | 83.2  | 100.0                    |        |
| Ratio of girls to boys in:                                       |                               |                                  |                             |        |                               |   |                          |        |
| Primary education <sup>°</sup>                                   | 96.0                          | 1.00                             | 1.00                        |        | 0.87                          | 0.93  | 1.00                     |        |
| Secondary education <sup>c</sup>                                 | 0.91                          | 0.97                             | 1.00                        |        | 0.92                          | 0.95  | 1.00                     |        |
| Tertiary education <sup>c</sup>                                  | 0.82                          | 0.92                             | 1.00                        |        | 0.73                          | 08.0  | 1.00                     |        |
| Women in nonagricultural wage employment (%)                     | 30.0                          | 31.3                             | Increase                    |        | 26.7                          | 26.9  | Increase                 |        |
| Under-5 child mortality (per 1,000 live births)                  | 26                            | 45°                              | 59                          |        | 63                            | 51  | 35                       |        |
| Women (aged 15 and above) living with HIV (number, million)      | 0.45                          | ₀62′0                            | Reverse                     |        | 0.22                          | 0.34⁴   | Reverse                  |        |
| Population with sustainable access to improved water source (%): |                               |                                  |                             |        |                               |   |                          |        |
| Urban  | 92.6                          | 96.4                             | 96.2                        |        | 91.5                          | 92.4  | 94.9                     |        |
| Rural  | 79.8                          | 85.9                             | 84.5                        |        | 75.9                          | 79.5  | 84.9                     |        |
|  |                               |                                  |                             |        |                               |   |                          |        |

Table A1.1 continued

|  | Asian Devel                   | Asian Development Bank Countries | c Countries     | poob O | Asian Devel                   | Asian Development Fund Countries <sup>a</sup> | <b>Countries</b> <sup>a</sup> | poor   |
|--|-------------------------------|----------------------------------|-----------------|--------|-------------------------------|---|-------------------------------|--------|
| Indicator  | Baseline<br>2005 <sup>b</sup> | Latest<br>2010                   | Target<br>2015⁵ | Signal | Baseline<br>2005 <sup>b</sup> | Latest<br>2010                                | Target<br>2015⁵               | Signal |
| Population with sustainable access to improved sanitation (%): |                               |                                  |                 |        |                               |   |                               |        |
| Urban  | 0.79                          | 6.07                             | 77.9            |        | 71.1                          | 73.6  | 82.3                          |        |
| Rural  | 37.5                          | 43.3                             | 58.8            |        | 43.0                          | 48.5  | 63.1                          |        |

PPP = purchasing power parity.

Rating of key performance indicators (KPIs):

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

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

Rating of composite indicators:

good: Two-thirds or more of KPIs that make up the composite indicator achieved the target.

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

An arrow indicates a significant (23%) change from previous performance: an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration.

Asian Development Fund (ADF) countries refer to a subset of Asian Development Bank (ADB) countries that have access to the ADF during its eighth replenishment period (2005-2008). See Appendix 2 for country groupings.

Some 2005 baselines and 2015 targets have been recalculated based on new data.

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

Data as of 2011.

are weighted averages of actual country values or imputed country values wherever data are missing for the year required; population data used as weights are from the United Nations Population Prospects: The 2010 Revision, HIV data are from the Joint United Nations Programme on HIV/AIDS (UNAIDS). 2011. Report on the Global Aids (UNESCAP) Statistics Division as part of the partnership between ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals. Estimates Sources: Regional aggregates are prepared by Strategy and Policy Department using country data from the United Nations Economic and Social Commission for Asia and the Pacific Epidemic 2011. Geneva.

Table A1.2: Other Development Outcomes

|  |      | Baseline |     |      | Previous |       |      |       | Latest |       |        |
|--|------|----------|-----|------|----------|-------|------|-------|--------|-------|--------|
|  |      | Value    | ne  |      | Val      | Value |      | ADB   | pood   | ADF ( | poob   |
| Indicator  | Year | ADB      | ADF | Year | ADB      | ADF   | Year | Value | Signal | Value | Signal |
| Gross domestic product   |      |          |     |      |          |       |      |       |        |       |        |
| GDP per capita (at constant 2000 prices, \$)                     | 2006 | 1,120    | 869 | 2010 | 1,532    | 830   | 2011 | 1,613 |        | 998   |        |
| Regional cooperation and integration                             |      |          |     |      |          |       |      |       |        |       |        |
| Intraregional trade in total Asia and Pacific trade (%)          | 2005 | 51       | 28  | 2010 | 52       | 62    | 2011 | 20    |        | 62    |        |
| Access to basic infrastructure                                   |      |          |     |      |          |       |      |       |        |       |        |
| Telecommunications: fixed lines and mobile telephone subscribers | 2006 | 390      | 255 | 2010 | 809      | 816   | 2011 | 869   |        | 903   |        |
| Roads: paved roads for every 10,000 people (km)                  | 2005 | 12       | 6   | 2008 | 4        | 0     | 2009 | 4     |        | 10ª   |        |
| Electricity: electrification rate (%)                            | 2002 | 89       | 47  | 2009 | 81       | 09    | 2010 | 82    |        | 99    |        |
| Finance  |      |          |     |      |          |       |      |       |        |       |        |
| Banking assets to GDP (%)  | 2005 | 78       | 28  | 2009 | 89       | 65    | 2010 | 87    |        | 64    |        |

Table A1.2 continued

|   |      | Baseline |     |      | Previous |          |      |       | Latest       |              |            |
|---|------|----------|-----|------|----------|----------|------|-------|--------------|--------------|------------|
|   |      | Value    | e   |      | Value    | je<br>Je |      | ADB   | pood         | ADF (        | ADF O good |
| Indicator   | Year | ADB      | ADF | Year | ADB      | ADF      | Year | Value | Value Signal | Value Signal | Signal     |
| Governance  |      |          |     |      |          |          |      |       |              |              |            |
| Cost to start business (% of gross national income per capita)                          | 2006 | 45       | 48  | 2011 | 25       | 27       | 2012 | 21    |              | 23           |            |
| Time to start business (days)   | 2006 | 44       | 47  | 2011 | 33       | 34       | 2012 | 28    |              | 27           | <b>(</b>   |
| Governance and public sector management assessment from country performance assessments | 2006 |          | 3.3 | 2011 |          | 3.6      | 2012 |       |              | 3.6          |            |
| Environment   |      |          |     |      |          |          |      |       |              |              |            |
| Carbon dioxide emissions (tons per capita)  | 2002 | 2.5      | 1.1 | 2008 | 3.0      | 1.2      | 2009 | 3.2   |              | 1.3          |            |
|   |      |          |     |      |          |          |      |       |              |              |            |

ADB = Asian Development Bank ADF = Asian Development Fund, GDP = gross domestic product, km = kilometers, PPP = purchasing power parity.

Rating of composite indicators:

Rating of key performance indicators (KPIs):

On track: Progressed against baseline.

Off track: Regressed against baseline.

good: Two-thirds or more of KPIs in the group are on track or above target.

Note: ADB countries include all of ADB's developing member countries. ADF countries refer to a subset of ADB countries that have access to the ADF during the ADF's eighth replenishment period (2005-2008).

An arrow indicates a significant (23%) change from previous performance: an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration.

a In the 2011 Development Effectiveness Review report, 2008 data was 9.4, rounded to 9. Latest data for 2009 is 9.5, rounded to 10.

CD-ROM (issued in December 2012) for intraregional trade; United Nations Population Division, World Population Prospects: The 2010 Revision for population; Organisation for Economic Co-operation and Development, and International Energy Agency, World Energy Outlook 2012. Paris for electrification; ADB Office of Regional Economic Integration for finance; and ADB Country Performance Assessment Ratings 2012 for governance and public sector management. Sources: World Bank, World Development Indicators Online database for gross domestic product per capita, access to telecommunications, paved roads, and carbon dioxide emissions; International Finance Corporation and the World Bank, Doing Business Online database for cost and time to start business; International Monetary Fund, Direction of Trade Statistics

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

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

poob 🔵

|   | Number of | Programmed<br>for | Delivered<br>in or<br>before 2012 |        | Expected to<br>be Delivered<br>after 2012 | Outputs<br>Delivered and |
|---|-----------|-------------------|-----------------------------------|--------|---|--------------------------|
| Sectors and Core Sector Outputs   | Projects  | 2009-2012a        | (%)                               | Signal | (%)                                       | Expected (%)             |
| Education   |           |                   |                                   |        |   |                          |
| Classrooms built or upgraded (number)   | 24        | 67,600            | 87                                |        | -   | 88                       |
| Teachers trained (number)   | 20        | 1,257,000         | 86                                |        | 2   | 100                      |
| Students benefiting from school improvement programs or direct support (number)                     | 21        | 25,481,000        | 96                                |        | -   | 26                       |
| Energy  |           |                   |                                   |        |   |                          |
| Installed energy generation capacity (MW equivalent)  | 16        | 15,700            | 06                                |        | 9   | 96                       |
| Transmission lines installed or upgraded (km)   | 17        | 6,200             | 74                                |        | 56  | 100                      |
| Distribution lines installed or upgraded (km)   | 14        | 68,200            | 88                                |        | -   | 88                       |
| New households connected to electricity (number)  | 80        | 916,600           | 91                                |        | 0   | 91                       |
| Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)                                      | 10        | 10,808,000        | 89 <sup>b</sup>                   |        | 6   | 86                       |
| Finance   |           |                   |                                   |        |   |                          |
| Microfinance accounts opened or end borrowers reached (number)                                      | 10        | 2,431,000         | 66                                |        | 0   | 66                       |
| Small and medium-sized enterprise loan accounts opened or end borrowers reached (number)  Transport | 12        | 482,500           | 86                                |        | 0   | 66                       |
| Expressways built or upgraded (km)  | 80        | 1,300             | 88                                |        | 10  | 100                      |
| National highways, and provincial, district, and rural roads built or upgraded (km)                 | 22        | 39,700            | 98                                |        | ∞   | 94                       |
| Railways constructed and/or upgraded (km)   | 7         | 2,800             | 89                                |        | 59  | 26                       |
| Beneficiaries from road projects (number)°  | 55        | 194,615,000       | 93                                |        | 4   | 86                       |

Table A1.3 continued

|   | ve<br>English<br>N | Programmed<br>for | Delivered<br>in or<br>hefore 2012 |        | Expected to<br>be Delivered<br>after 2012 | Outputs<br>Delivered and |
|---|--------------------|-------------------|-----------------------------------|--------|---|--------------------------|
| Sectors and Core Sector Outputs   | Projects           | 2009-2012a        | (%)                               | Signal | (%)                                       | Expected (%)             |
| Water   |                    |                   |                                   |        |   |                          |
| Water supply pipe installed or upgraded: length of network (km)                     | 24                 | 16,200            | 79                                |        | 20  | 66                       |
| New households served with water supply (number)                                    | 59                 | 4,574,000         | 73                                |        | 15  | 88                       |
| Wastewater treatment capacity added (m³/day)  | 21                 | 4,480,000         | 29                                |        | 26  | 92                       |
| New households served with sanitation (number)                                      | 59                 | 6,460,000         | 51                                |        | 43  | 94                       |
| Land improved through irrigation services, drainage, and flood management (hectare) | 25                 | 3,223,000         | 98                                |        | 13  | 66                       |

ADB = Asian Development Bank, km = kilometer, m³/day = cubic meter per day, MW = megawatt, tCO,-equiw/yr = tons of carbon dioxide equivalent per year.

Rating of key performance indicators (KPIs):

ADB 2012 target not achieved ADB 2012 target achieved

good: Two-thirds or more of KPIs in the group are on track or above target.

Rating of composite indicators:

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

Notes:

- 1. Numbers may not sum precisely because of rounding.
- Figures include outputs delivered from sovereign and nonsovereign operations.

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

- ADB financed about 35% of the total cost of operations that programmed these outputs.
- The percentage is lower than that reported in the 2011 DEFR because one project that was labeled completed in 2011 is still ongoing in 2012, and in another project staff estimates of achievement at physical completion were higher than actual figures reported in the project completion report.
- Sources: ADB reports and recommendations of the President approved in 2003–2006 for programmed outputs, project completion reports issued in 2009–2012 for outputs delivered in or before Of the total target, 59% (about 23,000 km) represents the distance to be covered by rural roads. About 24% of anticipated road beneficiaries are expected to benefit from rural roads.

poor to be Delivered Delivered and Expected **Outputs** % 88 9 19 9 9 9 66 66 85 92 96 97 37 after 2012 Expected % 0 0 2 4 30 66 4 က 92 Signal  $\triangleright$  $(\nearrow)$  $\bigcirc$  $\bigcirc$  $\bigcirc$ Table A1.4: Progress in Achieving Asian Development Fund's Output Targets for 2009–2012 in or before 2012 Delivered % 97 96 2 2 94 36 66 86 0 83 87  $\overline{\phantom{a}}$ Programmed 2009-2012a 1,400 2,200,000 16,700 900 **Outputs** 66,600 5,500 140,000 453,500 1,254,000 20,681,000 300 133,600 72,928,000 Number of Projects 9  $\infty$ 22 7 8 က / 7 2 2 34 က 33 National highways, and provincial, district, and rural roads built or upgraded (km) Small and medium-sized enterprises loan accounts opened or end borrowers Students benefiting from school improvement programs or direct support Microfinance accounts opened or end borrowers reached (number) Installed energy generation capacity (MW equivalent) Greenhouse gas emission reduction (tCO<sub>2</sub>-equiv/yr) New households connected to electricity (number) Transmission lines installed or upgraded (km) Distribution lines installed or upgraded (km) Railways constructed and/or upgraded (km) Beneficiaries from road projects (number)<sup>b</sup> Classrooms built or upgraded (number) Expressways built or upgraded (km) Sectors and Core Sector Outputs Teachers trained (number) reached (number) (number) Education Finance

continued on next page

Table A1.4 continued

| Sectors and Core Sector Outputs   | Number of<br>Projects | Outputs Programmed for 2009–2012 | Delivered<br>in or<br>before 2012<br>(%) | Signal | Expected Outputs to be Delivered Delivered and after 2012 Expected (%) (%) | Outputs Delivered and Expected (%) |
|---|-----------------------|----------------------------------|--|--------|--|------------------------------------|
| Water   |                       |                                  |  |        |  |                                    |
| Water supply pipe installed or upgraded: length of network (km)                     | 13                    | 11,700                           | 87                                       |        | 12   | 66                                 |
| New households served with water supply (number)                                    | 19                    | 1,825,100                        | 92                                       |        | 10   | 75                                 |
| Wastewater treatment capacity added (m³/day)  | 6                     | 535,700                          | 37                                       |        | က  | 40                                 |
| New households served with sanitation (number)                                      | 15                    | 733,800                          | 33                                       |        | 13   | 46                                 |
| Land improved through irrigation services, drainage, and flood management (hectare) | 17                    | 923,100                          | 73                                       |        | 24   | 26                                 |

km = kilometer,  $m^3$ /day = cubic meter per day, MW = megawatt, tCO $_2$ -equiv/yr = tons of carbon dioxide equivalent per year. Rating of composite indicators: poor: Less than half of KPIs that make up the composite indicator achieved the target.

Rating of key performance indicators (KPIs):

ADB 2012 target achievedADB 2012 target not achieved

1. Numbers may not sum precisely because of rounding.

ADF operations have only 18 indicators with target outputs because one indicator—expressways built or upgraded—had no programmed outputs for 2009–2012. For details on the indicator definitions, see http://www.adb.org/Documents/Policies/ADB-Results-Framework/Results-Framework-Indicators.pdf

The Asian Development Fund financed about 43% of the total cost of operations that programmed these outputs.

Of the total target, 62% (about 10,400 km) represents the distance to be covered by rural roads. About 41% of anticipated road beneficiaries are expected to benefit from rural roads.

Sources: Asian Development Bank reports and recommendations of the President approved in 2003–2006 for programmed outputs, project completion reports issued in 2009–2012 for outputs delivered in or before 2012, and estimates from operations departments for outputs delivered and expected.

# ► Level 3: Operational Effectiveness

Table A1.5: Operational Effectiveness

|  |                          |       |      | Ä    | Asian Development Bank | velopm | ent Ban | ¥    |                       |        |       |      | As   | ian Dev | <b>Asian Development Fund</b> | ant Fun | _    |                 |                  |
|--|--------------------------|-------|------|------|------------------------|--------|---------|------|-----------------------|--------|-------|------|------|---------|-------------------------------|---------|------|-----------------|------------------|
|  | Docolino                 | Base- |      |      |                        |        |         |      | 2012                  |        | Base- |      |      |         |                               |         |      | 2012            |                  |
| Indicator  |                          | Value | 2007 | 2008 | 2009                   | 2010   | 2011    | 2012 | zurz<br>Target Signal |        | Value | 2007 | 2008 | 2009    | 2010                          | 2011    | 2012 | ro 12<br>Farget | Target Signal    |
| Quality of Completed Operations  |                          |       |      |      |                        |        |         |      | ADB (                 | poor   |       |      |      |         |                               |         |      | ADF             | poor             |
| Completed CPSs rated successful (%)  | 2009                     | 20    |      |      | 20                     | 100    | 22      | 20   | 20                    |        | 20    |      |      | 20      | 100                           | 29      | 20   | 20              |                  |
| Completed sovereign operations rated successful (%) <sup>b</sup>                               | 2004–<br>2006<br>average | 7     | 69   | 64   | 22                     | 27     | 61      | °89  | 80                    |        | 92    | 78   | 64   | 22      | 54                            | 57°     | 65°  | 80              |                  |
| Completed nonsovereign operations rated successful (%)   | 2008–<br>2010<br>average | 69    |      |      |                        | 69     | 72      | 89   | 80                    |        |       |      |      |         |                               |         |      |                 |                  |
| Completed technical assistance projects rated successful (%)                                   | 2004–<br>2006<br>average | 80    | 80   | 78   | 92                     | 75     | 78      | 83   | 80                    |        | 78    | 77   | 74   | 72      | 73                            | 92      | 82   | 80              | <b>&gt;</b>      |
| Positive perceptions of ADB effectiveness in reducing poverty (%) <sup>d</sup>                 | 2006                     | 45    |      |      | 20                     |        |         | 27   | 09                    |        |       |      |      |         |                               |         |      | Same as ADB     | IS ADB           |
| Quality at Entry and Portfolio Performance   | nance                    |       |      |      |                        |        |         |      | ADB (                 | poog ( |       |      |      |         |                               |         |      | ADF             | boog             |
| Quality at entry of CPS rated satisfactory (%)*  | 2006                     | 33    |      | 75   |                        | 100    |         | 100  | 80                    |        | 33    |      | 22   |         | 100                           |         | 100  | 80              |                  |
| Quality at entry of sovereign projects rated satisfactory (%)*                                 | 2006                     | 81    |      | 82   |                        | 88     |         | 82   | 82                    |        | 9/    |      | 83   |         | 94                            |         | 84   | 85              |                  |
| Quality at entry of nonsovereign projects rated satisfactory (%)*                              | 2008                     | 20    |      | 20   |                        | 77     |         | 84   | 82                    |        |       |      |      |         |                               |         |      |                 |                  |
| Performance of sovereign operations during implementation rated satisfactory (%)!              | 2010                     | 75    |      |      |                        | 75     | 91      | 89   | 80                    |        | 71    |      |      |         | 71                            | 89      | 88   | 80              | $\triangleright$ |
| Average time from approval to first disbursement in sovereign operations (months) <sup>9</sup> | 2006                     | 12    | 12   | 12   | Ξ                      | 10     | 10      | 10   | 10                    |        | 13    | 13   | 12   | 12      | 10                            | 10      | 10   | 12              |                  |
|  |                          |       |      |      |                        |        |         |      |                       |        |       |      |      |         |                               |         |      |                 |                  |

continued on next page

|  |                                     |       |      |      | Veian L         | Asian Develonment Bank              | mont   | Rank |                |        |          |    | A                             | Asian Develonment Fund | nolove | mont | Find |        |             |
|--|-------------------------------------|-------|------|------|-----------------|-------------------------------------|--------|------|----------------|--------|----------|----|-------------------------------|------------------------|--------|------|------|--------|-------------|
|  | ,                                   |       |      |      |                 |                                     |        |      |                |        |          |    |                               |                        |        |      | 3    |        |             |
|  | Racolino                            | Base- |      |      |                 |                                     |        |      | 2012           |        | Base-    |    |                               |                        |        |      |      | 2012   |             |
| Indicator  | Year                                | Value | 2007 | 2008 | 2009            | Value 2007 2008 2009 2010 2011 2012 | 2011 2 |      |                | Signal | Value    |    | 2007 2008 2009 2010 2011 2012 | 2009                   | 2010   | 2011 |      | Target | Signal      |
| Finance Transfer and Mobilization  |                                     |       |      |      |                 |                                     |        |      | ADB            | poor   |          |    |                               |                        |        |      |      | ADF    | mixed       |
| Disbursement ratio for sovereign operations (%)  | 2006                                | 23    | 25   | 29   | 26 <sup>h</sup> | 23 <sup>h</sup>                     | 22     | 25   | At least<br>23 |        | 18       | 21 | 25                            | 27                     | 21     | 19   | 18   | 20     |             |
| Disbursement ratio for nonsovereign loans and equity (%)   | 2006                                | 43    | 61   | 45   | 37              | 51                                  | 52     | 24   | At least<br>50 |        |          |    |                               |                        |        |      |      |        |             |
| DVA cofinancing relative to ADB financing approved annually (%)  | 2004–<br>2006<br>average            | 6     | 10   | Ξ    | 16h             | 25                                  | 32     | 32   | 20             |        | 13       | 13 | Ξ                             | ∞                      | 13     | 30   | 30   | 20     |             |
| Financing for Strategy 2020 Core<br>Operational Areas  |                                     |       |      |      |                 |                                     |        |      | ADB            | poob   |          |    |                               |                        |        |      |      | ADF    | pood        |
| Financing for Strategy 2020 core operational areas (%)   | 2008                                | 6/    |      | 6/   | 80h             | 92                                  | 96     | 82   | 80             |        | 29       |    | 29                            | 79                     | 88     | 96   | 92   | 80     |             |
| Projects supporting private sector development (%)   | 2004–<br>2006                       | 29    | 35   | 38   | 39 <sub>n</sub> | 38                                  | 36     | 37   | 30             |        | 15       | 13 | 19                            | 22                     | 28     | 28   | 31   | 30     |             |
| Projects supporting regional cooperation   | average<br>2004–<br>2006            | _     | 7    | _    | <del>1</del> 0  | 15                                  | 8      | 20   | 15             |        | Ŧ        | Ξ  | Ξ                             | 15                     | 19     | 21   | 27   | 15     |             |
| and integration (%) Projects supporting environmental sustainability (%)                               | average<br>2004–<br>2006            | 4     | 17   |      | 9.7h            | 35                                  | 6.43   | 44   | 25             |        | <u> </u> | =  | 5                             | 60                     | 96     | 34   | 36   | 25     |             |
| Projects with gender mainstreaming (%)!  | average<br>2004–<br>2006<br>average | 35    | 30   | 27   | 27              | 34                                  | 5 14   | . 64 | 40             |        | 45       | 36 | 37                            | 37                     | 45     | 23   | 26   | 20     |             |
| Knowledge Management   | >                                   |       |      |      |                 |                                     |        |      | ADB 🔵          | mixed  |          |    |                               |                        |        |      |      | ADF    | mixed       |
| Annual MAKE survey assessment rating (%)   | 2006                                | 54    | 58   | 22   | 09              | 62                                  | 99     | 69   | 09             |        |          |    |                               |                        |        |      |      | Same   | Same as ADB |
| ADB perceived externally as excellent source of knowledge on development issues (% strongly agreeing)* | 5009                                | 29    |      |      | 59              |                                     |        | 36   | 40             |        |          |    |                               |                        |        |      |      | Same   | Same as ADB |

Table A1.5 continued

|  |          |               |      | As   | <b>Asian Development Bank</b> | velop | ment | Bank |               |   |               |      | Ä     | sian D | evelop | <b>Asian Development Fund</b> | Fund |               |                    |
|--|----------|---------------|------|------|-------------------------------|-------|------|------|---------------|---|---------------|------|-------|--------|--------|-------------------------------|------|---------------|--------------------|
|  | Baseline | Base-<br>line |      |      |                               |       |      |      | 2012          |   | Base-<br>line |      |       |        |        |                               |      | 2012          | Base-<br>line 2012 |
| Indicator  | Year     | Value         | 2007 | 2008 | 5000                          | 2010  | 2011 | 2012 | <b>Farget</b> | /alue 2007 2008 2009 2010 2011 2012 Target Signal | Value         | 2007 | 2008  | 5000   | 2010   | 2011                          | 2012 | <b>Target</b> | Signal             |
| Partnerships   |          |               |      |      |                               |       |      |      | ADB (         | ADB O good  |               |      |       |        |        |                               |      | ADF (         | ADF O good         |
| Sovereign operations with CSO participation (%)                | 2006     | 78            | 78   | 9/   | 72 79                         | 79    | 91   | 86   | 80            |   | 82            | 82   | 82 75 |        | 81     | 96                            | 86   | 80            | $\triangleright$   |
| New program-based approaches approved (number)                 | 2006     | 53            | 42   | 45   | 62 <sub>i</sub>               | 51    | 51   | 43   | 10            |   | 70            | 23   | 56    | 29     | 23     | 24                            | 21   | œ             | $\triangleright$   |
| CPS and CPR missions conducted jointly with at least one other | 2006     | 33            | 37   | 39   | 26                            | 65    | 88   | 92   | 09            | $\sum$  | 40            | 37   | 44    | 61     | 74     | 88                            | 74   | 09            | $\sum$             |
| development partner (% annually)                               |          |               |      |      |                               |       |      |      |               | )   |               |      |       |        |        |                               |      |               | )                  |

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.

## Rating of key performance indicators (KPIs):

ADB 2012 target achieved

ADB 2012 target not achieved

### Rating of composite indicators:

good: Two-thirds or more of KPIs that make up the composite indicator achieved the target. mixed: At least half but less than two-thirds of KPIs that make up the composite indicator achieved the target.

poor: Less than half of KPIs that make up the composite indicator achieved the target An arrow indicates a significant ( $\geq$  3%) change from previous performance: an arrow pointing up indicates improvement; an arrow pointing down indicates deterioration.

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

Where available, the project performance evaluation report (PPER) ratings are taken as the final rating. If no PPER was prepared, an available project completion report validation report (PVR) rating is used. Otherwise, the project completion report (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.

The 2011 and 2012 success rates reflect projected IED adjustments in addition to actual IED adjustments.

The perceptions survey is conducted every 3 years. The assessment is based on latest available figures.

Quality-at-entry assessment is conducted biennially.

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 The new portfolio performance rating system was introduced in 2011. The baseline was based on the new system applied to ongoing projects in 2010.

Excludes operations financed by the Countercyclical Support Facility. 2002-2006 average).

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

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

Taken from ADB perceptions survey conducted every 3 years. No assessment for 2011; in 2010, ADB adopted a baseline and established target for 2012.

Sources: ADB. 2010. ADB Perceptions Survey: Multinational Survey of Stakeholders 2009. Manila; ADB, reports and recommendations of the President approved in 2004–2012, Operations Services and Financial Management Department, Controller's Department, Independent Evaluation Department, Office of Cofinancing Operations, Private Sector Operations Department, Regional and Sustainable Development Department, regional departments, and Strategy and Policy Department.

### ► Level 4: Organizational Effectiveness

Table A1.6: Human and Budget Resources

|  |                                   |                        |                 |                 | Asian D          | evelop          | ment Ba         | ınk             |                            |                         |
|--|-----------------------------------|------------------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|----------------------------|-------------------------|
| Indicator  | Baseline<br>Year                  | Base-<br>line<br>Value | 2007            | 2008            | 2009             | 2010            | 2011            | 2012            | 2012<br>Target             | Signal                  |
| Human Resources  |                                   |                        |                 |                 |                  |                 |                 |                 | ADB (                      | good                    |
| Budgeted international and<br>national staff in operations<br>departments <sup>a</sup> (%)         | 2004–2006<br>average              | 52                     | 53b             | 53b             | 53⁵              | 55⁵             | 56 <sup>b</sup> | 56 <sup>b</sup> | 56 <sup>b</sup>            | $\overline{\checkmark}$ |
| Budgeted international and national staff in resident missions <sup>c</sup> (%)                    | 2004–2006<br>average              | 42                     | 44 <sup>b</sup> | 46 <sup>b</sup> | 47 <sup>b</sup>  | 48 <sup>b</sup> | 48 <sup>b</sup> | 49 <sup>b</sup> | 48 <sup>b</sup>            | $\checkmark$            |
| Representation of women international staff in total <sup>d</sup> (%)                              | 2007                              | 29                     | 29              | 28              | 28               | 29              | 31              | 34              | 35                         |                         |
| Staff engagement survey results <sup>e</sup> (index)   | 2008                              | 60                     |                 | 60              |                  | 68              |                 | 73              | 67                         | $\overline{\checkmark}$ |
| Budget Adequacy  |                                   |                        |                 |                 |                  |                 |                 |                 | ADB (                      | poor                    |
| Internal administrative expenses<br>per \$1 million of project approval<br>(\$'000)                | 2004–2006<br>average              | 43                     | 36              | 32              | 28 <sup>f</sup>  | 27              | 31              | 37              | Maintain                   |                         |
| Internal administrative expenses per project approved (\$ million in 2000 constant prices)         | 2004–2006<br>average <sup>f</sup> | 2.8                    | 2.5             | 2.4             | 2.3 <sup>g</sup> | 2.2             | 2.2             | 2.3             | Maintain                   |                         |
| Internal administrative expenses per<br>\$1 million disbursement (\$'000)                          | 2004–2006<br>average <sup>f</sup> | 62                     | 53              | 46              | 41 <sup>g</sup>  | 43 <sup>g</sup> | 50              | 60              | Maintain                   |                         |
| Internal administrative expenses per project under implementation (\$'000 in 2000 constant prices) | 2004–2006<br>average <sup>f</sup> | 427                    | 411             | 399             | 395 <sup>g</sup> | 395             | 397             | 394             | Maintain<br>or<br>increase |                         |

 ${\sf ADB} = {\sf Asian \ Development \ Bank}.$ 

Rating of key performance indicators (KPIs):

ADB 2012 target achieved

ADB 2012 target not achieved

### Rating of composite indicators:

- good: Two-thirds or more of KPIs that make up the composite indicator achieved the target.
- poor: Less than half of KPIs that make up the composite indicator achieved the target.

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

- <sup>a</sup> "Operations departments" refers to regional departments and the Private Sector Operations Department.
- b These figures represent annual percentages, rather than the 3-year rolling average.
- <sup>c</sup> This represents the proportion of international and national staff positions in resident missions of those assigned to regional departments. It includes staff posted in resident missions from regional departments.
- <sup>d</sup> This indicator follows the Third Gender Action Program targets.
- <sup>e</sup> The staff engagement survey is conducted every 2 years.
- f For indicators with a 3-year average as the baseline, the figures represent the 2005–2007 average for 2007, the 2006–2008 average for 2008.

Source: ADB Budget, Personnel and Management Systems Department.

Table A1.7: Business Processes and Practices

|   |  |                        |      | A    | <b>Asian Development Bank</b> | evelop | ment B         | ank  |                |        |                        |      | _   | Asian D | evelop | <b>Asian Development Fund</b> | nnd  |                |             |
|---|--|------------------------|------|------|-------------------------------|--------|----------------|------|----------------|--------|------------------------|------|-----|---------|--------|-------------------------------|------|----------------|-------------|
| Indicator   | Base- Base-<br>line line<br>Year Value | Base-<br>line<br>Value | 2007 | 2008 | 2008 2009                     | 2010   | 2010 2011 2012 | 2012 | 2012<br>Target | Signal | Base-<br>line<br>Value | 2007 |     | 2009    | 2010   | 2008 2009 2010 2011 2012      | 2012 | 2012<br>Target | Signal      |
| Business Processes and<br>Practices   |  |                        |      |      |                               |        |                |      | ADB            | poob   |                        |      |     |         |        |                               |      | ADF            | poob        |
| Average sovereign operations processing time (months from fact-finding to effectiveness) <sup>a</sup> | 2006                                   | 78                     | 27   | 72   | 19 <sup>b</sup>               | 9      | 22             | 21   | 16             |        | 28                     | 27   | 19  | 15      | 16     | 19                            | 20   | 16             |             |
| Proportion of sovereign operations administered by resident missions (%)                              | 2006                                   | 39                     | 39   | 88   | 37                            | 4      | 40             | 44   | 43             |        | 36                     | 38   | 39  | 37      | 4      | 41                            | 43   | 43             |             |
| Resident missions leading country programming (%)   | 2007                                   | 91                     | 91   | 32   | 92                            | 32     | 100            | 100  | 100            |        | 94                     | 94   | 100 | 94      | 100    | 100                           | 100  | 100            | <b>&gt;</b> |
| Resident missions leading country portfolio review (%)  | 2007                                   | 91                     | 91   | 91   | 92                            | 32     | 100            | 100  | 100            |        | 94                     | 94   | 100 | 100     | 100    | 100                           | 100  | 100            | <b>&gt;</b> |
| Resident missions leading country economic work (%)   | 2007                                   | 91                     | 91   | 100  | 92                            | 100    | 100            | 100  | 100            |        | 88                     | 88   | 100 | 94      | 100    | 100                           | 100  | 100            |             |

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

Rating of key performance indicators (KPIs):

ADB 2012 target achieved

ADB 2012 target not achieved

### Rating of composite indicators:

good: Two-thirds or more of KPIs that make up the composite indicator achieved the target.

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

<sup>a</sup> Defined as the average time from loan or project preparatory technical assistance fact-finding to effectiveness or the date on which the loan, grant, or guarantee agreement comes into force. The agreement becomes effective after its signing by all parties, upon the borrower's compliance with the effectiveness conditions. Excludes multitranche financing facility tranches not processed together with the facility. Supplementary loan approvals are computed from loan fact-finding to effectiveness.

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

Sources: ADB, Operations Services and Financial Management, regional departments, and Strategy and Policy Department.

### **Appendix 2**

### **List of ADB Developing Member Countries**

(As Used in the 2012 Development Effectiveness Review)

**Table A2.1: ADB Countries** 

| Afghanistana                | India                         | Federated States of           | Solomon Islands <sup>a</sup> |
|-----------------------------|-------------------------------|-------------------------------|------------------------------|
| Armeniaª                    | Indonesiaª                    | Micronesia <sup>a</sup>       | Sri Lanka <sup>a</sup>       |
| Azerbaijana                 | Kazakhstan                    | Mongolia <sup>a</sup>         | Tajikistan <sup>a</sup>      |
| Bangladesha                 | Kiribatia                     | Myanmar                       | Thailand                     |
| Bhutana                     | Kyrgyz Republic <sup>a</sup>  | Nauru                         | Timor-Leste <sup>a</sup>     |
| Cambodia <sup>a</sup>       | Lao People's Democratic       | Nepala                        | Tonga <sup>a</sup>           |
| China, People's Republic of | Republica                     | Pakistan <sup>a</sup>         | Turkmenistan                 |
| Cook Islands <sup>a</sup>   | Malaysia                      | Palau                         | Tuvalu <sup>a</sup>          |
| Fiji                        | Maldives <sup>a</sup>         | Papua New Guinea <sup>a</sup> | Uzbekistan <sup>a</sup>      |
| Georgia <sup>a</sup>        | Marshall Islands <sup>a</sup> | Philippines                   | Vanuatua                     |
| -                           |                               | Samoa <sup>a</sup>            | Viet Nam <sup>a</sup>        |

ADB = Asian Development Bank.

**Table A2.2: Classification of ADB Countries** 

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

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

Note: To compare over time, the classification of countries during the eighth replenishment of the ADF (2005–2008 period) is applied. Assessments of countries classified as fragile and conflict-affected situations cover 11 countries considered in this category in 2004–2006 (baseline period for many results framework key performance indicators).

Source: ADB Strategy and Policy Department.

<sup>&</sup>lt;sup>a</sup> Developing member countries with access to the Asian Development Fund during the eighth replenishment period (2005–2008). Source: ADB Strategy and Policy Department.

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

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

c India is officially classified as a blend country but has not had access to the ADF since 1986.

<sup>&</sup>lt;sup>d</sup> No access to the the ADF during 2005–2008.

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

### **Appendix 3**

### **Changes to Data**

This appendix explains the changes made to the data reported in the 2011 Development Effectiveness Review (DEfR). Tables in this appendix include only those indicators for which data have been revised, with the revised data presented (in bold) below the original data.

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

The data in Tables A3.1 and A3.2 have been revised to include new country data on poverty and human development, and other development outcome indicators made available in 2010–2011.

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

|  |                  | velopment<br>ountries |                  | velopment<br>ountries |                  | elopment<br>Countries |
|--|------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|
| Indicator  | Baseline<br>2005 | Target<br>2015        | Baseline<br>2005 | Target<br>2015        | Baseline<br>2005 | Target<br>2015        |
| Population living on less than \$1.25 (PPP) per day (%)          | 27.0<br>27.1     | 27.5<br>27.4          | 33.1<br>29.0     | 30.2<br>29.3          | 38.8<br>39.2     | 31.5<br>30.9          |
| Primary education completion rate, both sexes (%)                | 90.9<br>92.7     | 100.0                 | 79.1             | 100.0                 | 68.2<br>68.2     | 100.0<br>100.0        |
| Ratio of girls to boys in:                                       |                  |                       |                  |                       |                  |                       |
| Primary education  | 0.97<br>0.96     | 1.00                  | 0.91<br>0.87     | 1.00                  | 0.81<br>0.81     | 1.00                  |
| Secondary education  | 0.91             | 1.00                  | 0.91<br>0.92     | 1.00                  | 0.71<br>0.71     | 1.00                  |
| Tertiary education   | 0.82<br>0.82     | 1.00                  | 0.70<br>0.73     | 1.00                  | 0.48             | 1.00                  |
| Under-5 child mortality (per 1,000 live births)                  | 57<br>56         | 29                    | 68<br><b>63</b>  | 36<br>35              | 102<br>88        | 50<br>48              |
| Women in nonagricultural wage employment (%)                     | 1.31<br>0.45     | Reverse               | 0.14<br>0.22     | Reverse               | 0.071<br>0.13    | Reverse               |
| Population with sustainable access to improved water source (%): |                  |                       |                  |                       |                  |                       |
| Urban  | 95.4<br>95.6     | 96.7<br>96.2          | 90.8<br>91.5     | 95.3<br>94.9          | 81.9<br>82.0     | 83.9<br>83.4          |
| Rural  | 79.0<br>79.8     | 81.1<br>84.5          | 75.2<br>75.9     | 82.5<br>84.9          | 58.6<br>58.7     | 71.6<br>72.1          |

<sup>&</sup>lt;sup>1</sup> ADB. 2011. Development Effectiveness Review 2010. Manila.

### Development Effectiveness Review 2012

Table A3.1 continued

|  |          | velopment<br>ountries |          | velopment<br>ountries |          | velopment<br>Countries |
|--|----------|-----------------------|----------|-----------------------|----------|------------------------|
| Indicator  | Baseline | Target                | Baseline | Target                | Baseline | Target                 |
|  | 2005     | 2015                  | 2005     | 2015                  | 2005     | 2015                   |
| Population with sustainable access to improved sanitation (%): |          |                       |          |                       |          |                        |
| Urban  | 61.9     | 77.6                  | 70.0     | 82.7                  | 65.1     | 78.9                   |
|  | 67.0     | 77.9                  | 71.1     | 82.3                  | 64.0     | 78.8                   |
| Rural  | 38.5     | 63.3                  | 42.2     | 62.8                  | 33.1     | 61.4                   |
|  | 37.5     | 58.8                  | 43.0     | 63.1                  | 32.4     | 61.2                   |

PPP = purchasing power parity.

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

Sources: Regional aggregates are prepared by Strategy and Policy Department using country data from the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division as part of the partnership between ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals. Estimates are weighted averages of actual country values or imputed country values wherever data are missing for the year required; population data used as weights are from the United Nations Population Division, World Population Prospects: The 2010 Revision; HIV data are from the Joint United Nations Programme on HIV/AIDS (UNAIDS). 2011. Report on the Global Aids Epidemic 2011. Geneva.

Table A3.2: Growth, Infrastructure, Finance, Governance, and Environment in Asia and the Pacific (Level 1)

(Revised Baseline)

|   |                      | Baseline Value       | es                   |
|---|----------------------|----------------------|----------------------|
| Indicator   | ADB                  | ADF                  | ADF-Only             |
| Growth  |                      |                      |                      |
| Gross domestic product per capita (at constant 2000 prices, \$)   | 1,132<br>1,120       | 698                  | 369<br>364           |
| Access to Basic Infrastructure  |                      |                      |                      |
| Telecommunications: fixed lines and mobile telephone subscribers (per 1,000 people) Roads: paved roads for every 10,000 people (kilometers) | 408<br>390<br>12     | 283<br>255<br>8<br>9 | 155<br>136<br>4      |
| Governance  |                      |                      |                      |
| Cost to start business (% of gross national income per capita)  Time to start business (days)   | 46<br>42<br>50<br>44 | 53<br>48<br>52<br>47 | 65<br>59<br>55<br>54 |
| Environment   |                      | _                    | _                    |
| Carbon dioxide emissions (tons per capita)  | 2.6<br>2.5           | 1.1                  | 0.3                  |

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

Source: ADB Strategy and Policy Department.

### ► Level 2: Core Outputs and Outcomes

The programmed outputs for 2009–2012 for the indicator "railways constructed and/or upgraded (km)" were updated to remove double counting in Loan No. 2288, and Loan No. 2602/Grant 0187 titled the Rehabilitation of the Railway in Cambodia Project. Loan No. 2602 and Grant 0187 were supplementary to Loan No. 2288 and the same target was repeated in those documents (Table A3.3).

Effectiveness rates of components in core sectors in 2008–2012 were updated to include ratings from project performance evaluation reports (PPERs), and project completion report (PCR) and extended annual review report (XARR) validation reports (PVRs) prepared during 2008–2012 (Table A3.4). Where available,

PPER effectiveness ratings are taken as the final ratings. Otherwise, PCR or XARR effectiveness ratings are used. The updated effectiveness ratings for 2008–2010 are almost final as the validation exercise of the Independent Evaluation Department (IED) through PPERs and PVRs for this period is substantially complete. (Only 8 PVRs for 2 PCRs issued in 2009 and 6 PCRs issued in 2010 remain to be completed in 2013.) The effectiveness rate in 2011 for which the validation exercise is incomplete, has been adjusted and includes available PPER and PVR ratings and projected IED validation results. (The same process was used to calculate adjusted effectiveness rates for 2012.) Projected validation results were calculated for the share of PCRs expected to be validated (75%), using the average historical downgrading or upgrading of PCR rates and taking into account already completed validations and evaluations.

Table A3.3: Programmed Outputs for 2009–2012 (Level 2) (Revised Target)

| Sectors and Core Sector Outputs           | ADB   | ADF   |
|---|-------|-------|
| Railways constructed and/or upgraded (km) | 3,400 | 1,488 |
|   | 2,800 | 900   |

ADB= Asian Development Bank, ADF= Asian Development Fund, km= kilometer. Sources: ADB operations departments, and Strategy and Policy Department.

Table A3.4: Effectiveness in Achieving Outcomes of Core Sector Components, 2009–2011 (%) (Revised Data)

|   | ,                      | (INCVISCA DO | ,             |            |               |       |
|---|------------------------|--------------|---------------|------------|---------------|-------|
|   |                        | ADB          |               |            | ADF           |       |
| Sectors                                 | 2009-2011 <sup>a</sup> | 2010⁵        | <b>2011</b> ° | 2009-2011a | <b>2010</b> ⁵ | 2011⁰ |
| Energy                                  | 71                     | 67           | 75            | 67         | 75            | 67    |
|   | 59                     | 56           | 71            | 46         | <b>50</b>     | 65    |
| Transport and communication             | 80                     | 68           | 85            | 79         | 69            | 80    |
|   | 70                     | 63           | 79            | 67         | 63            | 73    |
| Water, sanitation, and waste management | 61                     | 52           | 53            | 57         | 53            | 46    |
|   | 52                     | 48           | 48            | 47         | 47            | 43    |
| Finance sector development              | 71                     | 61           | 78            | 71         | 55            | 75    |
|   | 58                     | 44           | <b>68</b>     | 61         | 45            | 70    |

<sup>&</sup>lt;sup>2</sup> In nonsovereign components reviewed, the overall ratings provided in the XARRs are used as proxy ratings for effectiveness in the achievement of outcomes.

### Development Effectiveness Review 2012

Table A3.4 continued

|           |                        | ADB   |               |            | ADF           |                          |
|-----------|------------------------|-------|---------------|------------|---------------|--------------------------|
| Sectors   | 2009-2011 <sup>a</sup> | 2010⁵ | <b>2011</b> ° | 2009-2011a | <b>2010</b> ⁵ | <b>2011</b> <sup>℃</sup> |
| Education | 58                     | 57    | 44            | 48         | 40            | 38                       |
|           | 45                     | 29    | 41            | 37         | 20            | 34                       |
| Total     | 70                     | 61    | 71            | 66         | 59            | 63                       |
|           | <b>58</b>              | 50    | 65            | 54         | 49            | 59                       |

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

Notes: A "sector component" refers to an operation in one sector or a component of an operation with components in more than one sector. An operation may have one or more sector components, especially in the case of multisector or agriculture and natural resources projects. The outcome of each sector component is counted separately.

- <sup>a</sup> Effectiveness rates in 2009 and 2010 were based on project completion reports/extended annual review reports, project validation reports, and project performance evaluation reports issued in 2009–2012. Effectiveness rate in 2011 used ratings of project completion reports/extended annual review reports and actual project validation reports issued in 2011–2012, and projected validation reports.
- b The effectiveness rates were based on project completion reports/extended annual review reports, project validation reports, and project performance evaluation reports issued in 2010–2012.
- The effectiveness rates used ratings of project completion reports/extended annual review reports issued in 2011, actual project validation reports issued in 2011–2012, and projected validation reports.

Source: ADB PCRs/XARRs, PVRs, and PPERs issued in 2009–2012; and Strategy and Policy Department.

### Level 3: Operational Effectiveness

Success rates for completed sovereign and nonsovereign operations were updated to include ratings from PPERs and PVRs prepared by IED in 2012 (Tables A3.5 and A3.6). Ratings assigned by these PPERs and PVRs changed the original ratings based on PCRs or XARRs. Where available, PPER ratings are taken as the final rating. If no PPER was prepared, an available PVR rating is used. Otherwise, the PCR or XARR ratings are used. The updated success rates for 2004–2010 are almost final as the validation exercise of IED through PPERs and PVRs for this period is substantially complete. (Only 8 PVRs for 2 PCRs issued in 2009 and 6 PCRs issued in 2010 remain to be completed in 2013.)

The success rate in 2011 could still change as the validation exercise is incomplete (13 of 76 PCRs issued in 2011 have been validated). Therefore, the success rate in 2011 for sovereign operations was adjusted and is based on available PPER and PVR ratings and projected IED validation results. (The same process was used to calculate adjusted success rates for 2012.) Projected validation results were calculated for the share of PCRs expected to be validated (75%), using the average historical rates of downgrading or upgrading of PCR ratings and taking into account already completed validations and evaluations. For nonsovereign operations, the success rate for 2011 does not include projected validation results given the small number of XARR validations undertaken by IED.

Table A3.5: Quality of Completed Operations (Level 3)
(Revised Data)

|   |                      | (        | ,    |          |          |          |          |                |
|---|----------------------|----------|------|----------|----------|----------|----------|----------------|
|   |                      |          |      | Asian De | evelopme | nt Bank  |          |                |
| Indicator   | Baseline<br>Year     | Baseline | 2007 | 2008     | 2009     | 2010     | 2011     | 2012<br>Target |
| Completed sovereign operations rated successful (%) | 2004–2006<br>average | 71       | 69   | 66<br>64 | 60<br>55 | 63<br>57 | 68<br>61 | 80             |

Source: Asian Development Bank Strategy and Policy Department.

Following an adjustment to the scoring rule to bring the nonsovereign operation assessment methodology in line with that used for sovereign projects (and also consistent with IED practice), the QAE score for nonsovereign operations for 2010 was adjusted to 71% (Table A3.7).

### ► Level 4: Organizational Effectiveness

The internal administrative expenses per project approved has been revised to exclude canceled projects and programs in 2008–2010 (Table A3.8).

Table A3.6: Quality of Completed Asian Development Fund Operations (Level 3) (Revised Data)

|                                |           |          |      | Asian De | evelopme | nt Fund |      |        |
|--------------------------------|-----------|----------|------|----------|----------|---------|------|--------|
| Indicator                      | Baseline  | Donalina | 0007 | 0000     | 0000     | 0010    | 0011 | 2012   |
| Indicator                      | Year      | Baseline | 2007 | 2008     | 2009     | 2010    | 2011 | Target |
| Completed sovereign operations | 2004-2006 | 76       | 78   | 68       | 61       | 62      | 67   | 80     |
| rated successful (%)           | average   |          |      | 64       | 55       | 54      | 57   |        |

Source: Asian Development Bank Strategy and Policy Department.

Table A3.7: Quality at Entry (Level 3)
(Revised Data)

|  |                  |          |      | Asian De | velopme  | nt Fund  |      |                |
|--|------------------|----------|------|----------|----------|----------|------|----------------|
| Indicator  | Baseline<br>Year | Baseline | 2007 | 2008     | 2009     | 2010     | 2011 | 2012<br>Target |
| Quality at entry of nonsovereign projects rated satisfactory (%) | 2008             | 50       | 50   |          | 57<br>71 | 71<br>85 |      | 80             |

Source: Asian Development Bank Strategy and Policy Department.

Table A3.8: Budget Adequacy (Level 4)
(Revised Data)

|   |                      | (        |      |          |         |          |      |                |
|---|----------------------|----------|------|----------|---------|----------|------|----------------|
|   |                      |          |      | Asian De | velopme | nt Bank  |      |                |
| Indicator   | Baseline<br>Year     | Baseline | 2007 | 2008     | 2009    | 2010     | 2011 | 2012<br>Target |
| Internal administrative expenses<br>per \$1 million of project approval<br>(\$'000) | 2004–2006<br>average | 43       | 36   | 32       | 28      | 27<br>29 | 31   | Maintain       |

Sources: Asian Development Bank Budget, Personnel and Management Systems Department; and Strategy and Policy Department.

## Appendix 4

# Asia and Pacific Development Outcomes

Table A4.1: Millennium Development Goals in ADB Countries

|   | Earliest |      |        |        |      | 2015 Cutoff       | 2015       |                | Target   |
|---|----------|------|--------|--------|------|-------------------|------------|----------------|----------|
| Indicators  | Data     | Year | 2002   | Latest | Year | Value             | Projection | Progress       | Achieved |
| Population living on less than \$1.25 (PPP) a day (%)                   | 56.18    | 1990 | 27.07  | 20.51  | 2010 | 28.09             | 16.47      | Early achiever | Yes      |
| Children under 5 moderately or severely underweight (%)                 | 33.44    | 1990 | 26.38  | 24.80  | 2008 | 16.72             | 21.33      | Slow           | No       |
| Total net enrollment ratio in primary education, both sexes             | 73.73    | 1991 | 93.07  | 95.43  | 2010 | 95.00             | 96.47      | Early achiever | Yes      |
| Pupils starting grade 1 who reach last grade of primary, both sexes (%) | 76.56    | 1999 | 76.48  | 77.49  | 2010 | 95.00             | 78.99      | Slow           | No       |
| Primary education completion rate, both sexes (%)                       | 70.42    | 1991 | 92.67  | 96.71  | 2010 | 95.00             | 97.55      | Early achiever | Yes      |
| Gender parity index in primary level enrollment                         | 0.84     | 1991 | 96.0   | 1.00   | 2010 | 0.95              | 1.07       | Early achiever | Yes      |
| Gender parity index in secondary level enrollment                       | 0.70     | 1991 | 0.91   | 0.97   | 2010 | 0.95              | 1.09       | Early achiever | Yes      |
| Gender parity index in tertiary level enrollment                        | 09'0     | 1991 | 0.82   | 0.92   | 2010 | 0.95              | 1.03       | Early achiever | Yes      |
| Women in wage employment in the nonagricultural sector (%)              | 27.60    | 1990 | 30.03  | 31.26  | 2010 | Increase          | 32.55      | On track       | Yes      |
| Children under 5 mortality rate per 1,000 live births                   | 87.53    | 1990 | 25.67  | 44.52  | 2011 | 29.18             | 39.66      | Slow           | 9        |
| Infant mortality rate (0-1 year) per 1,000 live births                  | 63.74    | 1990 | 42.82  | 35.06  | 2011 | 21.25             | 31.80      | Slow           | No       |
| Maternal mortality ratio per 100,000 live births                        | 412.08   | 1990 | 210.90 | 158.22 | 2010 | 103.02            | 127.59     | Slow           | No       |
| Adults (15+) living with HIV (number, million)                          | 0.38     | 1990 | 1.42   | 2.51   | 2011 | Reverse the trend | ÷          |                |          |
|   |          |      |        |        |      |                   |            |                |          |

Table A4.1 continued

|  | Earliest  |      |           |        |      | 2015 Cutoff       | 2015       |                | Target   |
|--|-----------|------|-----------|--------|------|-------------------|------------|----------------|----------|
| Indicators   | Data      | Year | 2002      | Latest | Year | Value             | Projection | Progress       | Achieved |
| Women (15+) living with HIV (number, million)              | 90.0      | 1990 | 0.45      | 0.79   | 2011 | Reverse the trend | ŧ          |                |          |
| Tuberculosis prevalence rate per 100,000 population        | 366.63    | 1990 | 281.63    | 224.94 | 2010 | Reverse the trend | 156.24     | Early achiever | Yes      |
| Tuberculosis death rate per 100,000 population             | 34.11     | 1990 | 25.04     | 19.30  | 2010 | Reverse the trend | 14.04      | Early achiever | Yes      |
| Land area covered by forest (%)                            | 22.17     | 1990 | 22.40     | 22.80  | 2011 | Reverse the trend | 23.34      | Early achiever | Yes      |
| Protected area to total surface area (%)                   | 7.52      | 1990 | 10.12     | 11.24  | 2011 | Reverse the trend | 12.19      | Early achiever | Yes      |
| Consumption of ozone-depleting CFCs (ODP metric tons)      | 65,424.49 | 1990 | 21,909.12 | 359.60 | 2009 | Reverse the trend | 0.00       | Early achiever | Yes      |
| CO2 emissions (metric tons per capita)                     | 1.33      | 1990 | 2.54      | 3.19   | 2009 | Ē                 | 3.13       |                |          |
| Population using improved drinking water source, urban (%) | 92.46     | 1990 | 95.62     | 96.41  | 2010 | 96.23             | 22.96      | Early achiever | Yes      |
| Population using improved drinking water source, rural (%) | 68.93     | 1990 | 79.84     | 85.89  | 2010 | 84.46             | 88.00      | Early achiever | Yes      |
| Population using improved sanitation facilities, urban (%) | 55.71     | 1990 | 67.04     | 70.86  | 2010 | 77.86             | 73.80      | Slow           | No       |
| Population using improved sanitation facilities, rural (%) | 17.60     | 1990 | 37.46     | 43.26  | 2010 | 58.80             | 52.05      | Slow           | No       |

... = not available, ADB = Asian Development Bank, CFC = chlorofluorocarbon, CO2 = carbon dioxide, ODP = ozone depleting potential, PPP = purchasing power parity. Notes: Cutoff value is the absolute value that determines whether a country has achieved the Millennium Development Goals.

regional partnership between ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals. Estimates use a weighted average of actual country values, or imputed country values wherever data are missing for the year required. Population data are obtained from the United Nations. World Population Prospects: The 2010 Revision (accessed 4 October 2011); HIV indicator data are from the Joint United Nations Programme on HIV/AIDS. 2011. Global Report: UNAIDS Report on the Global AIDS Epidemic 2011. Geneva; and ADB Sources: Regional aggregates are jointly prepared by staff from ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division as part of the Strategy and Policy Department.

Table A4.2: Millennium Development Goals in Asian Development Fund Countries

| Indicators  | Earliest<br>Data | Year | 2005<br>Data | Latest<br>Data | Year | 2015<br>Cutoff<br>Value | 2015<br>Projection | Progress       | <b>Target</b><br>Achieved |
|---|------------------|------|--------------|----------------|------|-------------------------|--------------------|----------------|---------------------------|
| Population living on less than \$1.25 (PPP) a day (%)                   | 61.14            | 1991 | 28.47        | 21.93          | 2010 | 30.69                   | 16.09              | Early achiever | Yes                       |
| Children under 5 moderately or severely underweight (%)                 | 40.45            | 1991 | 27.78        | 24.73          | 2008 | 20.42                   | 19.55              | On track       | Yes                       |
| Total net enrollment ratio in primary education, both sexes             | 73.67            | 1991 | 84.62        | 90.51          | 2010 | 95.00                   | 92.65              | Slow           | No                        |
| Pupils starting grade 1 who reach last grade of primary, both sexes (%) | 78.66            | 1999 | 76.71        | 75.23          | 2010 | 95.00                   | 76.30              | Slow           | No                        |
| Primary education completion rate, both sexes (%)                       | 74.59            | 1991 | 80.42        | 83.16          | 2010 | 95.00                   | 84.13              | Slow           | No                        |
| Gender parity index in primary level enrollment                         | 0.82             | 1991 | 0.87         | 0.93           | 2010 | 0.95                    | 0.98               | Early achiever | Yes                       |
| Gender parity index in secondary level enrollment                       | 0.77             | 1991 | 0.92         | 0.95           | 2010 | 0.95                    | 1.04               | Early achiever | Yes                       |
| Gender parity index in tertiary level enrollment                        | 0.65             | 1991 | 0.73         | 08'0           | 2010 | 0.95                    | 0.87               | Slow           | No                        |
| Women in wage employment in the nonagricultural sector (%)              | 26.29            | 1990 | 26.70        | 26.89          | 2010 | Increase                | 27.49              | On track       | Yes                       |
| Children under 5 mortality rate per 1,000 live births                   | 105.92           | 1990 | 62.87        | 51.11          | 2011 | 35.31                   | 44.81              | Slow           | No                        |
| Infant mortality rate (0–1 year) per 1,000 live births                  | 76.12            | 1990 | 48.78        | 40.74          | 2011 | 25.37                   | 36.53              | Slow           | No                        |
| Maternal mortality ratio per 100,000 live births                        | 571.75           | 1990 | 290.88       | 223.55         | 2010 | 142.94                  | 182.00             | Slow           | No                        |
| Adults (15+) living with HIV (number, million)                          | 0.07             | 1990 | 62'0         | 1.14           | 2011 | Reverse<br>the trend    | :                  |                |                           |
| Women (15+) living with HIV (number, million)                           | 0.05             | 1990 | 0.22         | 0.34           | 2011 | Reverse<br>the trend    | :                  |                |                           |
| Tuberculosis prevalence rate per 100,000 population                     | 448.35           | 1990 | 362.37       | 329.88         | 2010 | Reverse<br>the trend    | 252.16             | Early achiever | Yes                       |
| Tuberculosis death rate per 100,000 population                          | 53.00            | 1990 | 37.59        | 31.89          | 2010 | Reverse<br>the trend    | 20.63              | Early achiever | Yes                       |
| Land area covered by forest (%)   | 31.32            | 1990 | 27.76        | 27.14          | 2011 | Reverse<br>the trend    | 27.29              | Regressing     | No                        |

Table A4.2 continued

| Indicators   | Earliest<br>Data | Year | 2005<br>Data | Latest<br>Data | Year | 2015<br>Cutoff<br>Value | 2015<br>Projection | Progress       | Target<br>Achieved |
|--|------------------|------|--------------|----------------|------|-------------------------|--------------------|----------------|--------------------|
| Protected area to total surface area (%)                   | 3.97             | 1990 | 8.01         | 10.23          | 2011 | Reverse<br>the trend    | 12.02              | Early achiever | Yes                |
| Consumption of ozone-depleting CFCs (ODP metric tons)      | 9,175.24         | 1990 | 3,852.22     | 190.90         | 2009 | Reverse<br>the trend    | 0.00               | Early achiever | Yes                |
| CO2 emissions (metric tons per capita)                     | 0.51             | 1990 | 1.06         | 1.28           | 2009 | ŧ                       | 1.27               |                |                    |
| Population using improved drinking water source, urban (%) | 89.79            | 1990 | 91.46        | 92.44          | 2010 | 94.90                   | 92.77              | Slow           | No                 |
| Population using improved drinking water source, rural (%) | 69.81            | 1990 | 75.92        | 79.48          | 2010 | 84.90                   | 81.97              | Slow           | N <sub>o</sub>     |
| Population using improved sanitation facilities, urban (%) | 64.64            | 1990 | 71.08        | 73.60          | 2010 | 82.32                   | 75.01              | Slow           | No                 |
| Population using improved sanitation facilities, rural (%) | 26.17            | 1990 | 43.03        | 48.45          | 2010 | 63.09                   | 55.63              | Slow           | No                 |

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

lotes:

1. Asian Development Fund (ADF) countries refer to a subset of Asian Development Bank (ADB) countries that had access to the ADF during its eighth replenishment period (2005–2008). This includes blend countries, which have access to both ADF and ordinary capital resources (Appendix 2).

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

regional partnership between ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals. Estimates use a weighted average of actual country values, Sources: Regional aggregates are jointly prepared by staff from ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division as part of the or imputed country values wherever data are missing for the year required). Population data are obtained from the United Nations. World Population Prospects: The 2010 Revision (accessed 4 October 2011); HIV indicator data are from the Joint United Nations Programme on HIV/AIDS. 2011. Global Report: UNAIDS Report on the Global AIDS Epidemic 2011. Geneva; and ADB Strategy and Policy Department.

continued on next page

Table A4.3: Millennium Development Goals in Asian Development Fund-Only Countries

| Indicators  | Earliest<br>Data | Vear | 2005<br>Data | Latest<br>Nata | Vear | 2015<br>Cutoff<br>Value | 2015<br>Projection | Progress       | Target<br>Achieved |
|---|------------------|------|--------------|----------------|------|-------------------------|--------------------|----------------|--------------------|
| Population living on less than \$1.25 (PPP) a day (%)                   | 66.26            | 1992 | 34.83        | 22.28          | 2010 | 35.24                   | 15.46              | Early achiever | Yes                |
| Children under 5 moderately or severely underweight (%)                 | 42.01            | 1992 | 30.97        | 28.11          | 2008 | 21.78                   | 22.03              | Slow           | No                 |
| Total net enrollment ratio in primary education, both sexes             | 55.80            | 1991 | 89.21        | 95.22          | 2010 | 95.00                   | 97.67              | Early achiever | Yes                |
| Pupils starting grade 1 who reach last grade of primary, both sexes (%) | 67.79            | 1999 | 70.81        | 75.11          | 2010 | 95.00                   | 79.11              | Slow           | No                 |
| Primary education completion rate, both sexes (%)                       | 51.14            | 1991 | 67.22        | 67.47          | 2010 | 95.00                   | 68.10              | Slow           | No                 |
| Gender parity index in primary level enrollment                         | 0.72             | 1991 | 0.81         | 0.88           | 2010 | 0.95                    | 1.02               | On track       | Yes                |
| Gender parity index in secondary level enrollment                       | 0.58             | 1991 | 0.71         | 0.84           | 2010 | 0.95                    | 0.95               | On track       | Yes                |
| Gender parity index in tertiary level enrollment                        | 0.53             | 1991 | 0.48         | 0.50           | 2010 | 0.95                    | 0.53               | Slow           | No                 |
| Women in wage employment in the nonagricultural sector (%)              | 28.23            | 1990 | 28.76        | 26.71          | 2010 | Increase                | 27.17              | Regressing     | No                 |
| Children under 5 mortality rate per 1,000 live births                   | 142.92           | 1990 | 87.77        | 71.07          | 2011 | 47.64                   | 62.02              | Slow           | No                 |
| Infant mortality rate (0-1 year) per 1,000 live births                  | 100.24           | 1990 | 65.12        | 53.80          | 2011 | 33.41                   | 47.90              | Slow           | No                 |
| Maternal mortality ratio per 100,000 live births                        | 879.79           | 1990 | 458.87       | 311.84         | 2010 | 219.95                  | 260.73             | Slow           | No                 |
| Adults (15+) living with HIV (number, million)                          | 90.0             | 1990 | 0.39         | 0.35           | 2011 | Reverse<br>the trend    | :                  |                |                    |
| Women (15+) living with HIV (number, million)                           | 0.01             | 1990 | 0.13         | 0.13           | 2011 | Reverse<br>the trend    | :                  |                |                    |
| Tuberculosis prevalence rate per 100,000 population                     | 207.60           | 1990 | 355.68       | 341.91         | 2010 | Reverse<br>the trend    | 294.51             | Early achiever | Yes                |
| Tuberculosis death rate per 100,000 population                          | 57.42            | 1990 | 34.58        | 32.63          | 2010 | Reverse<br>the trend    | 25.28              | Early achiever | Yes                |
| Land area covered by forest (%)   | 17.85            | 1990 | 15.89        | 15.48          | 2011 | Reverse<br>the trend    | 15.50              | Regressing     | No                 |
| Protected area to total surface area (%)                                | 3.20             | 1990 | 10.80        | 15.31          | 2011 | Reverse<br>the trend    | 18.87              | Early achiever | Yes                |
|   |                  |      |              |                |      |                         |                    |                |                    |

Table A4.3 continued

| Indicators         Earliest         2005           Indicators         Data         Year         Data           Consumption of ozone-depleting CFCs (ODP metric tons)         374.78         1990         237.32           CO <sub>2</sub> emissions (metric tons per capita)         0.27         1990         0.30           Population using improved drinking water source, urban (%)         66.71         1990         82.04 | į               |                |      | 2015                 | ;                  |                |                    |
|---|-----------------|----------------|------|----------------------|--------------------|----------------|--------------------|
| ic tons) 374.78 1990<br>0.27 1990<br>66.71 1990   | 2005<br>ar Data | Latest<br>Data | Year | Cutoff<br>Value      | 2015<br>Projection | Progress       | Target<br>Achieved |
| 0.27 1990<br>66.71 1990   |                 | 31.70          | 2009 | Reverse<br>the trend | 60.34              | Early achiever | Yes                |
| 66.71 1990  |                 | 0.42           | 2009 | i                    | 0.39               |                |                    |
| Donulation using improved drinking water source   | 90 82.04        | 87.44          | 2010 | 83.35                | 91.31              | Early achiever | Yes                |
| 44.30 1990  |                 | 64.19          | 2010 | 72.15                | 75.72              | On track       | Yes                |
| Population using improved sanitation facilities, urban (%) 57.65 1990 64.0  | 90 64.04        | 62.79          | 2010 | 78.83                | 71.48              | Slow           | No                 |
| Population using improved sanitation facilities, rural (%) 22.46 1990 32.4  |                 | 36.21          | 2010 | 61.23                | 42.34              | Slow           | No                 |

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

Notes:

1. Asian Development Fund (ADF)-only countries refer to a subset of Asian Development Bank (ADB) countries that had access only to the ADF during its eighth replenishment period (Appendix 2).

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

regional partnership between ADB, UNESCAP, and the United Nations Development Programme on the Millennium Development Goals. Estimates use a weighted average of actual country values, Sources: Regional aggregates are jointly prepared by staff from ADB and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Statistics Division as part of the or imputed country values wherever data are missing for the year required). Population data are obtained from the United Nations. World Population Prospects: The 2010 Revision (accessed 4 October 2011); HIV indicator data are from the Joint United Nations Programme on HIV/AIDS. 2011. Global Report: UNAIDS Report on the Global AIDS Epidemic 2011. Geneva; and ADB Strategy and Policy Department.

# 96

# Appendix 5 ADB Sector Outputs

Table A5.1: ADB Core Sector Outputs

|  |                       |             | Outputs     | Outputs Delivered |             |             |
|--|-----------------------|-------------|-------------|-------------------|-------------|-------------|
| Sector and Core Sector Outputs   | Baseline<br>2004–2007 | 2005–2008   | 2006–2009   | 2007–2010         | 2008–2011   | 2009–2012   |
| Education  |                       |             |             |                   |             |             |
| Classrooms built or upgraded (no.)   | 115,100               | 51,000      | 40,600      | 49,200            | 42,200      | 265,300     |
| Teachers trained (no.)   | 564,100               | 598,200     | 332,400     | 318,600           | 384,400     | 897,800     |
| Students benefiting from school improvement programs or direct support (no.)           | 19,650,000            | 18,413,000  | 7,859,000   | 12,965,000        | 11,787,000  | 11,426,000  |
| Energy   |                       |             |             |                   |             |             |
| Installed energy generation capacity (MW equivalent)                                   | 4,200                 | 3,700       | 3,800       | 3,700             | 3,600       | 8,200       |
| Transmission lines installed or upgraded (km)  | 9,100                 | 17,300      | 14,100      | 18,900            | 19,700      | 11,200      |
| Distribution lines installed or upgraded (km)  | 17,200                | 26,000      | 25,700      | 79,800            | 89,000      | 73,200      |
| New households connected to electricity (no.)  | 751,900               | 2,334,000   | 2,317,000   | 3,768,000         | 3,916,000   | 2,347,000   |
| Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)                         | 22,517,000            | 8,842,000   | 4,138,000   | 4,102,000         | 2,234,000   | 8,334,000   |
| Finance  |                       |             |             |                   |             |             |
| Microfinance accounts opened or end borrowers reached (no.)                            | 1,182,000             | 2,193,000   | 3,609,000   | 3,651,000         | 4,488,000   | 3,772,000   |
| Small and medium-sized enterprises loan accounts opened or end borrowers reached (no.) | 5,900                 | 176,700     | 395,200     | 399,500           | 441,500     | 272,300     |
| Transport  |                       |             |             |                   |             |             |
| Expressways built or upgraded (km)   | 1,500                 | 1,400       | 1,400       | 1,200             | 1,300       | 006         |
| National highways and provincial, district, and rural roads built or upgraded (km)     | 26,700                | 39,100      | 42,100      | 43,900            | 70,700      | 006,300     |
| Railways constructed and/or upgraded (km)  | 2,400                 | 3,200       | 2,600       | 1,700             | 800         | 400         |
| Beneficiaries from road projects (no.)   | 409,547,000           | 422,042,000 | 429,973,000 | 395,328,000       | 448,590,000 | 367,566,000 |

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Table A5.1 continued

|  |                       |                       |            | Outputs Delivered  | livered    |            |            |
|--|-----------------------|-----------------------|------------|--------------------|------------|------------|------------|
| Sector and Core Sector Outputs   | 2                     | Baseline<br>2004–2007 | 2005–2008  | 2006–2009          | 2007–2010  | 2008–2011  | 2009–2012  |
| Water  |                       |                       |            |                    |            |            |            |
| Water supply pipes installed or upgraded: length of network (km)                       | m)                    | 19,300                | 21,300     | 17,100             | 14,000     | 18,700     | 19,000     |
| New households served with water supply (no.)  |                       | 2,104,000             | 1,302,000  | 1,814,000          | 2,473,000  | 4,064,000  | 6,239,500  |
| Wastewater treatment capacity added (m³/day)   |                       | 1,380,000             | 1,010,000  | 327,700            | 867,700    | 1,567,000  | 3,197,000  |
| New households served with sanitation (no.)  |                       | 1,501,000             | 1,200,000  | 279,400            | 229,000    | 984,600    | 1,476,000  |
| Land improved through irrigation services, drainage, and flood management (ha)         |                       | 1,556,000             | 1,169,000  | 1,231,000          | 13,137,000 | 20,629,000 | 22,081,000 |
|  |                       |                       | Out        | Outputs Programmed | peu        |            |            |
| Ba<br>Sector and Core Sector Outputs 200   | Baseline<br>2009–2012 | 2010–2013             | 2011–2014  | 2012–2015          | 2013–2016  | 2014–2017  | 2015–2018  |
| Education  |                       |                       |            |                    |            |            |            |
| Classrooms built or upgraded (no.)   | 76,100                | 43,400                | 25,200     | 15,700             | 13,300     | 78,500     | 80,100     |
| Teachers trained (no.)   | 1,518,000             | 927,400               | 481,600    | 449,200            | 211,200    | 148,200    | 009'089    |
| Students benefiting from school improvement programs 22 or direct support (no.)        | 22,515,000            | 8,190,000             | 2,900,000  | 2,688,000          | 2,596,000  | 31,971,000 | 36,580,000 |
| Energy   |                       |                       |            |                    |            |            |            |
| Installed energy generation capacity (MW equivalent)                                   | 13,200                | 13,000                | 18,100     | 26,000             | 20,100     | 23,500     | 22,200     |
| Transmission lines installed or upgraded (km)  | 6,500                 | 9,700                 | 10,900     | 12,100             | 16,100     | 14,300     | 13,800     |
| Distribution lines installed or upgraded (km)  | 149,700               | 219,800               | 217,600    | 237,000            | 100,100    | 144,100    | 146,800    |
| New households connected to electricity (no.)  | 417,500               | 2,170,000             | 2,868,000  | 2,938,000          | 5,215,000  | 6,201,000  | 6,087,000  |
| Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)                         | 11,747,000            | 12,101,000            | 26,174,000 | 29,485,000         | 34,304,000 | 49,073,000 | 41,810,000 |
| Finance  |                       |                       |            |                    |            |            |            |
| Microfinance accounts opened or end borrowers reached (no.)                            | 2,563,000             | 2,163,000             | 2,163,000  | 2,115,000          | 459,700    | 580,600    | 1,518,000  |
| Small and medium-sized enterprises loan accounts opened or end borrowers reached (no.) | 215,700               | 210,200               | 36,400     | 64,200             | 108,200    | 103,700    | 110,600    |

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Table A5.1 continued

|  |                       |             | Out         | Outputs Programmed | pel         |             |             |
|--|-----------------------|-------------|-------------|--------------------|-------------|-------------|-------------|
| Sector and Core Sector Outputs   | Baseline<br>2009–2012 | 2010–2013   | 2011–2014   | 2012–2015          | 2013–2016   | 2014–2017   | 2015–2018   |
| Transport  |                       |             |             |                    |             |             |             |
| Expressways built or upgraded (km)   | 1,300                 | 2,200       | 2,000       | 1,800              | 2,100       | 006         | 800         |
| National highways and provincial, district, and rural roads built or upgraded (km) | 49,100                | 39,600      | 45,000      | 75,000             | 72,600      | 77,100      | 20,900      |
| Railways constructed and/or upgraded (km)  | 2,800                 | 2,800       | 3,700       | 2,500              | 3,700       | 4,800       | 4,000       |
| Beneficiaries from road projects (no.)   | 210,897,000           | 205,431,000 | 262,481,000 | 257,141,000        | 255,626,000 | 300,721,000 | 258,954,400 |
| Water  |                       |             |             |                    |             |             |             |
| Water supply pipes installed or upgraded: length of network (km)                   | 15,400                | 8,400       | 6,700       | 12,200             | 13,100      | 15,800      | 16,900      |
| New households served with water supply (no.)                                      | 5,029,000             | 2,825,000   | 2,698,000   | 1,326,000          | 1,552,000   | 8,285,000   | 8,468,000   |
| Wastewater treatment capacity added (m³/day)                                       | 4,566,000             | 3,406,000   | 4,429,000   | 2,497,000          | 4,202,000   | 24,252,000  | 23,875,000  |
| New households served with sanitation (no.)  | 9,608,000             | 7,939,000   | 7,820,000   | 5,261,000          | 3,532,000   | 2,354,000   | 2,814,000   |
| Land improved through irrigation services, drainage, and flood management (ha)     | 2,676,000             | 2,306,000   | 2,533,000   | 2,519,000          | 1,202,000   | 4,985,000   | 6,022,000   |

ADB = Asian Develoment Bank, CO, = carbon dioxide, ha = hectare, km = kilometer, MW = megawatt, m³/day = cubic meter per day, no. = number, tCO, equiw/yr = tons of carbon dioxide equivalent per year

# Notes:

- 1. Column headers under "Outputs Delivered" refer to periods during which outputs were reported in project completion reports. Column headers 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.
  - cubic meters per day, not 540; (c) Loan 2014–PRC: Western Yunnan Roads Development Project double-counting for outputs of this project in 2010 and 2011; and (d) Loan 2045–KGZ: Emergency Rehabilitation Project water supply pipes installed/upgraded is 4.3 km (not 3 km as earlier reported). Figures for output programmed are based on original reports and Some figures in outputs delivered and outputs programmed have been updated. Substantial changes include: (a) Loan 1647–IND: Rajasthan Urban Infrastructure Development Project: was based in the number of people, not households; (b) Loan 1985–PRC: Hebei Province Wastewater Management Project – wastewater treatment capacity added should be 540,000 (i) new households served with water supply (from 7,000,000 to 1,284,404); and (ii) new households served with sanitation (from 3,500,000 to 642,202) as previous data reported recommendations of the President.

Sources: ADB project and program completion reports issued in 2004–2012 for delivered outputs, reports and recommendations of the President approved in 2003–2012 for programmed outputs, operations departments, and Strategy and Policy Department.

Table A5.2: Asian Development Fund Core Sector Outputs

|  |                       |             | Outputs     | Outputs Delivered |             |             |
|--|-----------------------|-------------|-------------|-------------------|-------------|-------------|
| Sector and Core Sector Outputs   | Baseline<br>2004–2007 | 2005–2008   | 2006–2009   | 2007–2010         | 2008–2011   | 2009–2012   |
| Education  |                       |             |             |                   |             |             |
| Classrooms built or upgraded (no.)   | 111,100               | 48,600      | 33,900      | 34,800            | 28,400      | 250,900     |
| Teachers trained (no.)   | 488,600               | 535,900     | 244,700     | 253,100           | 331,600     | 846,000     |
| Students benefiting from school improvement programs or direct support (no.)           | 17,477,000            | 17,457,000  | 5,607,000   | 5,832,000         | 4,715,000   | 4,188,000   |
| Energy   |                       |             |             |                   |             |             |
| Installed energy generation capacity (MW equivalent)                                   | 250                   | 23          | 19          | 19                | 25          | 230         |
| Transmission lines installed or upgraded (km)  | 2,200                 | 3,300       | 3,300       | 5,700             | 6,800       | 5,700       |
| Distribution lines installed or upgraded (km)  | 17,000                | 009'6       | 9,300       | 9,800             | 19,000      | 16,800      |
| New households connected to electricity (no.)  | 673,500               | 834,800     | 831,700     | 1,193,000         | 1,340,300   | 1,087,000   |
| Greenhouse gas emission reduction (tCO <sub>2</sub> -equiv/yr)                         | 4,309,000             | 2,000,000   | 2,000,000   | 2,000,000         | 0           | 0           |
| Finance  |                       |             |             |                   |             |             |
| Microfinance accounts opened or end borrowers reached (no.)                            | 1,182,000             | 2,151,000   | 1,833,000   | 1,875,000         | 2,593,000   | 1,427,000   |
| Small and medium-sized enterprises loan accounts opened or end borrowers reached (no.) | 5,800                 | 176,600     | 395,100     | 398,800           | 396,200     | 225,000     |
| Transport  |                       |             |             |                   |             |             |
| Expressways built or upgraded (km)   | 160                   | 160         | 170         | 170               | 14          | 27          |
| National highways and provincial, district, and rural roads built or upgraded (km)     | 18,400                | 24,800      | 27,700      | 29,400            | 42,400      | 36,200      |
| Railways constructed and/or upgraded (km)  | 510                   | 099         | 180         | 150               | 150         | 0           |
| Beneficiaries from road projects (no.)   | 140,348,000           | 133,757,000 | 154,345,000 | 123,611,000       | 137,024,000 | 127,517,000 |

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| Sector and Core Sector Outputs   |                       |           | Outputs Delivered         | Jellvereu |            |            |
|--|-----------------------|-----------|---------------------------|-----------|------------|------------|
|  | Baseline<br>2004–2007 | 2005–2008 | 2006–2009                 | 2007–2010 | 2008–2011  | 2009–2012  |
| Water  |                       |           |                           |           |            |            |
| Water supply pipes installed or upgraded: length of network (km)                             | 8,600                 | 7,400     | 2,000                     | 9,200     | 11,800     | 12,100     |
| New households served with water supply (no.)  | 415,800               | 310,200   | 579,400                   | 1,670,000 | 1,968,000  | 2,272,000  |
| Wastewater treatment capacity added (m³/day)   | 235,000               | 240,700   | 5,700                     | 5,700     | 183,100    | 756,400    |
| New households served with sanitation (no.)  | 94,800                | 76,500    | 161,400                   | 174,500   | 259,400    | 324,300    |
| Land improved through irrigation services, drainage, and flood management (ha)               | 1,278,000             | 923,400   | 1,002,000                 | 1,063,000 | 1,350,000  | 2,828,000  |
|  |                       | nO        | <b>Outputs Programmed</b> | ned       |            |            |
| Sector and Core Sector Outputs 2009–2012   | ne<br>012 2010–2013   | 2011–2014 | 2012–2015                 | 2013–2016 | 2014–2017  | 2015–2018  |
| Education  |                       |           |                           |           |            |            |
| Classrooms built or upgraded (no.)   | 71,400 39,300         | 25,200    | 15,300                    | 12,800    | 78,000     | 79,700     |
| Teachers trained (no.)   | 7,000 926,400         | 481,600   | 449,200                   | 211,200   | 148,200    | 680,200    |
| Students benefiting from school improvement programs 20,385,000 or direct support (no.)      | 5,000 6,061,000       | 2,900,000 | 2,670,000                 | 2,577,000 | 31,952,000 | 36,500,000 |
| Energy   |                       |           |                           |           |            |            |
| Installed energy generation capacity (MW equivalent)   | 8 340                 | 006       | 1,800                     | 2,200     | 2,300      | 2,100      |
|  | 950 1,800             | 1,800     | 1,900                     | 2,500     | 2,100      | 2,500      |
| Distribution lines installed or upgraded (km)  | 3,300 2,200           | 540       | 2,700                     | 4,600     | 5,300      | 7,900      |
| New households connected to electricity (no.)  | 122,500 325,500       | 384,400   | 454,000                   | 576,400   | 372,600    | 369,700    |
| nouse gas emission reduction ( $tCO_2$ -equiv/yr)  | 1,200 1,200           | 251,200   | 395,000                   | 1,191,000 | 2,705,000  | 4,724,000  |
| Finance  |                       |           |                           |           |            |            |
| Microfinance accounts opened or end borrowers 433,0 reached (no.)                            | 433,000 33,000        | 33,000    | 40,100                    | 324,600   | 445,500    | 1,383,000  |
| Small and medium-sized enterprises loan accounts 203,8 opened or end borrowers reached (no.) | 203,800 203,800       | 29,800    | 27,600                    | 55,800    | 55,800     | 57,700     |

Table A5.2 continued

Table A5.2 continued

|  |                       |            | Out        | <b>Outputs Programmed</b> | peu        |            |            |
|--|-----------------------|------------|------------|---------------------------|------------|------------|------------|
| Sector and Core Sector Outputs   | Baseline<br>2009–2012 | 2010–2013  | 2011–2014  | 2012–2015                 | 2013–2016  | 2014–2017  | 2015–2018  |
| Transport  |                       |            |            |                           |            |            |            |
| Expressways built or upgraded (km)   | 0                     | 0          | 0          | 0                         | 0          | 0          | 220        |
| National highways and provincial, district, and rural roads built or upgraded (km) | 18,300                | 20,500     | 23,700     | 21,400                    | 15,700     | 16,600     | 12,280     |
| Railways constructed and/or upgraded (km)  | 890                   | 890        | 890        | 096                       | 75         | 110        | 340        |
| Beneficiaries from road projects (no.)   | 84,682,000            | 73,495,000 | 82,285,000 | 73,772,000                | 60,733,000 | 91,424,000 | 90,558,000 |
| Water  |                       |            |            |                           |            |            |            |
| Water supply pipes installed or upgraded: length of network (km)                   | 11,200                | 5,200      | 6,400      | 6,300                     | 8,800      | 6,800      | 10,100     |
| New households served with water supply (no.)                                      | 1,301,000             | 665,200    | 770,100    | 569,600                   | 553,600    | 1,739,500  | 1,766,000  |
| Wastewater treatment capacity added (m³/day)                                       | 572,600               | 253,000    | 278,000    | 86,800                    | 376,800    | 482,000    | 510,800    |
| New households served with sanitation (no.)  | 2,247,000             | 574,200    | 575,900    | 292,700                   | 363,600    | 704,900    | 1,016,000  |
| Land improved through irrigation services, drainage,                               | 002,299               | 531,100    | 473,200    | 688,700                   | 626,300    | 4,409,900  | 4,494,000  |
| and flood management (ha)  |                       |            |            |                           |            |            |            |

 $CO_2 = carbon \ dioxide$ , ha = hectare, km = kilometer, MW = megawatt, m3/day = cubic meter per day, no. = number, t $CO_2$ -equiv/yr = tons of carbon dioxide equivalent per year. Notes:

1. Column headers under "Outputs Delivered" refer to periods during which outputs were reported in project completion reports. Column headers under "Outputs Programmed" refer to the periods during which outputs programmed are expected to be delivered.

Some figures in outputs delivered and outputs programmed have been updated.

Sources: ADB project and program completion reports issues in 2004–2012 for delivered outputs, reports and recommendations of the President approved in 2003–2012 for programmed outputs, operations departments, and Strategy and Policy Department.

# **Outcomes of Operations Completed in 2012**

Table A6.1: Effectiveness in Achieving Outcomes of Core Sector Components, 2010–2012

|   |        |                       |        |                        |              |           |        |           |        |           |          | -                      |        |           |        |           |
|---|--------|-----------------------|--------|------------------------|--------------|-----------|--------|-----------|--------|-----------|----------|------------------------|--------|-----------|--------|-----------|
|   |        |                       | ¥      | Asian Development Bank | pment        | Sank      |        |           |        |           | Ä        | Asian Development Fund | pment  | Fund      |        |           |
|   | 2      | 2010a                 | 2      | 011 <sup>b</sup>       | 2            | 2012⁵     | 2010   | 2010-2012 | 2      | 2010ª     | 2        | 2011♭                  | 2      | 2012♭     | 201    | 2010-2012 |
| S. C. | Total  | Total Effective Total | Total  | Effective              | <b>Total</b> | Effective | Total  | Effective | Total  | Effective | Total    | Effective              | Total  | Effective | Total  | Effective |
| Sectors                                   | (INO.) | (%)                   | (INO.) | (%)                    | (NO.)        | (%)       | (INO.) | (%)       | (INO.) | (%)       | (INO.)   | (%)                    | (INO.) | (%)       | (INO.) | (%)       |
| Energy                                    | ത      | 26                    | 15     | 71                     | 12           | 82        | 36     | 71        | 4      | 20        | 9        | 65                     | 4      | 88        | 14     | 29        |
| Transport and communication               | 19     | 63                    | 27     | 43                     | 24           | 82        | 20     | 77        | 16     | 63        | 15       | 73                     | Ξ      | 62        | 45     | 71        |
| Water, sanitation, and waste management   | 23     | 48                    | 19     | 48                     | 18           | 78        | 09     | 22        | 15     | 47        | 13       | 43                     | 13     | 81        | 4      | 56        |
| Finance sector<br>development             | 18     | 44                    | 27     | 89                     | 19           | 36        | 64     | 52        | Ξ      | 45        | 12       | 20                     | 10     | 42        | 33     | 53        |
| Education                                 | 7      | 59                    | 6      | 41                     | 6            | 98        | 52     | 54        | 2      | 20        | <b>∞</b> | 34                     | 6      | 98        | 22     | 52        |
| Total                                     | 9/     | 20                    | 94     | 65                     | 82           | 72        | 255    | 63        | 21     | 49        | 54       | 29                     | 47     | 74        | 152    | 90        |

Note: A "sector component" refers to an operation in one sector or a component of an operation with components in more than one sector. An operation may have one or more sector components, especially in the case of multisector or agriculture and natural resources projects. The outcome of each sector component is counted separately.

Source: Asian Development Bank PCRs/ XARRs, PVRs, and PPERs issued in 2010–2012, and Strategy and Policy Department.

<sup>&</sup>lt;sup>a</sup> The effectiveness rates were based on project completion reports/extended annual review reports, project validation reports, and project performance evaluation reports issued in 2010–2012.

Description reports, and project completion reports/extended annual review reports, actual project validation reports and project completion results.

Table A6.2: Effectiveness in Achieving Outcomes of Other Sector Components, 2010-2012

|                             |                    |                                  | Ä                  | Asian Develo  | Development Bank   | 3ank          |                    |               |                    |               | Ä              | Asian Development Fund | pment          | Fund              |                |               |
|-----------------------------|--------------------|----------------------------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|----------------|------------------------|----------------|-------------------|----------------|---------------|
|                             | 2                  | 2010a                            | 2                  | 2011♭         | 2                  | 2012♭         | 2010               | 2010-2012     | 2                  | 2010ª         | 2              | 2011♭                  | 2              | 2012 <sup>b</sup> | 2010           | 2010-2012     |
| Sectors                     | <b>Total</b> (No.) | TotalEffectiveTotal(No.)(%)(No.) | <b>Total</b> (No.) | Effective (%) | Total<br>(No.) | Effective (%)          | Total<br>(No.) | Effective (%)     | Total<br>(No.) | Effective (%) |
| Agriculture                 | 19                 | 89                               | 80                 | 88            | 6                  | 78            | 36                 | 75            | 15                 | 29            | 7              | 98                     | 6              | 78                | 31             | 74            |
| Health                      | 8                  | 75                               | က                  | 29            | 2                  | 100           | 16                 | 81            | <sub>∞</sub>       | 75            | 2              | 20                     | 4              | 100               | 14             | 79            |
| Industry and trade          | 2                  | 20                               | 4                  | 75            | -                  | 100           | 7                  | 71            | -                  | 0             | 4              | 75                     | -              | 100               | 9              | 29            |
| Public sector<br>management | 13                 | 27                               | <del>-</del>       | 73            | œ                  | 88            | 32                 | 78            | 7                  | 98            | 9              | 20                     | 7              | 98                | 20             | 75            |
| Disaster and emergency      | -                  | 100                              | -                  | 0             | 0                  | 0             | 2                  | 20            | -                  | 100           | -              | 0                      | 0              | 0                 | 2              | 20            |
| Total                       | 43                 | 72                               | 27                 | 74            | 23                 | 87            | 93                 | 9/            | 32                 | 72            | 50             | 65                     | 21             | 98                | 73             | 74            |

No. = number.

The effectiveness rates were based on project completion report (PCRs).

A "sector component" refers to an operation in one sector or a component of an operation with components in more than one sector. An operation may have one or more sector components, especially in the case of multisector or agriculture and natural resources projects. The outcome of each sector component is counted separately.

Source: Asian Development Bank PCRs issued in 2010–2012, and Strategy and Policy Department.

Table A6.3: Intended and Achieved Thematic Results in ADB Operations Reviewed in 2012 (%)

|   | +00 a 4 a 1                   | 0  | 2                             |                              |                               | i cito                       | ى<br>م                        | 0,000                        | 9 *c4+0                       | 9                      | Total Core                    | Total Core and Other   |
|---|-------------------------------|--|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------|-------------------------------|------------------------|
|   | IIIIII                        | IIIITASITUCIUFE                                |                               | rinance                      | Eanc                          | Education                    | c alon                        | core sectors                 | Umer sectors                  | ectors                 | )ac                           | Sectors                |
|   | PCRs<br>Targeting<br>Specific | PCRs Effective Targeting in Specific Achieving | PCRs<br>Targeting<br>Specific | Effective<br>in<br>Achieving | PCRs<br>Targeting<br>Specific | Effective<br>in<br>Achieving | PCRs<br>Targeting<br>Specific | Effective<br>in<br>Achieving | PCRs<br>Targeting<br>Specific | Effective in Achieving | PCRs<br>Targeting<br>Specific | Effective in Achieving |
| Theme   | Result                        | Target   | Result                        | Target                       |                               | Target                       | Result                        | Target                       | Result                        | Target                 | Result                        | Target                 |
| Environmental<br>sustainability               | 41                            | 94   | 0                             | 0                            | 0                             | 0                            | 27                            | 94                           | 13                            | 100                    | 25                            | 92                     |
| Regional<br>cooperation<br>and<br>integration | _                             | 29   | <u> </u>                      | 0                            | 0                             | 0                            | 9                             | 20                           | _                             | 100                    | 9                             | 09                     |
| Gender equality                               | 27                            | 20   | 25                            | 20                           | 71                            | 80                           | 33                            | 29                           | 40                            | 83                     | 34                            | 92                     |
| Governance                                    | 23                            | 06   | 40                            | 33                           | 0                             | 0                            | 24                            | 69                           | 47                            | 71                     | 28                            | 20                     |
| Capacity<br>development                       | 32                            | 93   | 27                            | 100                          | 100                           | 100                          | 38                            | 96                           | 47                            | 98                     | 40                            | 94                     |
| Private sector<br>development                 | 25                            | 100  | 29                            | 40                           | 0                             | 0                            | 32                            | 71                           | 27                            | 75                     | 31                            | 72                     |
|   |                               |  |                               |                              |                               |                              |                               |                              |                               |                        |                               |                        |

ADB = Asian Development Bank.

An operation may have one or more thematic result, of which each thematic result is counted separately.
 Analysis is based on sovereign and nonsovereign operations, except for gender, which was only targeted in sovereign operations.
 Sources: 67 ADB project completion reports and 14 extended annual review reports issued in 2012, and Strategy and Policy Department.

Table A6.4: Intended and Achieved Thematic Results in ADF Operations Reviewed in 2012 (%)

|                                      | Cantonatocatal     | 2                   | i.                 | Ç                   | 3                  | Colinostion         | 2                  | Sactor Cond         | S to               | Othor Contoro       | Total Core and Other | and Other           |
|--------------------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|----------------------|---------------------|
|                                      |                    | מכנחום              | <u></u>            | פ                   |                    | alloll              | פונים              | cions               |                    | פרוחו א             | 250                  | ° 15                |
|                                      | PCRs<br>Targeting  | Effective<br>in     | PCRs<br>Targeting    | Effective<br>in     |
| Theme                                | Specific<br>Result | Achieving<br>Target | Specific<br>Result   | Achieving<br>Target |
| Environmental<br>sustainability      | 26                 | 80                  | 0                  | 0                   | 0                  | 0                   | 16                 | 80                  | 15                 | 100                 | =                    | 80                  |
| Regional cooperation and integration | Ξ                  | 20                  | 0                  | 0                   | 0                  | 0                   | 9                  | 50                  | ∞                  | 100                 | 7                    | 29                  |
| Gender equality                      | 53                 | 20                  | 33                 | 20                  | 71                 | 80                  | 53                 | 29                  | 38                 | 80                  | 49                   | 64                  |
| Governance                           | 42                 | 88                  | 29                 | 20                  | 0                  | 0                   | 38                 | 75                  | 46                 | 83                  | 40                   | 78                  |
| Capacity<br>development              | 42                 | 88                  | 33                 | 100                 | 100                | 100                 | 23                 | 94                  | 46                 | 83                  | 51                   | 91                  |
| Private sector<br>development        | ഹ                  | 100                 | 33                 | 20                  | 0                  | 0                   | 6                  | 29                  | 31                 | 75                  | 16                   | 71                  |

ADF = Asian Development Fund.

Note: An operation may have one or more thematic result, of which each thematic result is counted separately.
Sources: Asian Development Bank project completion reports issued in 2012, and Strategy and Policy Department.

Table A6.5: Intended and Achieved Thematic Results Reported in 2011–2012 Technical Assistance Completion Reports (%)

|                                      | 20                                       | 2011                                | 20                                       | 2012                                | 2011                                     | 2011–2012                           |
|--------------------------------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|
| Theme                                | TCRs<br>Targeting<br>Specific<br>Outcome | Effective<br>in Achieving<br>Target | TCRs<br>Targeting<br>Specific<br>Outcome | Effective<br>in Achieving<br>Target | TCRs<br>Targeting<br>Specific<br>Outcome | Effective<br>in Achieving<br>Target |
| Gender equality                      | 5  | 43                                  | က  | 09                                  | 4  | 90                                  |
| Governance                           | 74                                       | 81                                  | 63                                       | 84                                  | 89                                       | 83                                  |
| Capacity development                 | 96                                       | 06                                  | 73                                       | 62                                  | 84                                       | 85                                  |
| Private sector development           | 24                                       | 9/                                  | 22                                       | 56                                  | 23                                       | 99                                  |
| Environmental sustainability         | 19                                       | 92                                  | 19                                       | 74                                  | 19                                       | 83                                  |
| Regional cooperation and integration | 12                                       | 95                                  | 43                                       | 97                                  | 43                                       | 96                                  |

TCR = technical assistance completion report.

Notes:

1. A technical assistance project may have one or more thematic result, of which each thematic result is counted separately.

2. The review covered 135 TCRs issued in 2011 and 143 TCRs issued in 2012, excluding project preparatory technical assistance.

Sources: Asian Development Bank technical assistance completion reports issued in 2011–2012, and Strategy and Policy Department.

Table A6.6: Intended and Achieved Thematic Results in 2012 Technical Assistance Completion Reports

| structure Finan   | inan                                     | nce<br>Efforti | 9   | Education TCBs Effe                      | ation<br>Effective                            | Core Sectors                             | ectors  | Other Sectors                        | ectors  | Total Core<br>Sec               | Total Core and Other<br>Sectors               |
|---|--|----------------|---|--|---|--|---|--------------------------------------|---|---------------------------------|---|
| Targeting in Targeting Specific Achieving Specific Result Target Result (No.) (%) (No.) | Targeting<br>Specific<br>Result<br>(No.) |                | Effective<br>in<br>Achieving<br>Target<br>(%) | Targeting<br>Specific<br>Result<br>(No.) | Effective<br>in<br>Achieving<br>Target<br>(%) | Targeting<br>Specific<br>Result<br>(No.) | Effective<br>in<br>Achieving<br>Target<br>(%) | FCRS Targeting Specific Result (No.) | Effective<br>in<br>Achieving<br>Target<br>(%) | Targeting<br>Specific<br>Result | Effective<br>in<br>Achieving<br>Target<br>(%) |
| 0 0 0   | 0  |                | 0   | -  | 0   | -  | 0   | 4                                    | 50  | 5                               | 09  |
| 38 71 9   | <b>o</b>                                 |                | 88  | 2  | 20  | 49                                       | 73  | 26                                   | 84  | 105                             | 79  |
| 33 76 6   | 9  |                | 83  | က  | 29  | 42                                       | 92  | 48                                   | 95  | 06                              | 84  |
| 12 33 10  | 10                                       |                | 20  | 0  | 0   | 22                                       | 20  | 10                                   | 20  | 32                              | 26  |
| 19 68 1   | -  |                | 0   | 0  | 0   | 20                                       | 20  | 7                                    | 98  | 27                              | 74  |
| 12 100 10 11  |  | =              | 100   | -  | 100   | 23                                       | 100   | 36                                   | 95  | 62                              | 26  |

No. = number, TCR = technical assistance completion report.

A technical assistance project may have one or more thematic result, of which each thematic result is counted separately.
 The review covered 143 TCRs, excluding project preparatory technical assistance.
 Sources: Asian Development Bank technical assistance completion reports issued in 2012, and Strategy and Policy Department.

Table A6.7: Environmental Outcomes in Asian Development Fund Operations Reviewed in 2010–2012 (%)

|                                   | 2012                              | 12                            | 2010–2012                         | -2012                            |
|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------------|----------------------------------|
| Environment Results               | PCRs Targeting<br>Specific Result | Effective in Achieving Target | PCRs Targeting<br>Specific Result | Effective in<br>Achieving Target |
| CO <sub>2</sub> emissions reduced | 0                                 | 0                             | 4                                 | 29                               |
| Clean energy supported            | 0                                 | 0                             | 2                                 | 29                               |
| Clean and safe water              | 0                                 | 100                           | 15                                | 74                               |
| Environmental management          | =                                 | 80                            | 18                                | 72                               |
| Environmental awareness           | 7                                 | 29                            | 13                                | 80                               |

 $CO_2 = carbon dioxide$ , PCR = project completion report. Note: An operation may have one or more thematic result, of which each thematic result is counted separately. Sources: Asian Development Bank project completion reports issued in 2010–2012, and Strategy and Policy Department.

Table A6.8: Achievement of Regional Cooperation and Integration Outcomes in 2012 Regional Technical Assistance Completion Reports

|  | Infrasti           | Infrastructure      | Fina               | Finance             | Educ               | Education           | Total Core Sectors | Sectors             | Public Sector<br>Management | Public Sector<br>Management | Other 8            | Other Sectors       |
|--|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|-----------------------------|-----------------------------|--------------------|---------------------|
|  | TCRs               | Effective           | TCRs               | Effective           | TCRs               | Effective           | TCRs               | Effective           | PCRs<br>Targeting           | Effective                   | PCRs<br>Targeting  | Effective           |
|  | Specific<br>Result | Achieving<br>Target | Specific<br>Result | Achieving<br>Target | Specific<br>Result | Achieving<br>Target | Specific<br>Result | Achieving<br>Target | Specific<br>Result          | c Achieving                 | Specific<br>Result | Achieving<br>Target |
| Outcomes   | (No.)              | (%)                 | (No.)              | (%)                 | (No.)              | (%)                 | (No.)              | (%)                 | (No.)                       | (%)                         | (No.)              | (%)                 |
| Improved cross-border<br>physical connectivity                                       | -                  | 100                 | 0                  | 0                   | 0                  | 0                   | -                  | 100                 | -                           | 100                         | 0                  | 0                   |
| Increased international trade and investment with regional and nonregional economies | ო                  | 100                 | 0                  | 0                   | 0                  | 0                   | м                  | 100                 | 0                           | 0                           | 2                  | 100                 |
| Regional macroeconomic and financial stability and financial market development      | 0                  | 0                   | 10                 | 100                 | 0                  | 0                   | 9                  | 100                 | 10                          | 100                         | 0                  | 0                   |
| Improved regional environments, health, and social conditions                        | 7                  | 100                 | 0                  | 0                   | -                  | 100                 | ∞                  | 100                 | 41                          | 66                          | တ                  | 100                 |

No. = number, PCR = project completion report, TCR = technical assistance completion report.

<sup>1.</sup> A technical assistance project may have one or more thematic result, of which each thematic result is counted separately.
2. The review covered 59 regional TCRs.

Sources: Asian Development Bank regional technical assistance completion reports issued in 2012, and Strategy and Policy Department.

Table A6.9: Main Outcomes Achieved in Policy-Based Operations Reviewed in 2010–2012 (%)

|   | 20                            | 2010                      | 20                            | 2011                      | 20                            | 2012                      | 2010                          | 2010–2012                 |
|---|-------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|---------------------------|
|   | PCRs<br>Targeting<br>Specific | Effective in<br>Achieving |
| Outcomes                                    | Result                        | Target                    | Result                        | Target                    | Result                        | Target                    | Result                        | Target                    |
| Sector policies improved                    | 100                           | 28                        | 95                            | 75                        | 58                            | 22                        | 84                            | 65                        |
| Public financial management improved        | 83                            | 09                        | 54                            | 71                        | 28                            | 98                        | 65                            | 71                        |
| Transparency and public disclosure enhanced | 29                            | 75                        | 54                            | 100                       | 20                            | 29                        | 22                            | 81                        |
| Institutions improved                       | 100                           | 29                        | 95                            | 75                        | 28                            | 22                        | 84                            | 89                        |
| Human resources developed                   | 83                            | 80                        | 77                            | 09                        | 33                            | 75                        | 65                            | 71                        |
| Service delivery improved                   | 83                            | 40                        | 46                            | 83                        | 42                            | 09                        | 22                            | 22                        |
| Private sector role improved                | 100                           | 92                        | 77                            | 70                        | 25                            | 29                        | 89                            | 80                        |

PRC = project completion report.

An operation may have one or more thematic result, of which each thematic result is counted separately.
 Crisis-related budget support programs are excluded.
 The review covered 12 PCRs in 2010, 13 PCRs in 2011, and 12 PCRs in 2012.
 Sources: Asian Development Bank project completion reports issued in 2010–2012, and Strategy and Policy Department.

# **Country Partnership Strategies at Completion**

Table A7.1: Number of Country Assistance Program Evaluation and Country Partnership Strategy Final Review Validation Reports in 2010–2012

| Year | CAPE | CPS Final Review<br>Validations | Total |
|------|------|---------------------------------|-------|
| 2010 | 2    | 0                               | 2     |
| 2011 | 2    | 5                               | 7     |
| 2012 | 2    | 2                               | 4     |

CAPE = country assistance program evaluation, CPS = country partnership strategy. Sources: Asian Development Bank Independent Evaluation Department, and Strategy and Policy Department.

Table A7.2: Ratings of Country Assistance Program Evaluation and Country Partnership Strategy Final Review Validation Reports Prepared in 2010–2012

| Country  | <b>Evaluation Period</b> | Year Circulated | Rating                            |
|--|--------------------------|-----------------|-----------------------------------|
| Afghanistana                                     | 2002–2011                | 2012            | Less than Successful <sup>c</sup> |
| Armenia <sup>b</sup>                             | 2006–2011                | 2012            | Less than Successful <sup>c</sup> |
| Azerbaijan <sup>b</sup>                          | 2000–2011                | 2012            | Successful                        |
| Bhutana  | 2001–2009                | 2010            | Successful                        |
| Indonesia <sup>b</sup>                           | 2006–2009                | 2011            | Successful                        |
| Kazakhstan <sup>b</sup>                          | 2004–2006                | 2011            | Partly Successful                 |
| Kyrgyz Republic <sup>a</sup>                     | 1994–2010                | 2012            | Successful                        |
| Lao People's Democratic<br>Republic <sup>a</sup> | 2000–2009                | 2010            | Successful                        |
| Maldives <sup>a</sup>                            | 1978–2010                | 2011            | Partly Successful                 |
| Solomon Islands <sup>b</sup>                     | 2006–2010                | 2011            | Successful                        |
| Sri Lanka <sup>b</sup>                           | 2009–2011                | 2011            | Successful                        |
| Timor-Leste <sup>b</sup>                         | 2006–2010                | 2011            | Partly Successful                 |
| Uzbekistan <sup>a</sup>                          | 2002–2009                | 2011            | Successful                        |

<sup>&</sup>lt;sup>a</sup> Country assistance program evaluation.

Sources: Asian Development Bank Independent Evaluation Department and Strategy and Policy Department.

<sup>&</sup>lt;sup>b</sup> Country partnership strategy final review validation report.

<sup>&</sup>lt;sup>c</sup> Asian Development Bank's Independent Evaluation Department changed the rating partly successful to less than successful for evaluations starting 2012.

### Sovereign and Nonsovereign Operations at and after Completion

Table A8.1: Project Completion Reports, Validation Reports, and Project Performance Evaluation Reports Issued for Sovereign Operations, 2004–2012

| Year | PCR             | PVR             | PPER           | Total |
|------|-----------------|-----------------|----------------|-------|
| 2004 | 73              | 0               | 1              | 74    |
| 2005 | 58              | 0               | 3              | 61    |
| 2006 | 50              | 0               | 6              | 56    |
| 2007 | 48              | 0               | 10             | 58    |
| 2008 | 75              | 32a             | 5 <sup>b</sup> | 112   |
| 2009 | 61              | 46°             | 9              | 116   |
| 2010 | 78 <sup>d</sup> | 45e             | 10             | 133   |
| 2011 | 76 <sup>f</sup> | 45 <sup>g</sup> | 8              | 129   |
| 2012 | 67 <sup>h</sup> | 66 <sup>i</sup> | 3              | 136   |

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

Sources: Asian Development Bank PCRs, PPERs, and PVRs issued in 2004–2012; Operations Services and Financial Management Department; Independent Evaluation Department; and Strategy and Policy Department.

Table A8.2: Success Ratings of Projects Based on Completion Reports Issued for Sovereign Operations, 2004–2012

|      | Asian Deve  | lopment Bank                                   | Asian Deve  | elopment Fund                                  |
|------|-------------|--|-------------|--|
| Year | No. of PCRs | % of Projects Rated<br>Successful <sup>a</sup> | No. of PCRs | % of Projects Rated<br>Successful <sup>a</sup> |
| 2004 | 73          | 67   | 40          | 65   |
| 2005 | 58          | 71   | 34          | 88   |
| 2006 | 50          | 78   | 30          | 77   |
| 2007 | 48          | 56   | 31          | 68   |
| 2008 | 75          | 59   | 45          | 53   |
| 2009 | 61          | 51   | 42          | 48   |
| 2010 | 78          | 59   | 56          | 59   |
| 2011 | 76          | 70 <sup>b</sup>                                | 52          | 63 <sup>b</sup>                                |
| 2012 | 67          | 76 <sup>b</sup>                                | 47          | 74 <sup>b</sup>                                |

PCR = project completion report.

Note: The percentage of projects rated *successful* includes projects rated *successful* or *highly successful*, and excludes projects rated partly successful or unsuccessful.

Sources: Asian Development Bank PCRs, PVRs, and PPERs issued in 2004–2012; Operations Services and Financial Management Department; Independent Evaluation Department; and Strategy and Policy Department.

<sup>&</sup>lt;sup>a</sup> Includes 7 PVRs of 2008 PCRs.

<sup>&</sup>lt;sup>b</sup> Includes 2 PPERs on projects for which PCRs were prepared in 2008.

<sup>&</sup>lt;sup>c</sup> Includes 3 PVRs of 2009 PCRs.

d 78 PCRs for 81 projects.

e Includes 3 PVRs of 2010 PCRs.

f 76 PCRs for 84 projects.

g Includes 2 PVRs of 2011 PCRs.

<sup>&</sup>lt;sup>h</sup> 67 PCRs for 68 projects.

Includes 1 PVR of 2012 PCRs.

<sup>&</sup>lt;sup>a</sup> Where available, project performance evaluation report (PPER) ratings are taken as the final rating. If no PPER was prepared, an available project completion report (PCR) validation report (PVR) rating is used. Otherwise, the PCR ratings are used. Counting of successful projects rated in PCRs, PVRs, and PPERs is based on the year of PCR circulation.

b To allow a more objective assessment, the success rates for 2011 and 2012 were adjusted to incorporate projected changes in project success rates resulting from future IED validations (Appendix 3).

Table A8.3: Successful Sovereign Operations by Country Grouping, Based on Project Completion Reports Issued in 2004–2011

|      | OCR-Only | Countries       | Blend C | ountries        | ADF-Only | Countries       | FCAS Co | ountriesª |
|------|----------|-----------------|---------|-----------------|----------|-----------------|---------|-----------|
| Year | No.      | %               | No.     | %               | No.      | %               | No.     | %         |
| 2004 | 28       | 71              | 32      | 59              | 13       | 77              | 12      | 58        |
| 2005 | 11       | 73              | 31      | 71              | 16       | 69              | 8       | 50        |
| 2006 | 15       | 73              | 23      | 74              | 12       | 92              | 10      | 70        |
| 2007 | 14       | 43              | 22      | 59              | 12       | 67              | 6       | 50        |
| 2008 | 15       | 73              | 38      | 61              | 22       | 68              | 16      | 50        |
| 2009 | 11       | 73              | 34      | 47              | 18       | 67              | 11      | 64        |
| 2010 | 15       | 60              | 39      | 54              | 24       | 67              | 21      | 67        |
| 2011 | 13       | 86 <sup>b</sup> | 34      | 66b             | 27       | 66 <sup>b</sup> | 20      | 68⁵       |
| 2012 | 17       | 83 <sup>b</sup> | 33      | 74 <sup>b</sup> | 17       | 71 <sup>b</sup> | 9       | 85⁵       |

ADF = Asian Development Fund, FCAS = fragile and conflict-affected situations, No. = number, OCR = ordinary capital resources. Note: Excludes regional projects, which account for the difference in the totals shown in this table from the totals in Tables A8.1 and A8.2. The list of countries in each country grouping is in Appendix 2. Successful project completion report rating of sovereign operations may either by highly successful or successful.

Sources: Asian Development Bank project completion reports, project completion validation reports, and project performance evaluation reports issued in 2004–2012; and Strategy and Policy Department.

Table A8.4: Successful Sovereign Operations by Country, Based on Project Completion Reports Issued in 2001–2012

|  | 200            | 1-2003                                  | 200            | 4–2006                                  | 200            | 7-2009                                  | 201            | 10-2012                                 |
|--|----------------|---|----------------|---|----------------|---|----------------|---|
| Country  | No. of<br>PCRs | % of<br>Projects<br>Rated<br>Successful |
| Afghanistan                                    | 0              | 0                                       | 0              | 0                                       | 3              | 67                                      | 5              | 40                                      |
| Armenia  | 0              | 0                                       | 0              | 0                                       | 0              | 0                                       | 2              | 100                                     |
| Azerbaijan                                     | 0              | 0                                       | 0              | 0                                       | 1              | 100                                     | 2              | 50                                      |
| Bangladesh                                     | 16             | 75                                      | 13             | 77                                      | 9              | 78                                      | 12             | 100                                     |
| Bhutan   | 3              | 100                                     | 2              | 100                                     | 3              | 100                                     | 1              | 0                                       |
| Cambodia                                       | 4              | 100                                     | 6              | 83                                      | 10             | 50                                      | 11             | 82                                      |
| China, People's<br>Republic of<br>Cook Islands | 20             | 85                                      | 24<br>1        | 92                                      | 12             | 100                                     | 19<br>1        | 100                                     |
|  | 2              | 100                                     | •              | 100                                     | 0              | 0                                       | •              | 100                                     |
| Fiji<br>Georgia                                | 0<br>0         | 0<br>0                                  | 0<br>0         | 0<br>0                                  | 2<br>0         | 50<br>0                                 | 0<br>4         | 0<br>100                                |
| India  | 11             | 73                                      | 5              | 80                                      | 10             | 50                                      | 13             | 92                                      |
| Indonesia                                      | 22             | 68                                      | 31             | 61                                      | 19             | 53                                      | 15             | 93                                      |
| Kazakhstan                                     | 2              | 50                                      | 1              | 100                                     | 2              | 0                                       | 2              | 50                                      |
| Kiribati                                       | 0              | 0                                       | 0              | 0                                       | 1              | 0                                       | 0              | 0                                       |
| Korea, Republic of                             | 1              | 100                                     | 0              | 0                                       | 0              | 0                                       | 0              | 0                                       |
| Kyrgyz Republic<br>Lao People's                | 3              | 100                                     | 6              | 100                                     | 5              | 60                                      | 6              | 50                                      |
| Democratic Republic                            | 7              | 86                                      | 6              | 83                                      | 7              | 71                                      | 10             | 80                                      |
| Malaysia                                       | 5              | 60                                      | 1              | 100                                     | 2              | 50                                      | 0              | 0                                       |

continued on next page

<sup>&</sup>lt;sup>a</sup> FCAS classification of countries is based on the country performance assessment ratings during the baseline period 2004–2006.

<sup>&</sup>lt;sup>b</sup> To allow a more objective assessment, the success rates for 2011 and 2012 were adjusted to incorporate projected changes in project success rates resulting from future Independent Evaluation Department validations (Appendix 3).

# Development Effectiveness Review 2012

Table A8.4 continued

|                                    | 200            | 1–2003                                  | 200            | 14–2006                                 | 200            | 7–2009                                  | 201            | 10–2012                                 |
|------------------------------------|----------------|---|----------------|---|----------------|---|----------------|---|
| Country                            | No. of<br>PCRs | % of<br>Projects<br>Rated<br>Successful |
| Maldives                           | 0              | 0                                       | 1              | 100                                     | 3              | 33                                      | 3              | 67                                      |
| Marshall Islands                   | 3              | 33                                      | 4              | 25                                      | 1              | 0                                       | 0              | 0                                       |
| Micronesia, Federated<br>States of | 1              | 0                                       | 1              | 100                                     | 0              | 0                                       | 2              | 0                                       |
| Mongolia                           | 8              | 75                                      | 2              | 100                                     | 6              | 50                                      | 7              | 43                                      |
| Nauru                              | 1              | 0                                       | 0              | 0                                       | 0              | 0                                       | 0              | 0                                       |
| Nepal                              | 9              | 67                                      | 7              | 57                                      | 6              | 67                                      | 11             | 91                                      |
| Pakistan                           | 16             | 69                                      | 11             | 64                                      | 30             | 30                                      | 25             | 40                                      |
| Papua New Guinea                   | 6              | 33                                      | 2              | 0                                       | 5              | 40                                      | 3              | 33                                      |
| Philippines                        | 10             | 60                                      | 18             | 39                                      | 12             | 50                                      | 11             | 45                                      |
| Samoa                              | 0              | 0                                       | 1              | 100                                     | 3              | 33                                      | 1              | 100                                     |
| Solomon Islands                    | 1              | 0                                       | 0              | 0                                       | 1              | 100                                     | 2              | 100                                     |
| Sri Lanka                          | 8              | 63                                      | 11             | 73                                      | 9              | 67                                      | 17             | 65                                      |
| Tajikistan                         | 1              | 0                                       | 5              | 100                                     | 3              | 67                                      | 7              | 100                                     |
| Thailand                           | 10             | 80                                      | 4              | 75                                      | 0              | 0                                       | 0              | 0                                       |
| Timor-Leste                        | 0              | 0                                       | 4              | 25                                      | 1              | 0                                       | 1              | 100                                     |
| Tonga                              | 3              | 33                                      | 1              | 0                                       | 0              | 0                                       | 1              | 100                                     |
| Tuvalu                             | 1              | 100                                     | 0              | 0                                       | 0              | 0                                       | 2              | 50                                      |
| Uzbekistan                         | 1              | 0                                       | 2              | 100                                     | 5              | 40                                      | 11             | 64                                      |
| Vanuatu                            | 3              | 67                                      | 0              | 0                                       | 0              | 0                                       | 0              | 0                                       |
| Viet Nam                           | 5              | 100                                     | 11             | 91                                      | 13             | 77                                      | 12             | 100                                     |
| Regional                           | 0              | 0                                       | 0              | 0                                       | 0              | 0                                       | 2              | 100                                     |
| Total                              | 183            | 70                                      | 181            | 71                                      | 184            | 55                                      | 221            | 74                                      |

No. = number, PCR = project completion report.

Note: Rating of sovereign operations may either be *successful* or *highly successful*. The success rates by country reflect ratings from project performance evaluation reports (PPERs) and project completion report (PCR) validation reports (PVRs) prepared by IED in 2012. Where PPER and PVR ratings are not available, the PCR ratings are used. Unlike in other tables on success rates in this Appendix, the success rates for 2011 and 2012 in this table had not been adjusted (Appendix 3).

Sources: Asian Development Bank project completion reports issued in 2001–2012; and Strategy and Policy Department.

Table A8.5: Successful Sovereign Operations by Sector, Based on Project Completion Reports Issued in 2001–2012

|  | 2001–2003      |   | 200            | 4–2006                                  | 200            | 7–2009                                  | 2010-2012 <sup>a</sup> |   |  |
|--|----------------|---|----------------|---|----------------|---|------------------------|---|--|
| Sector                                       | No. of<br>PCRs | % of<br>Projects<br>Rated<br>Successful | No. of<br>PCRs | % of<br>Projects<br>Rated<br>Successful | No. of<br>PCRs | % of<br>Projects<br>Rated<br>Successful | No. of<br>PCRs         | % of<br>Projects<br>Rated<br>Successful |  |
| Agriculture and natural                      | 26             | EG                                      | 25             | E4                                      | 41             | ΕΛ                                      | 40                     | 66                                      |  |
| resources                                    | 36             | 56                                      | 35             | 51                                      | 41             | 54                                      | 42                     |   |  |
| Education                                    | 24             | 75                                      | 15             | 87                                      | 20             | 80                                      | 19                     | 52                                      |  |
| Energy                                       | 28             | 86                                      | 22             | 82                                      | 15             | 53                                      | 16                     | 68                                      |  |
| Finance                                      | 20             | 70                                      | 10             | 80                                      | 16             | 38                                      | 15                     | 44                                      |  |
| Health and social protection                 | 10             | 40                                      | 12             | 67                                      | 4              | 75                                      | 11                     | 94                                      |  |
| Industry and trade                           | 4              | 50                                      | 4              | 75                                      | 8              | 13                                      | 6                      | 59                                      |  |
| Multisector                                  | 7              | 86                                      | 10             | 80                                      | 19             | 63                                      | 25                     | 78                                      |  |
| Public sector management                     | 6              | 17                                      | 11             | 55                                      | 15             | 40                                      | 20                     | 63                                      |  |
| Transport and ICT                            | 29             | 90                                      | 30             | 90                                      | 34             | 68                                      | 37                     | 83                                      |  |
| Water and other municipal infrastructure and |                |   |                |   |                |   |                        |   |  |
| services                                     | 19             | 74                                      | 32             | 63                                      | 12             | 42                                      | 30                     | 59                                      |  |
| Total  | 183            | 70                                      | 181            | 71                                      | 184            | 55                                      | 221                    | 68                                      |  |

 ${\sf ICT} = information \ and \ communication \ technology, \ No. = number, \ PCR = project \ completion \ report.$ 

Note: Rating of sovereign operations may either be successful or highly successful.

Sources: Asian Development Bank project completion reports, project completion validation reports, and project performance evaluation reports issued in 2001–2012; and Strategy and Policy Department.

Table A8.6: Extended Annual Review Reports, Validation Reports, and Project Performance Evaluation Reports Issued for Nonsovereign Operations, 2007–2012

| Year | XARR | XARR Validation<br>Report | PPER | Total |
|------|------|---------------------------|------|-------|
| 2007 | 1    | 0                         | 0    | 1     |
| 2008 | 5    | 0                         | 0    | 5     |
| 2009 | 5    | 2                         | 1    | 8     |
| 2010 | 6    | 6                         | 0    | 12    |
| 2011 | 14   | 1                         | 2    | 17    |
| 2012 | 14   | 5                         | 0    | 19    |

PPER = project performance evaluation report, XARR = extended annual review report.

Sources: Asian Development Bank XARRs, XARR validation reports, and PPERs issued in 2007–2012; Operations Services and Financial Management Department; Independent Evaluation Department; and Strategy and Policy Department.

<sup>&</sup>lt;sup>a</sup> To allow a more objective assessment, the success rates for 2011 and 2012 were adjusted to incorporate projected changes in project success rates resulting from future IED validations (Appendix 3).

Table A8.7: Successful Nonsovereign Operations by Sector, Based on Extended Annual Review Reports, 2009–2012

|                   | 2009            | <b>—2011</b>                            | 2010            | <b>—2012</b>                            | 2012            |   |  |
|-------------------|-----------------|---|-----------------|---|-----------------|---|--|
| Sector            | No. of<br>XARRs | % of<br>Projects<br>Rated<br>Successful | No. of<br>XARRs | % of<br>Projects<br>Rated<br>Successful | No. of<br>XARRs | % of<br>Projects<br>Rated<br>Successful |  |
| Energy            | 5               | 80                                      | 10              | 90                                      | 6               | 100                                     |  |
| Finance           | 20              | 70                                      | 23              | 57                                      | 7               | 29                                      |  |
| Transport and ICT | 0               | 0                                       | 1               | 100                                     | 1               | 100                                     |  |
| Total             | 25              | 72                                      | 34              | 68                                      | 14              | 64                                      |  |

ICT= information and communication technology, No. = number, XARR = extended annual review report.

Note: Rating of sovereign operations may either be *successful* or *highly successful*. The success rates for nonsovereign operations in 2011 and 2012 were not adjusted because the small number of Independent Evaluation Department XARR validations and evaluations does not provide a sufficient basis for estimating future changes in ratings.

Sources: Asian Development Bank XARRs, XARR validation reports, and project performance evaluation reports issued in 2009–2012; and Strategy and Policy Department.

Table A8.8: Successful Nonsovereign Operations by Country Grouping, Based on Extended Annual Review Reports Issued in 2007–2012

|      | OCR-Only       | Countries  | Blend | l Countries                          | ADF-0 | nly Countries                        |
|------|----------------|--|-------|--------------------------------------|-------|--------------------------------------|
| Year | No. of Reports | % of Projects<br>Rated<br>. of Reports <i>Successful</i> |       | % of Projects<br>Rated<br>Successful | No.   | % of Projects<br>Rated<br>Successful |
| 2007 | 0              | 0  | 1     | 100                                  | 0     | 0                                    |
| 2008 | 2              | 100  | 2     | 100                                  | 0     | 0                                    |
| 2009 | 2              | 50   | 1     | 100                                  | 1     | 100                                  |
| 2010 | 3              | 67   | 2     | 0                                    | 1     | 100                                  |
| 2011 | 7              | 71   | 4     | 75                                   | 1     | 100                                  |
| 2012 | 8              | 75   | 3     | 67                                   | 2     | 50                                   |

ADF = Asian Development Fund, No. = number, OCR = ordinary capital resources, XARR = extended annual review report. Notes:

- 1. Excludes regional projects, which account for the difference in the total shown in this table from the total in Tables A8.6 and 8.7. The list of countries in each country grouping is in Appendix 2.
- 2. Rating of nonsovereign operations may either be *successful* or *highly successful*. The success rates for nonsovereign operations in 2011 and 2012 were not adjusted because the small number of Independent Evaluation Department XARR validations and evaluations does not provide a sufficient basis for estimating future changes in ratings.

Sources: Asian Development Bank XARRs, XARR validation reports, and project performance evaluation reports issued in 2007–2012; Operations Services and Financial Management Department; Independent Evaluation Department; and Strategy and Policy Department.

# **Technical Assistance Projects at Completion**

Table A9.1: Successful Technical Assistance Projects Based on Completion Reports, 2004–2012

|      | Asian Deve  | elopment Bank                            | Asian Deve  | lopment Fund                      |
|------|-------------|--|-------------|-----------------------------------|
| Year | No. of TCRs | % of Projects<br>Rated <i>Successful</i> | No. of TCRs | % of Projects<br>Rated Successful |
| 2004 | 162         | 79                                       | 132         | 79                                |
| 2005 | 160         | 79                                       | 124         | 76                                |
| 2006 | 169         | 81                                       | 128         | 78                                |
| 2007 | 135         | 81                                       | 101         | 77                                |
| 2008 | 195         | 73                                       | 151         | 69                                |
| 2009 | 183         | 75                                       | 144         | 73                                |
| 2010 | 138         | 78                                       | 114         | 78                                |
| 2011 | 135         | 81                                       | 111         | 79                                |
| 2012 | 143         | 89                                       | 111         | 90                                |

No. = number, TCR = technical assistance completion report.

#### Notes

Sources: Asian Development Bank TCRs for advisory and regional technical assistance projects issued in 2004–2012, Operations Services and Financial Management Department, and Strategy and Policy Department.

<sup>1.</sup> The percentage of projects rated successful includes those rated successful or highly successful; and excludes projects rated partly successful, unsuccessful, or without a rating.

<sup>2.</sup> Excludes project preparatory technical assistance.

Table A9.2: Ratings of Technical Assistance Projects Completed in 2012

|   |        | Higi  | hly |       |       | Par   | tly   |       |        |
|---|--------|-------|-----|-------|-------|-------|-------|-------|--------|
|   | No. of | Succe |     | Succe | ssful | Succe | ssful | Unsuc | essful |
| Sector                                  | TCRs   | No.   | %   | No.   | %     | No.   | %     | No.   | %      |
| Core Areas of ADB Operations            | 73     | 9     | 12  | 54    | 74    | 9     | 12    | 1     | 1      |
| Infrastructure                          | 53     | 8     | 15  | 37    | 70    | 7     | 13    | 1     | 0      |
| Energy                                  | 19     | 2     | 11  | 15    | 79    | 1     | 5     | 1     | 0      |
| Transport and communication             | 15     | 2     | 13  | 9     | 60    | 4     | 27    | 0     | 0      |
| Water, sanitation, and waste management | 11     | 1     | 9   | 9     | 82    | 1     | 9     | 0     | 0      |
| Other infrastructure                    | 8      | 3     | 38  | 4     | 50    | 1     | 13    | 0     | 0      |
| Finance sector development              | 17     | 0     | 0   | 15    | 88    | 2     | 12    | 0     | 0      |
| Education                               | 3      | 1     | 33  | 2     | 67    | 0     | 0     | 0     | 0      |
| Other Areas of Operations               | 70     | 12    | 17  | 52    | 74    | 4     | 6     | 2     | 0      |
| Agriculture                             | 6      | 2     | 33  | 4     | 67    | 0     | 0     | 0     | 0      |
| Health                                  | 7      | 2     | 29  | 4     | 57    | 1     | 14    | 0     | 0      |
| Disaster and emergency                  | 5      | 1     | 20  | 3     | 60    | 1     | 20    | 0     | 0      |
| Industry                                | 52     | 7     | 13  | 41    | 79    | 2     | 4     | 2     | 0      |
| Public sector management                | 54     | 5     | 9   | 41    | 76    | 7     | 13    | 1     | 0      |
| Total                                   | 143    | 21    | 15  | 106   | 74    | 13    | 9     | 3     | 0      |

ADB = Asian Development Bank, No. = number, TCR = technical assistance completion report. Notes:

Sources: ADB TCRs for advisory and regional technical assistance projects issued in 2004–2012, Operations Services and Financial Management Department, and Strategy and Policy Department.

Table A9.3: Successful Policy Advisory and Capacity Development Technical Assistance Projects by Country Grouping Based on Completion Reports, 2004–2012

|      | OCR-Only Countries |                          | Blend          | Countries                | ADF-On         | ly Countries             | FCAS Countries <sup>a</sup> |                          |  |
|------|--------------------|--------------------------|----------------|--------------------------|----------------|--------------------------|-----------------------------|--------------------------|--|
| Year | No. of<br>TCRs     | % of Rated<br>Successful | No. of<br>TCRs | % of Rated<br>Successful | No. of<br>TCRs | % of Rated<br>Successful | No. of<br>TCRs              | % of Rated<br>Successful |  |
| 2004 | 24                 | 80                       | 37             | 70                       | 34             | 77                       | 17                          | 57                       |  |
| 2005 | 32                 | 89                       | 29             | 73                       | 27             | 71                       | 18                          | 95                       |  |
| 2006 | 35                 | 85                       | 24             | 71                       | 32             | 78                       | 18                          | 75                       |  |
| 2007 | 32                 | 94                       | 32             | 74                       | 16             | 62                       | 9                           | 45                       |  |
| 2008 | 38                 | 86                       | 27             | 57                       | 38             | 72                       | 21                          | 60                       |  |
| 2009 | 32                 | 82                       | 24             | 67                       | 31             | 62                       | 19                          | 53                       |  |
| 2010 | 18                 | 78                       | 19             | 63                       | 21             | 72                       | 17                          | 74                       |  |
| 2011 | 21                 | 88                       | 22             | 73                       | 19             | 66                       | 9                           | 60                       |  |
| 2012 | 27                 | 84                       | 14             | 70                       | 28             | 88                       | 20                          | 87                       |  |

 $ADF = Asian \ Development \ Fund, \ FCAS = fragile \ and \ conflict-affected \ situation, \ No. = number, \ OCR = ordinary \ capital \ resources, \ TCR = technical \ assistance \ completion \ report.$ 

Notes: Excludes regional technical assistance. The list of countries in each country grouping is in Appendix 2.

<sup>1.</sup> Project preparatory technical assistance projects are excluded.

<sup>2.</sup> Total of highly successful and successful projects is reflected in Table A9.1.

<sup>&</sup>lt;sup>a</sup> FCAS classification of countries is based on the country performance assessment ratings during the baseline period 2004–2006. Sources: Asian Development Bank TCRs for advisory technical assistance projects issued in 2004–2012, Operations Services and Financial Management Department, and Strategy and Policy Department.

# **Sovereign Operations during Implementation**

Table A10.1: Portfolio Performance Rating in 2012 (%)

|                         |          | Asian Develo         | pment Ban         | k                 | Asian Development Fund |                      |                   |                   |  |
|-------------------------|----------|----------------------|-------------------|-------------------|------------------------|----------------------|-------------------|-------------------|--|
| Indicators              | On track | Potential<br>Problem | Satis-<br>factory | Actual<br>Problem | On track               | Potential<br>Problem | Satis-<br>factory | Actual<br>Problem |  |
| Technical               | 97       | 1                    | 98                | 1                 | 95                     | 3                    | 98                | 2                 |  |
| Procurement             | 72       | 11                   | 83                | 16                | 69                     | 12                   | 71                | 18                |  |
| Disbursement            | 69       | 10                   | 79                | 21                | 71                     | 9                    | 80                | 19                |  |
| Financial<br>management | 99       | 0                    | 99                | 1                 | 99                     | 0                    | 1                 | 99                |  |
| Safeguards              | 99       | 0                    | 99                | 0.2               | 100                    | 0                    | 100               | 0                 |  |
| Overall                 | 69       | 20                   | 89                | 11                | 66                     | 23                   | 89                | 11                |  |

#### Notes:

- 1. Technical assesses progress toward outputs, procurement assesses the conversion of inputs into outputs, disbursement assesses the conversion of inputs into outputs, financial management assesses fiduciary risks, and safeguards assess reputational risks.
- 2. The portfolio performance indicators and rating system apply to all project loans and grants, including sector development projects, guarantees, periodic financing requests under multitranche financing facilities, and projects financed by the Japan Fund for Poverty Reduction and other trust funds. They do not apply to program loans and grants, multitranche financing facilities, and technical assistance projects.
- 3. The five indicator ratings are combined into a single project rating by generating an average rating score for the project and aggregating the averages. Each individual rating is assigned a score (green = 1 point, amber = 0.5 points, red = 0 points), and the assigned values for each of the 5 indicators are summed and divided by 5 to produce an overall project rating score of between 0 and 1. A project with a score greater than or equal to 0.90 is rated on track (green); a project with a score of 0.70–0.89 is rated a potential problem (amber); and a project with a score of less than or equal to 0.69 is rated an actual problem (red), and is at-risk. Appendix 10 of the 2010 Development Effectiveness Review provides more details.
- 4. Satisfactory rating is the sum of on track and potential problem.
- 5. Percentages may not total 100% because of rounding.

Sources: Asian Development Bank Operations Services and Financial Management Department, and Strategy and Policy Department.

#### Development Effectiveness Review 2012

Table A10.2: Projects under Implementation in 2012 Rated Satisfactory by Country Grouping

| OCR-Only Countries |                         | Blend Countries    |                         | ADF-Only           | y Countries             | FCAS Countries <sup>a</sup> |                         |  |
|--------------------|-------------------------|--------------------|-------------------------|--------------------|-------------------------|-----------------------------|-------------------------|--|
| No. of<br>Projects | % Rated<br>Satisfactory | No. of<br>Projects | % Rated<br>Satisfactory | No. of<br>Projects | % Rated<br>Satisfactory | No. of<br>Projects          | % Rated<br>Satisfactory |  |
| 166                | 90                      | 219                | 86                      | 181                | 91                      | 137                         | 90                      |  |

ADF = Asian Development Fund, FCAS = fragile and conflict-affected situation, No. = number, OCR = ordinary capital resources. Notes:

- 1. Regional projects are excluded. The list of countries in each country grouping is in Appendix 2.
- 2. Satisfactory rating may be on track or potential problem.

Table A10.3: 2012 Portfolio Performance Rating by Sector

| Sectors   | Ongoing<br>Projects<br>(No.) | On Track<br>(%) | Potential<br>Problem<br>(%) | Satisfactory<br>(%) | Actual<br>Problem<br>(%) |
|---|------------------------------|-----------------|-----------------------------|---------------------|--------------------------|
| Agriculture and natural resources                     | 59                           | 62              | 25                          | 87                  | 13                       |
| Education   | 29                           | 73              | 18                          | 90                  | 10                       |
| Energy  | 54                           | 61              | 25                          | 86                  | 14                       |
| Finance   | 9                            | 56              | 19                          | 75                  | 25                       |
| Health and social protection                          | 28                           | 82              | 6                           | 88                  | 12                       |
| Industry and trade                                    | 7                            | 100             | 0                           | 100                 | 0                        |
| Multisector   | 42                           | 75              | 18                          | 93                  | 7                        |
| Public sector management                              | 4                            | 44              | 11                          | 56                  | 44                       |
| Transport and ICT                                     | 108                          | 71              | 18                          | 89                  | 11                       |
| Water and other municipal infrastructure and services | 57                           | 70              | 24                          | 94                  | 6                        |
| Total   | 579                          | 69              | 20                          | 89                  | 11                       |

ICT= information and communication technology, No. = number.

Note: Satisfactory rating is the sum of on track and potential problem.

Sources: Asian Development Bank Operations Services and Financial Management Department and Strategy and Policy Department.

<sup>&</sup>lt;sup>a</sup> FCAS classification of countries is based on the country performance assessment ratings during the baseline period 2004–2006. Sources: Asian Development Bank Operations Services and Financial Management Department, and Strategy and Policy Department.

Table A10.4: 2012 Asian Development Fund Portfolio Performance Rating by Sector

| Sectors   | Ongoing<br>Projects<br>(No.) | On Track<br>(%) | Potential<br>Problem<br>(%) | Satisfactory<br>(%) | Actual<br>Problem<br>(%) |
|---|------------------------------|-----------------|-----------------------------|---------------------|--------------------------|
| Agriculture and natural resources                     | 53                           | 57              | 34                          | 91                  | 9                        |
| Education   | 34                           | 74              | 15                          | 88                  | 12                       |
| Energy  | 32                           | 50              | 28                          | 78                  | 22                       |
| Finance   | 7                            | 43              | 43                          | 86                  | 14                       |
| Health and social protection                          | 19                           | 95              | 5                           | 100                 | 0                        |
| Industry and trade                                    | 5                            | 100             | 0                           | 100                 | 0                        |
| Multisector   | 18                           | 50              | 33                          | 83                  | 17                       |
| Public sector management                              | 5                            | 40              | 20                          | 60                  | 40                       |
| Transport and ICT                                     | 83                           | 72              | 19                          | 92                  | 8                        |
| Water and other municipal infrastructure and services | 53                           | 68              | 25                          | 92                  | 8                        |
| Total   | 309                          | 66              | 23                          | 89                  | 11                       |

 $\label{eq:communication} \mbox{ICT= information and communication technology, No. = number.}$ 

Note: *Satisfactory* rating is the sum of on track and potential problem. Numbers may not sum precisely because of rounding. Sources: Asian Development Bank Operations Services and Financial Management Department and Strategy and Policy Department.

#### **Disbursements**

Table A11.1: Annual Disbursements for Sovereign Operations, 2008–2012 (\$ million)

|                     |       | Asian D | evelopmeı | nt Bank <sup>a</sup> |       |       | Asian D | evelopmeı | nt Fund <sup>b</sup> |       |
|---------------------|-------|---------|-----------|----------------------|-------|-------|---------|-----------|----------------------|-------|
| Item                | 2008  | 2009⁵   | 2010⁰     | 2011                 | 2012  | 2008  | 2009    | 2010      | 2011                 | 2012  |
| Project loans       | 4,473 | 4,889   | 4,977     | 5,796                | 5,585 | 1,303 | 1,116   | 1,141     | 1,119                | 1,141 |
| Program loans       | 3,447 | 2,761   | 1,365     | 1,211                | 1,912 | 897   | 455     | 245       | 167                  | 245   |
| ADF grants          | 177   | 347     | 358       | 510                  | 532   | 347   | 358     | 510       | 532                  | 510   |
| Total Disbursements | 8,098 | 7,996   | 6,701     | 7,517                | 8,030 | 2,548 | 1,929   | 1,895     | 1,818                | 1,895 |

ADF = Asian Development Fund.

- <sup>a</sup> Combined sovereign loans (ordinary capital resources and the ADF) and ADF grants.
- <sup>b</sup> ADF grants and loans.
- <sup>c</sup> Excludes operations financed by the Countercyclical Support Facility.
- <sup>d</sup> Numbers may not sum precisely because of rounding.

Source: Asian Development Bank Controller's Department.

Table A11.2: 2012 Disbursements for Sovereign Operations by Country Grouping

| OCR-Only               | Countries    | Blend Co               | untries <sup>a</sup> | ADF-Only (             | Countries    | FCAS Co                | untries <sup>b</sup> |
|------------------------|--------------|------------------------|----------------------|------------------------|--------------|------------------------|----------------------|
| Amount<br>(\$ million) | Ratio<br>(%) | Amount<br>(\$ million) | Ratio<br>(%)         | Amount<br>(\$ million) | Ratio<br>(%) | Amount<br>(\$ million) | Ratio<br>(%)         |
| 3,906                  | 27           | 3,356                  | 19                   | 766                    | 17           | 853                    | 15                   |

ADF = Asian Development Fund, FCAS = fragile and conflict-affected situation, OCR = ordinary capital resources.

Notes: Regional projects are excluded. The list of countries in each country grouping is in Appendix 2.

Sources: Asian Development Bank Controller's Department, and Strategy and Policy Department.

Table A11.3: 2012 Disbursements for Nonsovereign Operations by Country Grouping

|        | ADE                    | 3a           | OCR Cou                | ıntries      | ADF Cou                | ıntries      | Blend Co               | untries      |
|--------|------------------------|--------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|
| Item   | Amount<br>(\$ million) | Ratio<br>(%) |
| Loans  | 553                    | 25           | 297                    | 18           | 0                      | 0            | 234                    | 44           |
| Equity | 112                    | 22           | 6                      | 6            | 0                      | 0            | 26                     | 63           |
| Total  | 665                    | 24           | 303                    | 17           | 0                      | 0            | 259                    | 46           |

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

Note: The list of countries in each country grouping is in Appendix 2.

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

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

<sup>&</sup>lt;sup>b</sup> FCAS classification of countries is based on the country performance assessment ratings during the baseline period 2004–2006.

<sup>&</sup>lt;sup>a</sup> Includes regional projects.

# Cofinancing

Table A12.1: Direct Value-Added Cofinancing, 2004–2012

|      | Asian Develop                                    | pment Bank            | Asian Develop                                    | oment Fund        |
|------|--|-----------------------|--|-------------------|
| Year | Amount Cofinanced by<br>Partners<br>(\$ million) | Cofinancing Ratio (%) | Amount Cofinanced by<br>Partners<br>(\$ million) | Cofinancing Ratio |
| 2004 | 273  | 5                     | 102  | 8                 |
| 2005 | 346  | 6                     | 223  | 14                |
| 2006 | 1,249  | 17                    | 271  | 18                |
| 2007 | 695  | 7                     | 209  | 9                 |
| 2008 | 1,191  | 11                    | 146  | 6                 |
| 2009 | 3,354  | 29                    | 284  | 9                 |
| 2010 | 4,425  | 36                    | 720  | 23                |
| 2011 | 4,166  | 32                    | 1,510  | 59                |
| 2012 | 3,631  | 28                    | 429  | 14                |

Note: Direct value-added (DVA) 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. In February 2012, the definition of commercial cofinancing was clarified and now includes trade facilitation program DVA cofinancing and revised parallel loans DVA cofinancing. Applying this new definition, the amount of DVA cofinancing would be \$7,483 million in 2011 and \$5,281 million in 2010.

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

Table A12.2: 2012 Direct Value-Added Cofinancing in Sovereign Operations by Sector

| Sectors   | Projects with DVA<br>Cofinancing<br>(Number) | Amount Cofinanced by<br>Partners<br>(\$ million) |
|---|--|--|
| Agriculture and natural resources                     | 7  | 151.05   |
| Education   | 1  | 3.46   |
| Energy  | 6  | 499.50   |
| Finance   | 0  | 0.00   |
| Health and social protection                          | 1  | 0.67   |
| Industry and trade                                    | 0  | 0.00   |
| Multisector   | 11   | 191.59   |
| Public sector management                              | 2  | 104.00   |
| Transport and ICT                                     | 14   | 1,028.83   |
| Water and other municipal infrastructure and services | 5  | 29.69  |
| Total   | <b>47</b> <sup>a</sup>                       | 2,008.79   |

DVA = direct value-added, ICT = information and communication technology.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank Office of Cofinancing Operations.

<sup>&</sup>lt;sup>a</sup> 49 projects had DVA cofinancing from official sources, including 2 nonsovereign operations.

# **Strategic Focus in Operations**

Table A13.1: Financing for Strategy 2020 Priorities (2012 approvals)

|  | Asian D      | )evelopme | ent Bank              | Asian D      | evelopme | nt Fund               |
|--|--------------|-----------|-----------------------|--------------|----------|-----------------------|
|  | Amoi         | unt       | No. of                | Amou         | ınt      | No. of                |
| Item   | (\$ million) | (%)       | Projects <sup>a</sup> | (\$ million) | (%)      | Projects <sup>a</sup> |
| A. Financing for Core Sectors  | 10,883       | 83        | 119                   | 2,636        | 88       |                       |
| Infrastructure   | 9,599        | 73        | 97                    | 2,113        | 70       |                       |
| Energy   | 2,876        | 22        | 26                    | 520          | 17       | 6                     |
| Transport and communication  | 4,480        | 34        | 31                    | 885          | 29       | 15                    |
| Water, sanitation, and waste management services   | 1,794        | 14        | 27                    | 494          | 16       | 16                    |
| Others <sup>a</sup>  | 448          | 3         | 13                    | 213          | 7        | 7                     |
| Finance sector development   | 294          | 2         | 8                     | 219          | 7        | 7                     |
| Education  | 990          | 8         | 14                    | 304          | 10       | 6                     |
| B. Financing for Other Areas   | 2,262        | 17        | 36                    | 373          | 12       |                       |
| Agriculture  | 188          | 1         | 7                     | 12           | 0        | 1                     |
| Health   | 116          | 1         | 8                     | 116          | 4        | 8                     |
| Industry   | 468          | 4         | 6                     | 68           | 2        | 5                     |
| Public sector management   | 1,490        | 11        | 15                    | 176          | 6        | 10                    |
| C. Operations under B with Environmental<br>Sustainability or Regional Cooperation and<br>Integration as Theme | 251          | 2         | 13                    | 126          | 4        | 9                     |
| Total Financing (A+B)  | 13,145       | 100       | 123                   | 3,009        | 100      | 62                    |
| Total Financing for Core Operational Areas (A+C)   | 11,135       | 85        |                       | 2,762        | 92       |                       |

#### Notes:

- 1. Financing approved for sovereign operations (including Asian Development Fund grants) and nonsovereign operations. Financing for multisector projects is broken down into the respective sector components.
- 2. Numbers may not sum precisely because of rounding.
- 3. Percentages may not add up to 100% because of rounding.
- <sup>a</sup> Includes projects with several infrastructure components (e.g., urban sector development and disaster rehabilitation), and public sector management projects and programs supporting policy reforms in core sectors.

Sources: Asian Development Bank reports and recommendations of the President approved in 2012, Operations Services and Financial Management Department, and Strategy and Policy Department.

Table A13.2: New Projects Supporting Strategy 2020 Selected Thematic Areas (2012 approvals)

|                                      | Asian Devel        | opment Bank            | Asian Devel        | opment Fund            |
|--------------------------------------|--------------------|------------------------|--------------------|------------------------|
| Item                                 | No. of<br>Projects | Amount<br>(\$ million) | No. of<br>Projects | Amount<br>(\$ million) |
| Environmental sustainability         | 51                 | 6,176                  | 21                 | 1,112                  |
| Private sector development           | 49                 | 4,800                  | 20                 | 950                    |
| Regional cooperation and integration | 27                 | 2,753                  | 22                 | 1,422                  |
| Gender mainstreaming <sup>a</sup>    | 55                 | 4,804                  | 35                 | 956                    |

Note: Projects exclude additional financing that does not result in new or additional outputs.

Sources: Asian Development Bank reports and recommendations of the President approved in 2012, Operations Services and Financial Management Department, Regional and Sustainable Development Department, and Strategy and Policy Department.

<sup>&</sup>lt;sup>a</sup> Includes sovereign projects with gender equity as one of thematic priorities under the Asian Development Bank project classification system, and other projects with effective gender mainstreaming.

Table A13.3: Financing for Strategy 2020 Priorities by Country Grouping (2012 approvals)

|  | OCR-Only C   | ountries | Blend Co   | untries | ADF-Only C   | ountries |
|--|--------------|----------|------------|---------|--------------|----------|
|  | Amou         | nt       | Amo        | unt     | Amo          | unt      |
| Item   | (\$ million) | (%)      | \$ million | (%)     | (\$ million) | (%)      |
| A. Financing for Core Sectors  | 5,488        | 79       | 3,965      | 87      | 840          | 84       |
| Infrastructure   | 5,068        | 73       | 3,379      | 74      | 767          | 77       |
| Energy   | 1,543        | 22       | 861        | 19      | 270          | 27       |
| Transport and communication  | 2,370        | 34       | 1,717      | 38      | 297          | 30       |
| Water, sanitation, and waste management services   | 920          | 13       | 664        | 15      | 137          | 14       |
| Others <sup>a</sup>  | 235          | 3        | 137        | 3       | 62           | 6        |
| Finance sector development   | 75           | 1        | 160        | 4       | 55           | 5        |
| Education  | 345          | 5        | 426        | 9       | 19           | 2        |
| B. Financing for Other Areas   | 1,464        | 21       | 590        | 13      | 158          | 16       |
| Agriculture  | 150          | 2        | 25         | 1       | 6            | 1        |
| Health   | 0            | 0        | 92         | 2       | 5            | 1        |
| Industry and Trade   | 0            | 0        | 410        | 9       | 33           | 3        |
| Public sector management   | 1,314        | 19       | 63         | 1       | 113          | 11       |
| C. Operations under B with Environmental<br>Sustainability or Regional Cooperation<br>as Theme | 126          | 2        | 17         | 0       | 59           | 6        |
| Total Financing (A+B)  | 6,952        | 100      | 4,555      | 100     | 998          | 100      |
| Total Financing for Core Operational Areas (A+C)   | 5,614        | 81       | 3,982      | 87      | 899          | 90       |

 $\mbox{ADF} = \mbox{Asian Development Fund, OCR} = \mbox{ordinary capital resources}.$ 

#### Notes:

Sources: Asian Development Bank reports and recommendations of the President approved in 2012, Operations Services and Financial Management Department, and Strategy and Policy Department.

<sup>1.</sup> Covers financing approved for sovereign operations (including Asian Development Fund grants) and nonsovereign operations. Financing for multisector projects is broken down into the respective sector components.

<sup>2.</sup> 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 are the People's Republic of China, the Cook Islands, Fiji, Indonesia, Kazakhstan, Malaysia, the Philippines, Thailand, and Turkmenistan, as well as India, which is a blend country without access to the ADF since 1986. Blend countries are Armenia, Azerbaijan, Bangladesh, Georgia, the Marshall Islands, the Federated States of Micronesia, Mongolia, Pakistan, Palau, Papua New Guinea, Sri Lanka, Timor-Leste, Uzbekistan, and Viet Nam. ADF-only countries are Afghanistan, Bhutan, Cambodia, Kiribati, the Kyrgyz Republic, the Lao People's Democratic Republic, the Maldives, Nauru, Nepal, Samoa, Solomon Islands, Tajikistan, Tonga, Tuvalu, and Vanuatu.

<sup>3.</sup> Excludes regional projects, which account for the difference with totals in Table A13.1.

<sup>4.</sup> Numbers may not sum precisely because of rounding.

<sup>&</sup>lt;sup>a</sup> Includes projects with several infrastructure components (e.g., urban sector development and disaster rehabilitation), and public sector management projects and programs supporting policy reforms in core sectors.

Table A13.4: Technical Assistance for Strategy 2020 Priorities (2012 approvals)

|  |              |     |                    |          |                 |         |                    |          | -                 |                 |              |       |
|--|--------------|-----|--------------------|----------|-----------------|---------|--------------------|----------|-------------------|-----------------|--------------|-------|
|  | ADB Total    | lal | OCR-Only Countries | ountries | Blend Countries | ıntries | ADF-Only Countries | ountries | FCAS<br>Countries | es <sub>a</sub> | Regional TA  | al TA |
|  | Amount       | ŧ   | Amount             | Ħ        | Amount          | Ħ       | Amount             | Ħ        | Amount            | 듵               | Amount       | mt    |
| Item   | (\$ million) | (%) | (\$ million)       | (%)      | (\$ million)    | (%)     | (\$ million)       | (%)      | (\$ million)      | (%)             | (\$ million) | (%)   |
| Financing for Core Sectors                                       | 168.22       | 26  | 39.44              | 09       | 44.54           | 83      | 30.30              | 51       | 25.63             | 71              | 53.94        | 45    |
| Infrastructure   | 135.11       | 42  | 33.66              | 51       | 32.10           | 09      | 23.83              | 40       | 23.48             | 65              | 45.54        | 38    |
| Energy   | 42.14        | 14  | 8.31               | 13       | 8.20            | 15      | 5.52               | 6        | 6.69              | 19              | 20.12        | 17    |
| Transport and communication                                      | 36.36        | 12  | 11.02              | 17       | 9.75            | 18      | 5.44               | 6        | 2.93              | œ               | 10.15        | 0     |
| Water, sanitation, and waste                                     | 39.81        | 13  | 10.63              | 16       | 10.70           | 20      | 12.01              | 20       | 13.01             | 36              | 6.48         | 2     |
| management   |              |     |                    |          |                 |         |                    |          |                   |                 |              |       |
| Others <sup>b</sup>  | 16.80        | 9   | 3.70               | 9        | 3.45            | 9       | 0.86               | -        | 0.86              | 2               | 8.79         | 7     |
| Finance sector development                                       | 18.65        | 9   | 3.50               | 2        | 6.03            | Ξ       | 2.58               | 4        | 0.73              | 2               | 6.55         | 9     |
| Education  | 14.45        | 2   | 2.29               | က        | 6.42            | 12      | 3.90               | 7        | 1.43              | 4               | 1.85         | 7     |
|  |              |     |                    |          |                 |         |                    |          |                   |                 |              |       |
| Financing for Other Areas  | 129.56       | 44  | 26.24              | 40       | 9.08            | 11      | 28.82              | 49       | 10.51             | 59              | 65.10        | 22    |
| Agriculture  | 30.59        | 유   | 3.60               | 2        | 0.40            | -       | 8.58               | 4        | 0.23              | -               | 18.42        | 15    |
| Health   | 6.21         | 2   | 1.20               | 2        | 00.0            | 0       | 0.23               | 0        | 0.23              | -               | 4.38         | 4     |
| Industry   | 8.61         | က   | 0.40               | -        | 0.00            | 0       | 1.43               | 2        | 0.75              | 2               | 6.79         | 9     |
| Public sector management   | 84.16        | 78  | 21.04              | 32       | 8.68            | 16      | 18.62              | 31       | 9.31              | 56              | 35.51        | 30    |
| Onerations under B with  | 58 61        | 2   | 7 60               | ^        | מא              | c       | 0                  | 4        | 1 60              | -               | 43.28        | 36    |
| Environmental Sustainability or<br>Regional Cooperation as Theme |              | 3   |                    | -        |                 |         | 8                  | 2        | 2                 | •               |              | 3     |
| Total Financing (A+B)  | 297 78       |     | 65 68              | 9        | 53.62           | 10      | 59 14              | 9        | 36 13             | 9               | 119 03       | 9     |
|  | 731.10       | 3   | 99.00              | 3        | 70.00           | 3       | <u>+</u>           | 3        | 2                 | 3               | 3.00         | 3     |
| Total Financing for Core Operational Areas (A+C)                 | 226.83       | 9/  | 44.04              | 29       | 45.39           | 82      | 39.87              | 29       | 27.23             | 75              | 97.22        | 82    |

(2009–2012). OCR-only countries are the People's Republic of China, the Cook Islands, Fiji, Indonesia, Kazakhstan, Malaysia, the Philippines, Thailand, and Turkmenistan, as well as India, which Notes: 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 Pakistan, Palau, Papua New Guinea, Sri Lanka, Timor-Leste, Uzbekistan, and Viet Nam. ADF-only countries are Afghanistan, Bhutan, Cambodia, Kiribati, the Kyrgyz Republic, the Lao People's is a blend country without access to the ADF since 1986. Blend countries are Armenia, Azerbaijan, Bangladesh, Georgia, the Marshall Islands, the Federated States of Micronesia, Mongolia, Democratic Republic, the Maldives, Nauru, Nepal, Samoa, Solomon Islands, Tajikistan, Tonga, Tuvalu, and Vanuatu. In 2012, Myanmar was added in the list of countries with access to ADF ADB = Asian Development Bank, ADF = Asian Development Fund, FCAS = fragile and conflict-affected situations, OCR = ordinary capital resources, TA = technical assistance. resources.

Sources: ADB technical assistance reports approved in 2012, and Strategy and Policy Department.

FCAS classification of countries is based on country performance assessment rankings and conflict considerations. The list used in the analysis is based on the lowest-ranked countries in the 2011 country performance assessment.

<sup>&</sup>lt;sup>b</sup> Includes multisector TA projects with several infrastructure components.

# **Partnerships**

Table A14.1: Sovereign Operations with Participation of Civil Society Organizations, 2006–2012

|      | Asian Dev | elopment Bank               | Asian Deve | elopment Fund               |
|------|-----------|-----------------------------|------------|-----------------------------|
| Year | Number    | % of Approvals <sup>a</sup> | Number     | % of Approvals <sup>a</sup> |
| 2006 | 50        | 78                          | 40         | 85                          |
| 2007 | 60        | 78                          | 39         | 85                          |
| 2008 | 65        | 76                          | 42         | 82                          |
| 2009 | 67        | 72                          | 39         | 75                          |
| 2010 | 83        | 79                          | 46         | 81                          |
| 2011 | 91        | 91                          | 46         | 96                          |
| 2012 | 96        | 98                          | 58         | 98                          |

<sup>&</sup>lt;sup>a</sup> Refers to projects funded by ordinary capital resources and the Asian Development Fund approved during the year. Sources: Asian Development Bank reports and recommendations of the President approved in 2006–2012, Regional and Sustainable Development Department, and Strategy and Policy Department.

Table A14.2: 2012 Sovereign Operations with Participation of Civil Society Organizations by Country Grouping

| OCR-Only | Countries | Blend Co | untries | ADF-Only C | Countries |
|----------|-----------|----------|---------|------------|-----------|
| Number   | %         | Number   | %       | Number     | %         |
| 25       | 100       | 7        | 88      | 44         | 98        |

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

Note: The country groupings differ from those presented in Appendix 2. Groupings in this table follow the classification of countries with access to the ADF during its ninth replenishment period (2009–2012). OCR-only countries are the People's Republic of China, the Cook Islands, Fiji, Indonesia, Kazakhstan, Malaysia, the Philippines, Thailand, and Turkmenistan, as well as India, which is a blend country without access to the ADF since 1986. Blend countries are Armenia, Azerbaijan, Bangladesh, Georgia, the Marshall Islands, the Federated States of Micronesia, Mongolia, Pakistan, Palau, Papua New Guinea, Sri Lanka, Timor-Leste, Uzbekistan, and Viet Nam. ADF-only countries are Afghanistan, Bhutan, Cambodia, Kiribati, the Kyrgyz Republic, the Lao People's Democratic Republic, the Maldives, Nauru, Nepal, Samoa, Solomon Islands, Tajikistan, Tonga, Tuvalu, and Vanuatu.

Sources: Asian Development Bank Regional and Sustainable Development Department, and Strategy and Policy Department.

Table A14.3: Program-Based Approaches in 2012 Supported by ADB

|                |                    |   | OCR          | ADF          | Total        | Approval     |
|----------------|--------------------|---|--------------|--------------|--------------|--------------|
| Loan/Grant No. | Country            | Project Title   | (\$ million) | (\$ million) | (\$ million) | Date         |
| 0327           | Afghanistan        | Transport Network Development Investment Program (Tranche 2)  |              | 176.00       | 176.00       | 10 December  |
| 0332           | Afghanistan        | MFF - Energy Sector Development Investment Program Project 4 (formerly MFF -<br>Energy Development Project Tranche 4) |              | 200.00       | 200.00       | 18 December  |
| 2922/2923      | Armenia            | Women's Entrepreneurship Support Sector Development Program   |              | 40.00        | 40.00        | 25 October   |
| 2921           | Azerbaijan         | Second Road Network Development Investment Program (Tranche 1)  | 250.00       |              | 250.00       | 25 October   |
| 2966           | Bangladesh         | MFF-Power System Expansion and Efficiency Improvement Investment Program<br>(Tranche 1)                               | 185.00       |              | 185.00       | 12 December  |
| 8228           | Randadesh          | Second Canital Market Develonment Program   | 95.00        | 205 00       | 300 00       | 28 November  |
| 2852           | Cambodia           | Flood Damage Emergency Reconstruction Project   |              | 55.00        | 55.00        | 27 March     |
| 2886/2887      | Cambodia           | Decentralized Public Service and Financial Management Sector Development  |              | 37.46        | 37.46        | 13 September |
|                |                    | Program (Subprogram 1)  |              |              |              |              |
| 2888/2889      | Cambodia           | Third Education Sector Development Program  |              | 30.00        | 30.00        | 13 September |
| 2904           | Cambodia           | Promoting Economic Diversification (Subprogram 3)   |              | 25.00        | 25.00        | 27 September |
| 2946           | Cook Islands       | Economic Recovery Support Program (Subprogram 2)  | 00.9         |              | 00'9         | 22 November  |
| 2880/2879      | Georgia            | Sustainable Urban Transport Investment Program (Tranche 2)  | 64.00        | 16.00        | 80.00        | 24 July      |
| 2861           | India              | Bihar Urban Development Investment Sector Program (Tranche 1)   | 65.00        |              | 65.00        | 13 April     |
| 2881           | India              | Rural Connectivity Investment Program (Tranche 1)   | 252.00       |              | 252.00       | 22 August    |
| 2882           | India              | North Karnataka Urban Sector Investment Program (Tranche 3)   | 00.09        |              | 00.09        | 22 August    |
| 2914           | India              | Himachal Pradesh Clean Energy Development Investment Program (Tranche 4)  | 315.00       |              | 315.00       | 2 October    |
| 2924           | India              | Uttarakhand Power Sector Investment Program (Tranche 4)   | 150.00       |              | 150.00       | 26 October   |
| 2925           | India              | Jammu and Kashmir Urban Sector Development Investment Program (Tranche 2)   | 110.00       |              | 110.00       | 26 October   |
| 2926           | India              | West Bengal Development Finance Program   | 400.00       |              | 400.00       | 30 October   |
| 2981           | India              | Chhattisgarh State Road Sector Project (formerly Chhattisgarh Road Connectivity                                       | 300.00       |              | 300.00       | 11 December  |
| 2871           | Indonesia          | Project) (formerly Chnattisgarn State Roads Project)<br>Precautionary Financinn Facility                              | 500 00       |              | 200 00       | 18 June      |
| 2895           | Indonesia          |   | 300.00       |              | 300.00       | 21 September |
| 2942           | Indonesia          | Inclusive Growth through Improved Connectivity Program (Subprogram 1)   | 300.00       |              | 300.00       | 16 November  |
| 2967           | Kazakhstan         | Central Asia Regional Economic Cooperation Corridor 2 (Mangystau Oblast   | 371.30       |              | 371.30       | 13 December  |
|                | :                  | Section) investment Program (Iranche Z)   |              | ;            | ;            |              |
| 0319           | Kyrgyz<br>Republic | Investment Climate Improvement Program (Subprogram 2)   |              | 20.00        | 20.00        | 26 November  |
|                | ollandoll          |   |              |              |              |              |

continued on next page

Table A14.3 continued

|                    |                      |   | OCR             | ADF          | Total           | Approval                   |
|--------------------|----------------------|---|-----------------|--------------|-----------------|----------------------------|
| Loan/Grant No.     | Country              | Project Title   | (\$ million)    | (\$ million) | (\$ million)    | Date                       |
| 2905/0308/<br>0309 | Lao PDR              | Governance and Capacity Development in Public Sector Management Program (Subprogram 1)  |                 | 16.00        | 16.00           | 27 September               |
| 2950               | Marshall<br>Islands  | Public Sector Program (Subprogram 2)  |                 | 2.00         | 2.00            | 26 November                |
| 2935/2934          | Mongolia             | Urban Transport Development Investment Program (Tranche1)   | 29.70           | 30.20        | 59.90           | 8 November                 |
| 0300               | Nauru                | Public Financial Management Reform Program  |                 | 4.00         | 4.00            | 9 August                   |
| 0305               | Nepal                | Strengthening Public Management Program   | 7               | 21.00        | 21.00           | 26 September               |
| 2972               | Pakistan<br>Pakistan | MFF Power Distribution Emigricement investment Program (Tranche 3)  MFF-Puniab Irrigated Agriculture Investment Program Development (Tranche 3) | 245.00<br>73.00 |              | 73.00           | 14 December<br>13 December |
| 2975/2976          | Pakistan             | MFF-Sindh Cities Improvement Investment Program (Tranche 2)   | 25.10           | 74.00        | 99.10           | 18 December                |
| 2872               | <b>Philippines</b>   | Increasing Competitiveness for Inclusive Growth Program (Subprogram 1)  | 350.00          |              | 350.00          | 26 June                    |
| 2954/2955          | Regional             | SASEC Sub-Regional Trade Facilitation Program   |                 | 47.67        | 47.67           | 12 December                |
| 2947/2948          | Sri Lanka            | Greater Colombo Water and Wastewater Management Improvement Investment  | 70.00           | 14.00        | 84.00           | 22 November                |
|                    |                      | Program (Tranche 1)   |                 |              |                 |                            |
| 0318               | Tuvalu               | Strengthened Public Financial Management Program  |                 | 2.35         | 2.35            | 22 November                |
| 2868               | Uzbekistan           | Central Asia Regional Economic Cooperation Corridor 2 Road Investment Program (Tranche 3)   |                 | 100.00       | 100.00          | 5 June                     |
| 2965               | Uzbekistan           | Second Central Asia Regional Economic Cooperation Corridor 2 Road   | 220.00          |              | 220.00          | 10 December                |
| 2956               | Viet Nam             | Investment Program (Tranche 2)  Ho Chi Minh City Urban Mass Rapid Transit Line 2 Investment Program   | 200.00          |              | 500.00          | 27 November                |
|                    |                      | (Tranche 2)   |                 |              |                 |                            |
| 2959               | Viet Nam             | Power Transmission Investment Program (Tranche 2)   | 110.19          |              | 110.19          | 5 December                 |
| 28 / /<br>2961     | Viet Nam<br>Viet Nam | Wicrofinance Development Program (Subprogram 1) Water Sector Investment Program (Tranche 2)   | 212.00          | 40.00        | 40.00<br>212.00 | 5 July<br>7 December       |

ADB = Asian Development Bank, ADF = Asian Development Fund, Lao PDR = Lao People's Democratic Republic, MFF = multitranche financing facility, OCR = ordinary capital resources, SASEC = South Asia Subregional Economic Cooperation.

locally owned program of development, such as a national poverty reduction strategy, a sector program, a thematic program, or a program of a specific organization. PBAs share the following features: (i) leadership by the host country or organization; (ii) a single comprehensive program and budget framework; (iii) a formalized process for development partner coordination and harmonization of development partner procedures for at least two of the following: reporting, funancial management, and procurement; and (iv) use of local systems in at least two of Organisation for Economic Co-operation and Development guidelines. A PBA is defined as a way of engaging in development cooperation based on the principle of coordinated support for a Notes: ADB considers policy-based lending and subprojects of multitranche financing facilities as program-based. The counting of program-based approaches (PBA) is based on the 2011 the following: program design and implementation, financial management, monitoring, and evaluation. A sector-wide approach is a PBA to an entire sector. Sources: ADB regional departments, reports and recommendations of the President approved in 2012, and Strategy and Policy Department.

#### **Human Resources**

Table A15.1: Budgeted Staff Complement in Operations Departments, 2006–2012

| Year | No. of IS and NS<br>in Operations <sup>a</sup> | Total No. of IS and NS<br>in ADB <sup>b</sup> | % of IS and NS in Operations |
|------|--|---|------------------------------|
| 2006 | 687  | 1,308   | 53                           |
| 2007 | 710  | 1,341   | 53                           |
| 2008 | 732  | 1,378   | 53                           |
| 2009 | 748  | 1,418   | 53                           |
| 2010 | 846  | 1,546   | 55                           |
| 2011 | 951°   | 1,706 <sup>d</sup>                            | 56                           |
| 2012 | 985  | 1,769   | 56                           |

ADB = Asian Development Bank, IS = international staff, No. = number, NS = national staff.

Source: ADB Budget, Personnel and Management Systems Department.

Table A15.2: Budgeted Staff Complement in Resident Missions, 2006–2012

| Year | No. of IS and NS<br>in Resident Missions <sup>a</sup> | No. of IS and NS<br>in Regional Departments | % of IS and NS in Resident Missions |
|------|---|---|-------------------------------------|
| 2006 | 280   | 635   | 44                                  |
| 2007 | 293   | 659   | 44                                  |
| 2008 | 314   | 680   | 46                                  |
| 2009 | 327   | 694   | 47                                  |
| 2010 | 368   | 762   | 48                                  |
| 2011 | 409 <sup>b</sup>                                      | 846°  | 48                                  |
| 2012 | 425   | 871   | 49                                  |

IS = international staff, No. = number, NS = national staff.

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

<sup>&</sup>lt;sup>a</sup> Refers to ADB's five regional departments and the Private Sector Operations Department.

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

c Includes 105 new IS and NS positions; 30 administrative staff (level 7) converted to NS 1.

 $<sup>^{</sup>m d}$  Includes 70 new IS and NS positions; 59 administrative staff (level 7) converted to NS 1.

<sup>&</sup>lt;sup>a</sup> Includes staff posted from headquarters in resident missions.

<sup>&</sup>lt;sup>b</sup> Includes 56 new IS and NS positions; 9 administrative staff (level 7) converted to NS 1.

<sup>&</sup>lt;sup>c</sup> Includes 29 new IS and NS positions; 29 administrative staff (level 7) converted to NS 1.

# Development Effectiveness Review 2012

Table A15.3: Gender Distribution among International Staff, 2009–2011

|  | 2009 |    | 2010 |    | 2011 |    | 2012 |    |
|--|------|----|------|----|------|----|------|----|
| Item                                       | No.  | %  | No.  | %  | No.  | %  | No.  | %  |
| Entry levels (1–4)                         |      |    |      |    |      |    |      |    |
| Female                                     | 112  | 29 | 135  | 33 | 151  | 38 | 172  | 45 |
| Male                                       | 270  | 71 | 271  | 67 | 247  | 62 | 209  | 55 |
| Pipeline levels (5–6)                      |      |    |      |    |      |    |      |    |
| Female                                     | 117  | 31 | 123  | 30 | 134  | 30 | 139  | 29 |
| Male                                       | 258  | 69 | 292  | 70 | 317  | 70 | 341  | 71 |
| Senior levels (7–10)                       |      |    |      |    |      |    |      |    |
| Female                                     | 29   | 17 | 40   | 20 | 47   | 23 | 57   | 27 |
| Male                                       | 141  | 83 | 163  | 80 | 159  | 77 | 158  | 74 |
| Total ADB International Staff <sup>a</sup> |      |    |      |    |      |    |      |    |
| Female                                     | 258  | 28 | 298  | 29 | 332  | 31 | 368  | 34 |
| Male                                       | 669  | 72 | 726  | 71 | 723  | 69 | 708  | 66 |

ADB = Asian Development Bank, No. = number.

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

<sup>&</sup>lt;sup>a</sup> Including staff on special leave without pay.

#### **Business Processes and Practices**

Table A16.1: Processing Time for Sovereign Operations in 2006–2012 (months from fact-finding to effectiveness)

|      | Asian Development Bank |          |                                | Asian Development Fund |          |                                |
|------|------------------------|----------|--------------------------------|------------------------|----------|--------------------------------|
| Year | Projects               | Programs | All<br>Sovereign<br>Operations | Projects               | Programs | All<br>Sovereign<br>Operations |
| 2006 | 29                     | 21       | 28                             | 28                     | 24       | 28                             |
| 2007 | 29                     | 19       | 27                             | 28                     | 23       | 27                             |
| 2008 | 24                     | 12       | 21                             | 21                     | 11       | 19                             |
| 2009 | 22                     | 9        | 19                             | 17                     | 9        | 15                             |
| 2010 | 20                     | 16       | 19                             | 16                     | 15       | 16                             |
| 2011 | 23                     | 16       | 22                             | 20                     | 16       | 19                             |
| 2012 | 24                     | 10       | 21                             | 23                     | 11       | 20                             |

#### Notes:

Sources: Asian Development Bank Operations Services and Financial Management Department, and Strategy and Policy Department.

Table A16.2: Processing Time for Sovereign Operations in 2012 by Country Grouping (months from fact-finding to effectiveness)

| Item                     | OCR-Only<br>Countries | Blend Countries | ADF-Only<br>Countries | FCAS<br>Countries <sup>a</sup> |
|--------------------------|-----------------------|-----------------|-----------------------|--------------------------------|
| Projects                 | 28                    | 28              | 19                    | 20                             |
| Programs                 | 7                     | 9               | 11                    | 12                             |
| All Sovereign Operations | 24                    | 25              | 17                    | 19                             |

ADF = Asian Development Fund, FCAS = fragile and conflict-affected situations, OCR = ordinary capital resources.

Sources: Asian Development Bank Operations Services and Financial Management Department, and Strategy and Policy Department.

<sup>1.</sup> Refers to projects funded by ordinary capital resources and Asian Development Fund that became effective during the years.

Processing time refers to the average time from loan or project preparatory technical assistance fact-finding to effectiveness.

<sup>2.</sup> Processing time for supplementary loan approvals is computed from loan fact-finding to effectiveness.

<sup>&</sup>lt;sup>a</sup> FCAS classification of countries is based on the country performance assessment ratings during the baseline year (2006). The list of countries in each country grouping is in Appendix 2.

# Development Effectiveness Review 2012

Table A16.3: Sovereign Projects Administered by Resident Missions in 2012 (%)

| Item                                   | OCR-Only  | Blend     | ADF-Only  | FCAS                   |
|--|-----------|-----------|-----------|------------------------|
|  | Countries | Countries | Countries | Countries <sup>a</sup> |
| Administration of sovereign operations | 46        | 49        | 42        | 39                     |

 $\mathsf{ADF} = \mathsf{Asian} \ \mathsf{Development} \ \mathsf{Fund}, \ \mathsf{FCAS} = \mathsf{fragile} \ \mathsf{and} \ \mathsf{conflict} \\ \mathsf{affected} \ \mathsf{situation}, \ \mathsf{OCR} = \mathsf{ordinary} \ \mathsf{capital} \ \mathsf{resources}.$ 

Source: Asian Development Bank Strategy and Policy Department.

<sup>&</sup>lt;sup>a</sup> FCAS classification of countries is based on the country performance assessment ratings during the baseline year (2006). The list of countries in each country grouping is in Appendix 2.

#### **Development Effectiveness Review**

The Development Effectiveness Review 2012 Report is the sixth annual corporate performance review of the Asian Development Bank (ADB). It assesses progress in implementing Strategy 2020, ADB's long-term strategic framework, using the performance indicators, baselines, and targets in the ADB results framework. It analyzes performance trends, identifies strengths and weaknesses, and defines corrective actions. The review takes stock of progress since 2008 and shows whether ADB met its 2012 targets for delivery of outputs and outcomes, and improving operational and organizational effectiveness.

#### **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 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: 1.7 billion people who live on less than \$2 a day, with 828 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.

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