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Multitranche Financing Facility Annual Report 2020

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
COVID-19	–	coronavirus disease
MFF	–	multitranches financing facility
OCR	–	ordinary capital resources
SARD	–	South Asia Department
SPD	–	Strategy, Policy, and Partnerships Department

NOTE

In this report, “\$” refers to United States dollars.

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I. INTRODUCTION

1. The multitranche financing facility (MFF) is a financing modality introduced in 2005, which establishes a partnership between the Asian Development Bank (ADB) and a client for the purposes of working in a sector or sectors.¹

2. In line with reporting and monitoring requirements outlined in the mainstreaming policy paper,² this annual report consolidates key findings on MFF performance based on the annual MFF progress reports submitted by the five regional ADB departments and the information prepared by the Controller's Department and Partner Funds Division of the Sustainable Development and Climate Change Department of ADB.³ It also provides an update of the portfolio, trends, and implementation status of MFFs.

3. The annual MFF progress reports attached in Appendix 1 provide (i) progress made on each of the physical and nonphysical components; (ii) risks and issues, and actions being taken to mitigate the risks and resolve the issues; (iii) updated design and monitoring frameworks; (iv) the status of compliance with clients' commitments to make or maintain certain undertakings over the term of the MFF; and (v) any changes in circumstances or material facts relating to the investment program or plan.⁴

II. MULTITRANCHE FINANCING FACILITY PORTFOLIO

A. Multitranche Financing Facility Approvals

4. As of 31 December 2020, ADB had approved 110 MFFs totaling \$56.6 billion since introducing the modality in 2005. In 2020, three new MFFs totaling \$1.9 billion were approved by the board (Appendix 2, Table A2.1).⁵ There were commitments from eight tranches totaling \$1.8 billion in 2020 (Table 1).⁶

Table 1: Periodic Financing Request Commitments by Fund, 2020
(\$ million)

Item	Commitments
Regular ordinary capital resources	1,664
Concessional ordinary capital resources	20
Asian Development Fund grants	146
Total	1,830

Note: Data are based on gross committed amounts.
Source: Asian Development Bank.

5. The countries with the highest cumulative values of approved MFFs are India, Pakistan, Bangladesh, and Viet Nam. India is the primary recipient of MFFs, with 42 approved MFFs totaling

¹ ADB. 2005. *Pilot Financing Instruments and Modalities*. Manila.

² ADB. 2008. *Mainstreaming the Multitranche Financing Facility*. Manila, para. 89.

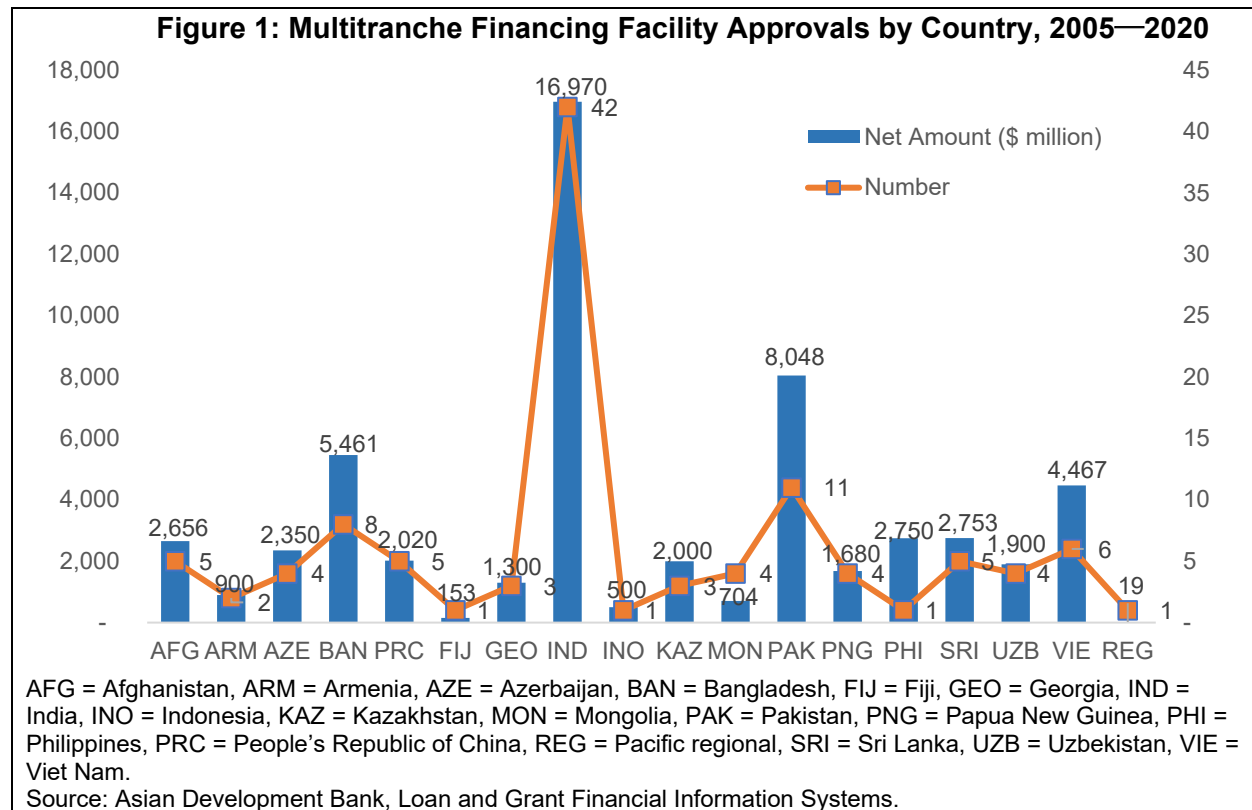
³ Figures used in this report may vary from the 2020 annual portfolio performance report (APPR) to be issued by the Procurement, Portfolio and Financial Management Department. The APPR includes MFFs and tranches that are financed by ordinary capital resources (OCR), concessional OCR, the Asian Development Fund (ADF), and ADB-administered cofinancing, while data in this report generally excludes cofinancing and are net of cancellations.

⁴ Annual MFF progress reports for 2020 are available from the list of linked documents in Appendix 1.

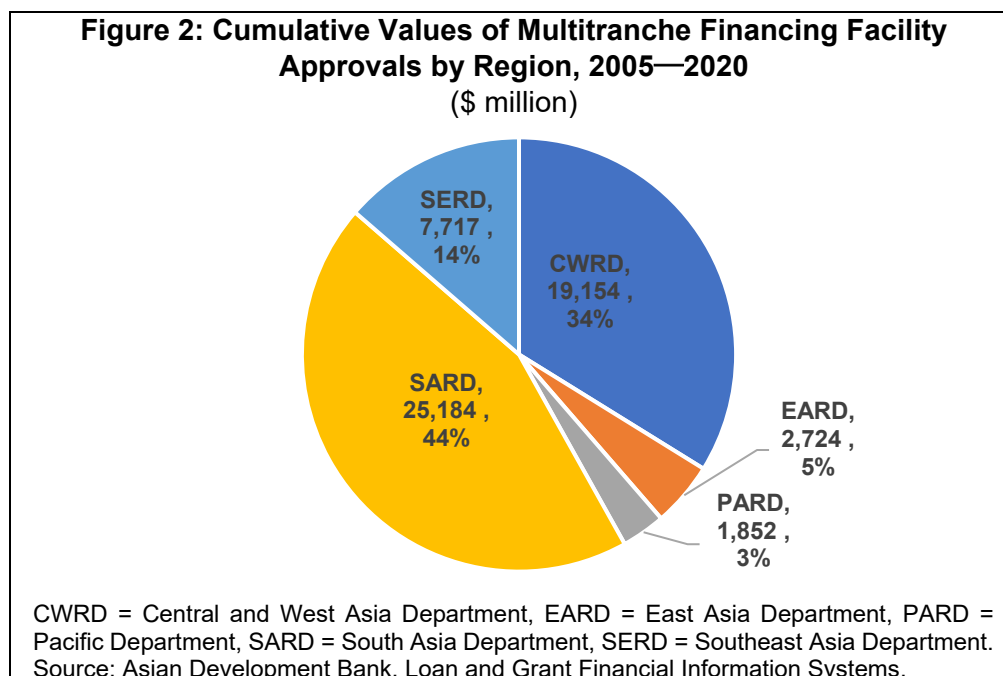
⁵ These are (i) the Delhi–Meerut Regional Rapid Transit System Investment Project (India), (ii) the Inner Mongolia Sustainable Cross-Border Development Investment Program (People's Republic of China), and (iii) the Uttar Pradesh Power Distribution Network Rehabilitation Project (India).

⁶ Data excludes approved cofinancing. For cofinancing approvals, see para. 11 and Appendix 2, Table A2.3.

\$17 billion, representing 30% of the total amount of MFF approvals. Pakistan has 11 approved MFFs totaling \$8 billion (14% of total MFF approvals).



6. The South Asia Department (SARD) and the Central and West Asia Department account for a significant share of MFF cumulative approval value over 2005—2020 (Figure 2). During this period, 55 MFFs were approved for SARD totaling \$25.2 billion (44%), while 32 MFFs totaling \$19.2 billion (34%) were approved for the Central and West Asia Department. SARD accounted for two MFFs approved in 2020 while the East Asia Department accounted for one.



7. **Pipeline of projects.** As of March 2021, four new MFF proposals are in the pipeline for approval in 2021. These comprise one new MFF proposal each for Bangladesh, India, Mongolia, and Solomon Islands. Six second and subsequent tranches from ongoing MFFs—in Bangladesh, the People’s Republic of China, India, Pakistan, Papua New Guinea, and Sri Lanka—are also planned for approval in 2021.

8. **Conversion of multitranche financing facility amount.** As of 31 December 2020, ADB had converted an average of 63% of the cumulative approved MFF amount to regular ordinary capital resources (OCR) loans, concessional OCR loans, and Asian Development Fund (ADF) grants as tranches; 73% of these loans and grants had been disbursed (Appendix 2, Table A2.2).

B. Tranche Approvals

9. Seven new MFF tranches were approved in 2020 totaling about \$1.4 billion, comprising three first tranches and four subsequent tranches. As of 31 December 2020, 327 regular OCR loans, concessional OCR loans, and ADF grants totaling \$35.8 billion (after cancellations) had been provided as tranches since 2005.

C. Cofinancing

10. **Financing partnerships.** Approved cofinancing for MFFs in 2020 totaled \$644.3 million, comprising (i) four grants and one technical assistance project fully administered by ADB, and (ii) two loans that were not administered by ADB. This is a decrease from \$2.0 billion in 2019. Total approved cofinancing for MFF tranches during 2005–2020 was \$12.6 billion (Appendix 2, Table A2.3).

III. PERFORMANCE HIGHLIGHTS

A. Rating Methodology

11. Tranches rated in 2020 use the revised project performance rating system which became effective in 2020.⁷ The regional department concerned assesses the performance of each MFF tranche. The aggregated rating for each tranche becomes the basis for determining the MFF performance in this annual report.⁸

B. Tranche Performance

12. **Rating results.** Table 2 provides an overview of tranche performance for each of five assessment areas. As of 31 December 2020, 131 tranches were rated.⁹ With regard to overall performance, 84 (64%) of these were rated *on track*, a decrease from 76% in 2019. There was an increase in tranches rated *for attention* from 15% in 2019 to 27% (35 tranches) in 2020. There were 12 tranches (9%) rated *at risk* in 2020, compared to 11 tranches (9%) in 2019.¹⁰

13. Details of key implementation issues and actions being taken to resolve these issues are in the annual MFF progress reports (footnote 4).

⁷ The revision of the project performance rating system, as recommended in the 2017 Annual Portfolio Performance Report, was completed in 2019. The new project performance ratings based on the revised methodology was applied to all active projects, including MFF tranches, as of 1 January 2020 and will be reported in the future 2020 portfolio-related reports shared with the Board and Management. Please refer to PAI 5.08.

⁸ Performance rating for the facility is rated based on the rating methodology as specified in the staff instruction on business processes for multitranches financing facility.

⁹ Data includes 14 tranches closed in 2020 which have ratings and excludes six tranches approved but not yet made effective in 2020 as these do not have ratings.

¹⁰ Appendix 2, Table A2.4 lists tranches that were rated *at risk* on overall performance.

Table 2: Number of Tranches by Rating and Country, 2020

Country	Tranches Rated (No.)	Overall Performance			Contract Awards			Disbursements			Financial Management			Outputs			Safeguards		
		T	A	R	T	A	R	T	A	R	T	A	R	T	A	R	T	A	R
Afghanistan	15	8	6	1	12	0	3	13	1	1	7	8	0	13	2	0	15	8	6
Armenia	4	0	1	3	0	1	3	0	1	3	4	0	0	1	2	1	4	0	1
Azerbaijan	2	1	1	0	1	1	0	2	0	0	2	0	0	2	0	0	2	1	1
Bangladesh	14	13	1	0	13	0	0	13	0	1	14	0	0	14	0	0	14	13	1
PRC	2	0	1	1	0	0	2	1	0	1	2	0	0	2	0	0	2	0	1
Fiji	1	0	1	0	1	0	0	0	1	0	0	1	0	1	0	0	1	0	1
Georgia	13	11	2	0	10	3	0	9	3	1	12	1	0	12	1	0	13	11	2
India	37	27	8	2	34	0	1	26	5	6	25	8	4	35	2	0	37	27	8
Kazakhstan	1	1	0	0	1	0	0	1	0	0	1	0	0	1	0	0	1	1	0
Mongolia	5	3	2	0	4	1	0	4	1	0	4	1	0	3	2	0	5	3	2
Pakistan	6	1	1	4	1	1	4	1	2	3	4	2	0	5	1	0	6	1	1
PNG	7	3	3	1	6	1	0	4	2	1	5	2	0	7	0	0	7	3	3
Philippines	1	1	0	0	1	0	0	1	0	0	1	0	0	1	0	0	1	1	0
Sri Lanka	13	11	2	0	11	1	1	12	0	1	8	5	0	12	1	0	13	11	2
Uzbekistan	3	2	1	0	2	1	0	3	0	0	3	0	0	1	2	0	3	2	1
Viet Nam	6	2	4	0	6	0	0	3	1	2	6	0	0	4	2	0	6	2	4
Pacific regional	1	0	1	0	1	0	0	1	0	0	1	0	0	0	1	0	1	0	1
Total	131	84	35	12	104	10	14	94	17	20	99	28	4	114	16	1	131	84	35

PNG = Papua New Guinea, PRC = People's Republic of China.

Ratings: ■ A = for attention, ■ R = at risk, ■ T = on track.

Notes: 1. The table does not include details on tranches which were closed on or before 31 December 2019, and tranches which were approved but not made effective by 31 December 2020 because these do not have ratings.

2. Data for contract awards do not include ratings for three tranches with "not applicable" values.

Source: Asian Development Bank estimates.

14. India currently has the highest number of tranches rated (37 under 24 MFFs, of which 73% are rated *on track*). Afghanistan follows with 15 tranches rated under four MFFs, of which 53% are rated *on track*.

15. For at least four of the 12 tranches rated *at risk* in overall performance, lockdown restrictions and border closures caused by the coronavirus disease (COVID-19) pandemic contributed to delays in ongoing civil works. Some tranches suffered delays in procurement activities, implementation of safeguard or financial requirements, or poor disbursement, which triggered the rating.

C. Multitranche Financing Facility Performance

16. In 2020, 68 MFFs were rated. Table 3 provides an overview of the overall performance of these MFFs based on the timeliness in processing their subsequent tranches, status of compliance with undertakings, and tranche performance as of 31 December 2020. This does not include 42 MFFs that were not subject to performance rating because their first tranches were not made effective in 2020 or their last tranches were closed on or before 31 December 2019.

Table 3: Multitranche Financing Facility by Rating and Country, 2020

Country	MFFs Rated (No.)	Rating of MFF Parameters											
		MFF Performance			Timeliness			Compliance with Undertakings			Tranche Performance		
		■ T	■ P	■ A	■ T	■ P	■ A	■ T	■ P	A	■ T	■ P	■ A
Afghanistan	4	4	0	0	4	0	0	4	0	0	2	1	1
Armenia	2	0	2	0	1	1	0	2	0	0	0	1	1
Azerbaijan	2	2	0	0	1	1	0	2	0	0	2	0	0
Bangladesh	7	7	0	0	6	0	1	7	0	0	7	0	0
PRC	1	0	1	0	1	0	0	1	0	0	0	0	1
Fiji	1	1	0	0	1	0	0	1	0	0	1	0	0
Georgia	2	2	0	0	2	0	0	2	0	0	1	1	0
India	24	22	2	0	19	0	5	24	0	0	20	3	1
Kazakhstan	1	1	0	0	1	0	0	1	0	0	1	0	0
Mongolia	4	1	3	0	1	1	2	4	0	0	1	2	1
Pakistan	4	2	2	0	2	1	1	4	0	0	1	2	1
PNG	4	4	0	0	4	0	0	4	0	0	4	0	0
Philippines	1	1	0	0	1	0	0	1	0	0	1	0	0
Sri Lanka	5	5	0	0	5	0	0	5	0	0	4	1	0
Uzbekistan	1	1	0	0	0	1	0	1	0	0	0	1	0
Viet Nam	4	1	3	0	3	0	1	3	1	0	1	2	1
Pacific regional	1	0	1	0	0	0	1	1	0	0	0	1	0
Total	68	54	14	0	52	5	11	67	1	0	46	15	7

MFF = multitranche financing facility, PNG = Papua New Guinea, PRC = People's Republic of China.

Rating: ■ A = actual problem, ■ P = potential problem, ■ T = on track.

Note: Figures do not include MFFs that were not subject to performance rating because their first tranches were not made effective on or before 31 December 2020 or their last tranches were closed on or before 31 December 2019.

Source: Asian Development Bank estimates.

17. As per the performance rating methodology (Appendix 3), MFF performance in 2020 was generally rated *on track* for 79% of MFFs, a decrease from 88% in 2019. There were 54 MFFs rated *on track* in overall performance and 14 MFFs rated *potential problem* in overall performance for 2020. Of these 14 MFFs, eight were also rated *potential problem* in 2019.

18. The COVID-19 pandemic impacted project implementation for seven of the MFFs rated *potential problem*. Mobilization of workers was delayed because of travel restrictions for the Solomon Islands Campus expansion under the Higher Education in the Pacific Investment Program. COVID-19 impact on community consultation meetings delayed the finalization of the detailed design of tranche 2 for Mongolia's Ulaanbaatar Urban Services and Ger Areas Development Investment Program. The border closures and movement restrictions attributable to COVID-19 significantly impacted the progress of Mongolia's Western Regional Road Corridor Investment Program such that there was no physical progress on the project in 2020. Shutdown of project sites for some time caused additional delays for Pakistan's Central Asia Regional Economic Cooperation Corridor Development Investment Program. In Armenia, the pandemic impacts for two ongoing MFFs were exacerbated by military conflict.

19. MFFs where the performance was less than adequate also suffered from regular implementation issues like weak capacity or poor performance of executing agencies or

contractors, unmet contract award, and disbursement projections. Delays encountered because of a lengthy detailed design process or safeguards implementation also affected overall facility performance for three MFFs.¹¹ Fiscal constraints which caused delays in processing subsequent tranches also affected MFF performance. These are further discussed in Appendix 4.

D. Gap between Utilization of Multitranche Financing Facility and Time Lapsed

20. Based on an analysis of the MFF amount converted into tranches and the time elapsed since board approval, 10 MFFs were identified as likely to face challenges in completing the MFF scope during their maximum 10-year availability period. Three of these have already sought extension of the MFF availability period (Table 4) while three physically closed in 2020.¹² In addition, five cases of slow conversion rate were identified for 2020, and these are further discussed in Appendix 5.

E. Program Completion

21. To date, 42 MFFs have been closed. Of these, 26 completion reports have been prepared and circulated. The reports rated three MFFs *highly successful*, 18 *successful*, two *less than successful*, and three *unsuccessful*. The reports for MFFs rated *unsuccessful* underscored the importance of (i) project readiness for subsequent tranches, (ii) commitment and capacity of the executing agencies, and (iii) keeping the project design less complex for successful program implementation.

IV. SIGNIFICANT CHANGES TO THE INVESTMENT PROGRAMS

22. In 2020, no major changes to MFF and implementation arrangements were requested. However, in 2020, five MFFs requested extension of the availability period within the 10-year maximum, approved by the President.

23. Three extensions to the availability period beyond 10 years were approved by the Board in 2020.

Table 4: Approved Extensions to Multitranche Financing Facility Availability Period Beyond 10 Years, 2020

Country	Multitranche Financing Facility	Revised Availability Period End Date	Revised Facility Duration
Georgia	Urban Services Improvement Investment Program	29 March 2024	13 years
Viet Nam	Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project	31 December 2023	13 years
Viet Nam	Water Sector Investment Program	31 December 2024	13 years

Source: Asian Development Bank.

24. Appendix 6 provides in brief the status of the nine MFFs that had been approved for extensions to their availability period beyond 10 years. For current implementation status, please refer to the 2020 annual progress reports (footnote 4).

¹¹ A recent ADB discussion paper on *Operationalizing Quality Infrastructure Investment Principles to Promote Sustainable Infrastructure* discusses common implementation issues.

¹² MFFs physically closed have at least one tranche that has not yet been financially closed and have therefore been retained in the list.

25. As of March 2021, a request for extension of the maximum availability period for at least one MFF was processed for consideration of the Board in 2021.¹³

V. TOWARDS ENHANCING THE MULTITRANCHE FINANCING FACILITY

26. As part of its quality review function, the Strategy, Policy, and Partnerships Department (SPD), reviews MFF proposals at both the concept paper stage and the draft report and recommendation of the President stage. This review focuses on, amongst other things, the rationale for selection of MFF modality, MFF preconditions as well as the implementation arrangements. During 2020, SPD reviewed seven MFF proposals—four at the concept paper stage and three at the draft report and recommendation of the President stage. Of these, two proposals were considered and approved by the board in 2020.

27. The President’s Planning Directions for 2020 introduced “strengthening project design and implementation” as an operational direction. In 2021, the Operational Performance Metrics (OPM) with revised targets will be reintroduced with the new project performance indicator. This indicator refers to the percentage of projects rated *at risk* for four consecutive quarters in 2021 as reported by the quarterly project performance rating system against the total number of all active projects as of end 2021. This will also include MFF tranches. The 2021 OPM target for this indicator is less than 8%. If the indicator is applied to 2020 MFF tranche performance, the percentage is 5%: six out of 118 active tranches were rated at risk for four consecutive quarters in 2020.

28. In 2019, the Independent Evaluation Department conducted a corporate evaluation of MFF performance and results delivered during 2005–2018.¹⁴ SPD led the ADB’s efforts to develop an MFF enhancement action plan to respond to the recommendations of this evaluation and further enhance the performance of MFF operations. As part of the efforts, SPD undertook consultations with relevant departments and the counterparts in developing members implementing MFFs. The initial directions of the enhancement plan were presented to the Board in an informal board briefing on 22 March 2021.

29. In coordination with the Budget, People, and Management Systems Department, SPD continued its outreach programs for staff. SPD delivered two training programs in 2020 conducted through virtual platforms for approximately 39 ADB staff. SPD’s outreach programs related to MFFs will be further expanded for delivery to developing member country clients, including staff of executing and implementing agencies. Materials earlier developed, such as the eLearning module on ADB’s lending modalities (which includes MFF-related modules), and the guidance note on MFFs continue to be available.

¹³ Armenia Sustainable Urban Development Investment Program (Appendix 4).

¹⁴ Independent Evaluation Department. 2019. [ADB’s Multitranche Financing Facility, 2005–2018: Performance and Results Delivered](#). Manila: ADB. The evaluation offered four major recommendations: Recommendation 1: Review the use of the MFF modality and update the policy as necessary to ensure it is aligned with Strategy 2030 to deliver integrated solutions and realize its transformational development potential; Recommendation 2: Introduce measures to ensure that the MFF implementation schedule is realistic and all operations intended to be financed under the MFF program are completed; Recommendation 3: Enhance the learning from prior tranches by ensuring it is captured, applied and documented explicitly when approval of subsequent tranches is requested; and Recommendation 4: Adjust the requirements for MFF operations to reduce their transaction costs and restore the operational attractiveness of the modality.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=2020-MFF> Annual Report

1. Annual Multitranche Financing Facility Progress Report¹
 - (i) Afghanistan
 - (ii) Armenia
 - (iii) Azerbaijan
 - (iv) Bangladesh
 - (v) People's Republic of China
 - (vi) Fiji
 - (vii) Georgia
 - (viii) India
 - (ix) Kazakhstan
 - (x) Mongolia
 - (xi) Pakistan
 - (xii) Papua New Guinea
 - (xiii) Philippines
 - (xiv) Sri Lanka
 - (xv) Uzbekistan
 - (xvi) Viet Nam
 - (xvii) Pacific Regional

¹ The number of "tranche/s expected under the MFF" mentioned in the reports under "Basic Information" may not be the same as the number of tranches envisaged in the report and recommendation of the President at the time of approval. Net loan amounts for tranches may differ because of fluctuations in the conversion rate of the special drawing right against the United States dollar compared to the special drawing right equivalent at the time of approval. Data under "ADB-administered funds" and "Non-administered Cofinancing" may differ because of system capture of updates.

KEY FINANCIAL TABLES

Table A2.1: Multitranche Financing Facility and Tranche Approvals by Year

Year	Amount (\$ million)				Number			
	MFFs ^a Approved	Tranches Approved ^b			MFFs ^c Approved	Tranches Approved ^d		
		Loans	Grants	Total		Loans	Grants	Total
2005	1,520	-	-	-	2	-	-	-
2006	3,610 ^e	780	-	780	8	9	-	9
2007	3,902 ^f	1,440	-	1,440	7	18	-	18
2008	5,658	1,590	204	1,794	12	19	2	21
2009	6,190	3,129	168	3,297	12	24	2	26
2010	4,436	2,654	115	2,769	12	28	1	29
2011	6,116 ^h	3,587	206	3,793	13	32	2	34
2012	2,735	1,954	312	2,266	7	25	2	27
2013	2,060 ^g	2,974	369	3,343	5	28	3	31
2014	3,305	2,523	109	2,632	9	28	1	29
2015	2,193	2,412	110	2,522	3	24	1	25
2016	4,493	2,273	37	2,311	7	21	1	22
2017	5,106	2,583	-	2,583	7	24	1	25
2018	500	1,729	121	1,850	1	12	1	13
2019	2,908	3,027	-	3,027	2	10	-	10
2020	1,899	1,280	146	1,427	3	6	2	8
Total	56,631	33,937	1,898	35,835	110	308	19	327

ADF = Asian Development Fund, MFF = multitranche financing facility, OCR = ordinary capital resources.

Notes: Numbers are based on the inputs gathered in the year of the report and may not sum precisely because of rounding.

- Yearly MFF approval amounts net of cumulative cancellations as of 31 December 2020 include regular and concessional OCR loans and ADF grants. Cofinanced loans and grants are not included.
- Amounts relate to regular and concessional OCR loan and ADF grant approvals under tranches related to MFFs that are not necessarily in the same year the facility was approved. Loan and grant amounts are stated in dollars or their dollar equivalent using period end booking rate, net of cumulative cancellations, as of 31 December 2020.
- Total number of MFF approvals per year funded by regular OCR, concessional OCR, and the ADF. Cofinanced loans and grants are not included.
- Number of loan and grant approvals under tranches related to MFF, not necessarily in the same year the facility was approved, excluding project design advances that are already closed and loan and grant approvals subsequently terminated as of 31 December 2020.
- Net of \$200 million reduction in OCR facility amount.
- Net of \$121.6 million reduction in OCR to be financed by the Department for International Development of the United Kingdom.
- Net of unutilized portion under the first tranche of the Road Network Development Investment Program in Afghanistan totaling \$6.4 million after it was financially completed in September 2013.
- Net of an \$88 million reduction in the ADF portion to be financed by the Afghanistan Infrastructure Trust Fund.

Source: Asian Development Bank, Loan and Grant Financial Information Systems.

Table A2.2: Utilization of Multitranche Financing Facilities and Tranches by Country
(\$ million)

Country	MFFs Approved^a (\$ million)	Tranches Approved^{a,b} (\$ million)	MFFs Converted to Tranches^{a,b} (%)	Cumulative Disbursements^c (\$ million)	Disbursed from Tranches^{b,c} (%)
Afghanistan	2,656 ^d	1,898	71	1,260	66
Armenia	900	485	54	306	63
Azerbaijan	2,350	1,728	74	1,678	97
Bangladesh	5,461	3,643	67	2,226	61
People's Republic of China	2,020	1,628	81	1,173	72
Fiji	153	42	27	10	23
Georgia	1,300	894	69	719	80
India	16,970	11,815	70	9,199	78
Indonesia	500	42	8	42	100
Kazakhstan	2,000	1,650	83	1,635	99
Mongolia	704	404	57	186	46
Pakistan	8,048	3,592	45	2,584	72
Papua New Guinea	1,680	1,182	70	846	72
Philippines	2,750	1,300	47	258	20
Sri Lanka	2,753	1,804	66	1,040	58
Uzbekistan	1,900	1,411	74	1,283	91
Viet Nam	4,467	2,299	51	1,854	81
Regional	19	19	100	6	31
Total	56,631	35,835	63	26,304	73

ADF = Asian Development Fund, MFF = multitranche financing facility, OCR = ordinary capital resources.

Note: Numbers include closed loans for reporting purposes and exclude cofinancing. Figures may not sum precisely because of rounding.

a. MFF and tranche approvals net of cumulative cancellations as of 31 December 2020 and funded by regular OCR, concessional OCR, and the ADF. Cofinanced loans and grants are not included.

b. Tranche approvals as a proportion of MFF approvals, net of cancellations.

c. Percentage disbursed of approved net tranche.

d. Net of \$118 million reduction in ADF portion to be financed by the Afghanistan Infrastructure Trust Fund.

Source: Asian Development Bank, Loan and Grant Financial Information Systems.

Table A2.3: Sovereign Cofinancing Approved for Multitranche Financing Facility Tranches by Country
(\$ million)

Country	2005–2019	2020	Total (2005–2020)
Afghanistan	584.5	118.0	702.5
Armenia	237.1	0.0	237.1
Bangladesh	2,366.6	0.0	2,366.6
Fiji	57.6	0.0	57.6
Georgia	170.0	0.0	170.0
India	1,839.8	506.5	2,346.3
Kazakhstan	2,363.0	0.0	2,363.0
Mongolia	56.7	18.7	75.4
Pakistan	233.1	0.0	233.1
Papua New Guinea	36.3	1.1	37.4
Philippines	2,011.0	0.0	2,011.0
Sri Lanka	180.0	0.0	180.0
Uzbekistan	100.0	0.0	100.0
Viet Nam	1,676.0	0.0	1,676.0
Regional	1.5	0.0	1.5
Total	11,913.1	644.3	12,557.4

ADB = Asian Development Bank. MFF = multitranche financing facility.

Notes:

1. Figures may not sum precisely because of rounding.
2. Approved sovereign cofinancing for MFFs in 2020 comprised (i) four grants and one technical assistance project fully administered by ADB, and (ii) two loans not administered by ADB.

Source: Partner Fund Division, Sustainable Development and Climate Change Department, ADB.

Table A2.4: Tranches with *At Risk* Overall Performance Ratings

Country	Project Name	Contract Awards	Disbursement	Financial Management	Outputs	Safeguards
Afghanistan	Water Resources Development Investment Program, Project 2	■R	■R	■T	■A	■T
Armenia	North–South Road Corridor Investment Program, Tranche 2	■R	■R	■T	■A	■T
Armenia	North–South Road Corridor Investment Program, Tranche 3	■R	■R	■T	■T	■T
Armenia	Sustainable Urban Development Investment Program, Tranche 2	■R	■R	■T	■R	■T
People's Republic of China	Guangxi Regional Cooperation and Integration Promotion Investment Program, Tranche 1	■R	■R	■T	■T	■T
India	Kolkata Environmental Improvement Investment Program, Tranche 3	■T	■R	■R	■T	■T
India	Uttar Pradesh Power Distribution Network Rehabilitation Project, Tranche 1	■R	■R	■T	■T	■A
Pakistan	Central Asia Regional Economic Cooperation Corridor Development Investment Program, Tranche 1	■R	■R	■T	■A	■T
Pakistan	Second Power Distribution Enhancement Investment Program, Tranche 1	■R	■R	■T	■T	■T
Pakistan	Second Power Transmission Enhancement Investment Program, Tranche 2	■R	■A	■T	■T	■R
Pakistan	Second Power Transmission Enhancement Investment Program, Tranche 3	■R	■R	■A	■T	■T
Papua New Guinea	Town Electrification Investment Program, Tranche 2	■A	■R	■A	■T	■A

Ratings: ■R = *at risk*, ■A = *for attention*, ■T = *on track*.

Source: Asian Development Bank estimates.

PERFORMANCE RATING METHODOLOGY

1. **Multitranche financing facility performance.** Each multitranche financing facility (MFF) is rated based on three parameters—the timeliness of new tranche processing, compliance with undertakings, and tranche performance (Table A3.1).

Table A3.1: Multitranche Financing Facility Ratings Criteria

Rating	Parameters and Criteria		
	Timeliness of New Tranche Processing	Compliance with Undertakings ^a	Tranche Performance
■ <i>At risk</i>	The newest tranche is processed more than 2 years after the year projected in the RRP.	Noncompliance with more than three undertakings; or with any safeguard, the AIP, ^b and/or reform implementation	<i>At risk</i> for one-third or more of the tranches (by number)
▨ <i>Potential problem</i>	The newest tranche is processed 1–2 years after the year projected in the RRP.	Noncompliance with two undertakings that do not relate to safeguards, the AIP, and/or reform implementation	<i>Potential problem</i> for one-third or more of the tranches (by number), but <i>at risk</i> for less than one-third of the tranches (by number)
■ <i>On track</i>	The newest tranche is processed within 1 year of the year projected in the RRP.	Noncompliance with one undertaking that does not relate to safeguards, the AIP, and/or reform implementation	Neither <i>potential problem</i> for one-third or more of the tranches (by number) nor <i>at risk</i> for one-third or more of the tranches (by number)

ADB = Asian Development Bank, AIP = ADB's Access to Information Policy, RRP = report and recommendation of the President.

^a Undertakings are clients' commitments to take or maintain certain actions over the term of the multitranche financing facility.

^b ADB. 2018. *Access to Information Policy*. Manila.
Source: ADB. 2018. *Staff Instruction on Business Processes for Multitranche Financing Facility*. Manila.

2. Once the three parameters are rated, an MFF is then rated as follows:¹
- (i) *at risk* if all three parameters are rated *at risk*—this may lead to its suspension and possible cancellation;
 - (ii) *potential problem* if two of the three parameters are rated *at risk*—this requires the regional department to draw up an action plan to rectify the MFF performance; or
 - (iii) *on track* if items (i) and (ii) above are not applicable.

¹ The regional departments may choose to assign a lower MFF rating to accurately reflect the nature of the issue.

MULTITRANCHE FINANCING FACILITIES WITH OVERALL PERFORMANCE RATINGS OF *POTENTIAL PROBLEM*

1. In 2020, 14 ongoing multitranche financing facilities (MFFs) received *potential problem* ratings in overall performance. Further details for each MFF are in the respective annual progress reports (Appendix 1).

- (i) **Armenia: North-South Road Corridor Investment Program.** The MFF has converted 66% of its approved amount (\$329.9 million) into three tranches since 2009.¹ Although the tranche performance of the MFF was rated as *at risk* because of delays in the implementation of works, the undertakings compliance and timeliness are rated *on track*. There is a slowdown of work activities on the project sites, primarily because of mobilization of skilled labor for the needs of the army and shortage of some materials and equipment because of the general mobilization. The contractor has had difficulties to mobilize staff to Armenia because of the coronavirus disease (COVID-19) pandemic. A midterm review mission for tranches 2 and 3 was held in March 2021, and has agreed actions to bring the project rating to *on track*.
- (ii) **Armenia: Sustainable Urban Development Investment Program.** The MFF has converted 39.4% of its approved amount (\$157.5 million) into two tranches since 2011.² The MFF *potential problem* rating derives from lack of timeliness in approving tranche 2 and subsequent tranches and the *for attention* rating of the tranches' performance, which were affected by delayed decision-making, safeguard complaints, and 2020 events. As a result of the unforeseen impact of the 2020 military conflict and the ongoing COVID-19 pandemic, the pace of civil works slowed down (shortage of workers infected by COVID-19 or mobilized to the army, use of heavy construction machinery on the military front line, delays with delivery of materials, and inability of the subcontractor's staff to cross the border). The Government of Armenia, the project implementation unit, and the Asian Development Bank (ADB) have worked closely to ensure continuation of the works despite the challenges, taking all the necessary precautionary measures at the construction sites. An extension of the MFF availability period for 34 months was approved by the Board in March 2021. This will allow the completion of the ongoing contracts and delivery of the project results, and will contribute to the post-COVID-19 economic recovery.
- (iii) **People's Republic of China: Guangxi Regional Cooperation and Integration Promotion Investment Program.** The MFF has converted 68.9% of its approved amount (\$310 million) into two tranches since 2016.³ Tranche 1 is rated as *at risk* for low disbursements and contract awards. A scope change for utilization of loan savings of \$21.21 million from Loan 3501 is under processing. The performance

¹ The MFF was approved on 29 September 2009 for up to \$500 million. Asian Development Bank (ADB). 2009. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility and Administration of Cofinancing to the Republic of Armenia for the North-South Road Corridor Investment Program*. Manila.

² The MFF was approved on 19 April 2011 for up to \$400 million. The current net loan amount for Sustainable Urban Development Investment Program tranche 1 decreased to about \$44.5 million as of 31 December 2020 as a result of the fluctuations in the conversion rate of the special drawing right against the United States dollar compared to the special drawing right equivalent at time of approval—SDR30,989,000 (\$48,640,000 equivalent). ADB. 2011. *Proposed Multitranche Financing Facility Armenia: Sustainable Urban Development Investment Program*. Manila.

³ The MFF was approved on 1 December 2016 for up to \$400 million. ADB. 2016. *Proposed Multitranche Financing Facility People's Republic of China: Guangxi Regional Cooperation and Integration Promotion Investment Program*. Manila.

of tranche 1 will be improved when the scope change is approved and the new scope is implemented. The project team is working closely with the executing agency and implementing agencies. Various efforts, including a scope change for tranche 1, are being taken to improve the performance of both tranches.

- (iv) **India: Clean Energy Finance Investment Program.** The MFF has converted 40% of its approved amount (\$200 million) into one tranche since 2014.⁴ The MFF was also rated *potential problem* in 2019. Tranche 1 has been fully utilized and was completed 7 months before the original closing date. Processing of Tranche 2 is delayed, as the Indian Renewable Energy Development Agency Limited has requested the Government of India for a reduction of the sovereign guarantee fee to maintain the subproject financing cost. Tranche 2 will be processed upon resolution of the guarantee fee issue.
- (v) **India: Solar Rooftop Investment Program.** The MFF has converted 20% of its approved amount (\$100 million from the Clean Technology Fund) since 2016.⁵ The MFF was also rated *potential problem* in 2019. Because of poor performance and lack of ownership by the Punjab National Bank, only \$7.26 million has been utilized in tranche 1 till date. Therefore, tranche 1 has been suspended since 6 July 2020 and, as suggested by the Government of India, the MFF is being restructured for addition of a new borrower. Further, because of the impact of COVID-19, the solar rooftop market and operations and the current borrower (the Punjab National Bank) were affected, and as a result the sanctioning process of subprojects slowed down.
- (vi) **Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program.** The MFF has converted 100% of its approved amount (\$163.7 million) into three tranches since 2013.⁶ Tranche 1 is rated *on track* and all activities are to be completed before the 30 June 2021 closing date. However, tranche 2 is rated *for attention* mainly because of delays from (a) a lengthy detailed design completion process for tranche 2 subcenters infrastructure because of a slow decision-making process by the related agencies regarding power and district heating solutions; (b) municipality of Ulaanbaatar budget shortage because of the COVID-19 economic impact, especially regarding budget related to resettlement compensation that was not available for tranche 2, which delayed the entire resettlement process; and (c) the COVID-19 impact on community consultation meetings related to resettlement, which also delayed the finalization of the detailed design of tranche 2 infrastructure and facilities.
- (vii) **Mongolia: Urban Transport Development Investment Program.** The MFF has converted 0.5% of its approved MFF amount (\$1 million) into one tranche since 2012.⁷ The MFF was also rated “*potential problem*” in 2019. The second periodic financing request was originally planned for approval in 2014. However, the

⁴ The MFF was approved on 30 October 2014 for up to \$500 million. ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to India for the Clean Energy Finance Investment Program*. Manila.

⁵ The MFF was approved on 30 September 2016 for up to \$500 million (\$300 million from ordinary capital resources and \$170 million from the Clean Technology Fund). ADB. 2016. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility and Administration of Technical Assistance Grant to Punjab National Bank for the Solar Rooftop Investment Program (Guaranteed by India)*. Manila.

⁶ The MFF was approved on 12 December 2013 for up to \$163.7 million. ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program*. Manila.

⁷ The MFF was approved on 18 September 2012 for up to \$215.9 million. ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to Mongolia for the Urban Transport Development Investment Program*. Manila.

Parliament of Mongolia ratified tranche 1 in 2015 although it was approved by ADB in 2012. Because of the weak executing agency and project implementation unit capacity and political instability of the government, tranche 1 has been prolonged. Tranche 1 was rated *for attention* because there had been no contract awards and disbursement.

- (viii) **Mongolia: Western Regional Road Corridor Investment Program.** The MFF has converted 97.9% of its approved amount (\$166.4 million) into two tranches since 2011.⁸ The border closures and movement restrictions because of COVID-19 have significantly impacted the progress of tranche 2. There was no physical progress on the project in 2020 as foreign workers were unable to mobilize. On 11 November 2020, the Government of Mongolia issued a level-3 state of emergency lockdown of Ulaanbaatar, which was partially lifted on 6 December 2020. However, on 13 December 2020, the government re-issued the level-3 state emergency lockdown. Lockdowns have continued on and off through to 23 February 2021, and travel outbound from Ulaanbaatar has been banned since November 2020. Travel to and from the capital will only resume when there are no further outbreaks. As a result, contractors were not able to mobilize over the 2020–2021 winter to begin preparatory works for the bridge construction in the 2021 construction season. A request will be made for the extension of the MFF to the maximum availability period to enable the project works to be substantially completed. The COVID-19 situation and mobilization of contractors will be monitored closely.
- (ix) **Pakistan: Central Asia Regional Economic Cooperation Corridor Development Investment Program.** The MFF has converted 15% of its approved amount (\$120 million) into one tranche since 2017.⁹ The MFF was also rated *potential problem* in 2019. Performance of tranche 1 has remained *problematic*, mainly because of the contractor's poor performance and delays in safeguards implementation. Tranches are behind the original schedule because of delays in completing due diligence and the government's fulfillment of the prerequisites for tranche 2. Tranche 2 is expected to be approved in the second quarter of 2021. Overall MFF performance is rated *potential problem* primarily because of slow progress in tranche 1 and delays in the processing of tranche 2. In particular, the project sites of tranche 1 had to be shut down for some periods in early 2020 because of COVID-19, which caused additional delays. The project team continues its efforts to improve the performance in close coordination with the executing agency.
- (x) **Pakistan: Second Power Distribution Enhancement Investment Program.** The MFF has converted 40.5% of its approved amount (\$400.5 million) into one tranche since 2015.¹⁰ The MFF was also rated *potential problem* in 2019. Only tranche 1 is ongoing, which is rated *at risk* because of unmet contract award and disbursement projections. After suspending project implementation and because of procurement delays, contract awards for the advance meters for Islamabad Electric Supply Company and Lahore Electric Supply Company are expected in

⁸ The MFF was approved on 9 December 2011 for up to \$170 million. ADB. 2011. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility to Mongolia for the Western Regional Road Corridor Investment Program*. Manila.

⁹ The MFF was approved on 26 September 2017 for up to \$800 million. ADB. 2017. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility to the Islamic Republic of Pakistan for the Central Asia Regional Economic Cooperation Corridor Development Investment Program*. Manila.

¹⁰ The MFF was approved on 20 November 2015 for up to \$990 million. ADB. 2015. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranchise Financing Facility to the Islamic Republic of Pakistan for the Second Power Distribution Enhancement Investment Program*. Manila.

2021, after which the project will be rated *for attention*. The project can be rated *on track* when disbursements catch up with projections. The MFF is rated *potential problem*, with only one criterion rated *on track*. COVID-19 caused some delays to tranche 1 implementation, particularly on procuring the advance meters. Travel restrictions and office closures slowed down activities by the government, consultants assisting in bid evaluations, and ADB. Work-from-home arrangements allowed all parties to continue operations.

- (xi) **Viet Nam: Greater Mekong Subregion Ben Luc-Long Thanh Expressway Project.** The MFF has converted 74.3% of its approved amount (\$472.4 million) into two tranches since 2010.¹¹ The MFF was also rated *potential problem* in 2019. Tranche 1 civil works progress is still impeded by delays in land acquisition and handover in Ben Luc and Binh Chanh districts, affecting two packages. Travel restrictions because of COVID-19 have the potential to adversely impact the construction works and civil works construction supervision. The MFF performance rating was *potential problem* because of timeliness criterion (which was *at risk*, based on the rating guide). Therefore, although the tranches' performances and undertaking compliance were *on track*, the overall MFF performance remained *potential problem*. In October 2020, the Board approved an extension of the MFF availability period until 31 December 2023. Following MFF extension approval, the government has processed an amended investment policy to transfer the remaining scope under tranche 1 to tranche 2, and inclusion of six toll plazas in tranche 2. It is expected that the amended investment policy will be approved in the second quarter of 2021 following the Ministry of Finance's appraisal of Vietnam Expressway Corporation's financial status.
- (xii) **Viet Nam: Ho Chi Minh City Urban Mass Rapid Transit Line 2 Investment Program.** The MFF has converted 3.7% (\$20.1 million) of its approved amount into two tranches since 2010.¹² Tranche 2 was approved in November 2012 (within 2 years from the projected year in the report and recommendation of the President). However, the MFF investment program has been delayed by more than 5 years because of (a) substantial modifications to fundamental designs of the mass rapid transit line 2 system caused by unclear project right-of-way boundary and needs for interconnection with other lines at the underground stations, (b) the internal discussions within the government about requirement for independent verification of fundamental designs, (c) the determination of Management Authority for Urban Railways of the appropriate bidding method, (d) protracted development of bidding documents for large civil works contracts, (e) the project adjustment process, and (f) the ongoing absence of the implementation consultant's support to finalize the bidding documents. The latest implementation schedule shows the mass rapid transit line 2 system will be completed in 2026 with operations to start in 2027. The MFF has closed in December 2020.
- (xiii) **Viet Nam: Water Sector Investment Program.** The MFF has converted 56.6% of its approved amount (\$565.6 million) into four tranches since 2011.¹³ However,

¹¹ The MFF was approved on 14 December 2010 for up to \$636 million. ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to the Socialist Republic of Viet Nam for the Greater Mekong Subregion Ben Luc-Long Thanh Expressway Project*. Manila.

¹² The MFF was approved on 14 December 2010 for up to \$540 million. ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to the Socialist Republic of Viet Nam for the Ho Chi Minh City Urban Mass Rapid Transit Line 2 Investment Program*. Manila.

¹³ The MFF was approved on 22 February 2011 for up to \$1,000 million. ADB. 2011. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to the Socialist Republic of Viet Nam for the Water Sector Investment Program*. Manila.

tranche 4 approval lapsed on 16 December 2016 after the Hanoi City People's Committee decided to mobilize private sector financing to develop Ha Noi's water supply system. The MFF was also rated *potential problem* in 2019. Tranche 1, rated *for attention*, requires continuous monitoring and follow-up on protracted government's approval for loan extensions and project design approvals. Tranche 2, also rated *for attention*, will become *on track* by processing the final disbursements for implementing agencies and ensuring financial closure during the winding up period. Out of eight water utilities borrowing from the loan for investment, six completed the project by 31 December 2020 (the original MFF availability period). The remaining two water utilities are the Saigon Water Corporation (tranche 1) and the Thai Nguyen Water Joint Stock Company (tranche 3). Both water utilities have awarded all contracts and are waiting for completion of their constructions. Both utilities have no safeguards issues. In October 2020, the Board approved an extension of the MFF availability period until 31 December 2024.

- (xiv) **Pacific Regional: Higher Education in the Pacific Investment Program.** The MFF has converted 97.5% of its approved amount (\$18.9 million) into two tranches since 2012.¹⁴ The MFF was also rated *potential problem* in 2019. The procurement activities for the Solomon Islands Campus civil works were completed and the contract was awarded on 20 February 2020. The mobilization of the contractor for the construction of the Solomon Islands campus expansion was delayed by 8 months because of travel restrictions brought about by the coronavirus pandemic. The mobilization was extended from 1 May 2020 to 31 August 2020 and then again to 30 January 2021 when national borders remained closed. The contractor requested another extension of its mobilization to 30 April 2021 while it continues to work on a chartered flight to take its personnel to Solomon Islands with support from the University of the South Pacific and Government of Solomon Islands. The tranche 2 closing date has been extended from 30 June 2020 to 10 June 2022.

2. In 2019, nine MFFs were rated as *potential problem* in overall MFF performance. Of these, eight were still rated *potential problem* in 2020 (para. 1 above), and the last MFF from Pakistan closed in 2019.

¹⁴ The MFF was approved on 11 June 2012 for up to \$19.38 million. ADB. 2012. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranches Financing Facility for the Higher Education in the Pacific Investment Program*. Manila.

GAP BETWEEN UTILIZATION OF MULTITRANCHE FINANCING FACILITY AND TIME LAPSED

1. Introduced in the 2017 Multitranche Financing Facility (MFF) Annual Report, an analysis identified MFFs that were likely to face challenges in completing the MFF scope before the end of their maximum availability period—10 years from the MFF approval date. The selection criteria were based on the assumption that the percentage of the MFF amount already converted to tranches should be close to the percentage of the time lapsed toward the end of the maximum MFF availability period, as follows:

- (i) **time lapsed:** the MFF is in its ninth or 10th year of implementation by the end of the report period, and
 - (ii) **MFF amount converted:**¹ the MFF amount converted to tranches is 70% or less.
2. These criteria were applied in 2020 to identify MFFs meeting this gap (Table A5.1).

Table A5.1: Multitranche Financing Facilities Meeting the Gap Criteria in 2020

DMC	Multitranche Financing Facility Name	Years Lapsed	Approved Amount ^a (\$ million)	Tranches Approved ^b (\$ million)	Amount Converted to Tranches (%)
AFG	Water Resources Development Investment Program ^c	11.27	300	186.6	62.2
ARM	Sustainable Urban Development Investment Program	9.70	400	157.5 ^d	39.4
ARM	North–South Road Corridor Investment Program ^c	11.26	500	329.9	66.0
IND	Assam Urban Infrastructure Investment Program	9.31	200	72.3	36.2
IND	Sustainable Coastal Protection and Management Investment Program	10.00	250	84.0	33.6
KAZ	Central Asia Regional Economic Cooperation Corridor 2 (Mangystau Oblast Sections) Investment Program ^e	10.26	800	472.4	59.1
PAK	Power Transmission Enhancement Investment Program ^e	14.05	800	506.5	63.3
UZB	Second Central Asia Regional Economic Cooperation Corridor 2 Road Investment Program	9.36	500	300.1	60.0
VIE	Water Sector Investment Program ^c	9.86	1,000	565.6	56.6
VIE	Power Transmission Investment Program ^e	9.04	730	296.7	40.6

ADB = Asian Development Bank, AFG = Afghanistan, ARM = Armenia, DMC = developing member country, GEO = Georgia, IND = India, KAZ = Kazakhstan, MFF = multitranche financing facility, PAK = Pakistan, UZB = Uzbekistan, VIE = Viet Nam.

Note: All MFFs listed in the table have at least one tranche that has not yet been financially closed, according to records in the ADB eOperations.

^a Approved MFF amount from ADB's own sources.

^b Amounts are net of cancellations and cofinancing.

^c An extension to the availability period has been approved by the Board.

^d The current net loan amount for the Sustainable Urban Development Investment Program tranche 1 decreased to about \$44.5 million as of 31 December 2020 as a result of fluctuations in the conversion rate of the special drawing right against the United States dollar compared to the special drawing right equivalent at time of approval—SDR30,989,000 (\$48,640,000 equivalent).

^e The MFF physically closed in 2020.

¹ Amounts are excluding cancellations and cofinancing.

3. Recognizing that the criteria used in this analysis have limitations,² the following cases of slow conversion rate also identified for 2020 are shown on Table A5.2.

Table A5.2: Multitranche Financing Facilities with Slow Conversion Rates

DMC	Multitranche Financing Facility Name	Years Lapsed	Approved Amount^a (\$ million)	Tranches Approved^b (\$ million)	Amount Converted to Tranches (%)
BAN	Flood and Riverbank Erosion Risk Management Investment Program	6.52	255.0	58.2	22.8
IND	Rajasthan Renewable Energy Transmission Investment Program	7.27	300.0	62.0	20.6
IND	Clean Energy Finance Investment Program	6.17	500.0	200.0	40.0
IND	Solar Rooftop Investment Program	4.25	330.0	0.0	20.0 ^c
MON	Urban Transport Development Investment Program	7.96	215.9	1.0	0.5

ADB = Asian Development Bank, BAN = Bangladesh, DMC = developing member country, IND = India, MFF = multitranche financing facility, MON = Mongolia.

Note: All MFFs listed in the table have at least one tranche that has not yet been financially closed, according to records in ADB's eOperations.

^a Approved MFF amount from ADB's own sources.

^b Amounts are net of cancellations and cofinancing.

^c MFF is of \$500 million, cofinanced with \$170 million from the Clean Technology Fund along with \$330 million from ordinary capital resources. The first tranche approved is for \$100 million from the Clean Technology Fund.

² These criteria cannot capture some unique cases of MFF implementation. For example, an MFF which was in its ninth year in December 2020 with 69% of the MFF amount converted to tranches will be selected, even if the additional 1% or more of the MFF amount is converted to a new tranche in the first quarter of 2021. Likewise, an MFF in its ninth year in 2020 with 100% of the MFF amount converted into multiple tranches will not be selected even if the aggregate disbursement under these tranches is only 10% of the MFF amount.

STATUS OF MULTITRANCHE FINANCING FACILITIES WITH EXTENDED AVAILABILITY PERIOD BEYOND 10 YEARS

Multitranche Financing Facility	Extension Details	Status of Facility Performance
Afghanistan: Water Resources Development Investment Program	<p>Extension approval date: 15 Jan 2018 Revised availability period end date: 21 Sep 2022 Revised facility duration: 13 years MFF status: Active</p> <p>Tranche 2 faced start-up delays because of the unsuccessful bidding process for the major civil works package. The 3-year extension of the MFF availability period was requested to enable the executing agency to complete planned activities and associated command area development activities under tranche 2 and achieve the MFF outcome of improved water resources management.</p>	<p>All activities under tranche 1 will be completed by December 2021. Currently, there are only two contracts in progress under tranche 1 (consulting services, and equipment supply); all other contracts under tranche 1 have been completed and handed over.</p> <p>Under tranche 2, except for one consulting services contract, all the main contracts (eight civil works contracts and a consulting services package) have been awarded. Further, several contracts for rehabilitation of small-scale structures through community participation were awarded and more are to be awarded and implemented during 2021. The one remaining consulting services package will be awarded in March 2021. Implementation of tranche 2 has been affected by (i) protracted procurement processes at the implementing agencies followed by two other layers of screening at the national procurement authority and national procurement committee chaired by the president, (ii) lack of state funds to compensate affected households whose nonland assets were affected by civil works contracts, and (iii) restrictions because of COVID-19 lockdowns which disrupted evaluations of proposals by the implementing agencies. All the activities under tranche 2 will be completed by the second quarter of 2022 and within the extended MFF availability period.</p>
Afghanistan: Energy Sector Development Investment Program	<p>Extension approval date: 25 Oct 2018 Revised availability period end date: 28 Nov 2020 Revised facility duration: 12 years MFF status: Active</p> <p>A 2-year extension of the availability period was requested to enable the executing agency to complete the outputs for awarded and ongoing contracts envisaged under tranches 3–5 and achieve the MFF's target</p>	<p>All tranche projects are physically completed. Tranche 3 Grant 0280 and tranche 4 Grant 0332 both closed on 28 November 2020. The winding-up period will end on 27 March 2021 but with expected further extension of the winding-up period till 28 May 2021.</p>

Multitranche Financing Facility	Extension Details	Status of Facility Performance
	outcome of bulk power supply to Kabul.	
Armenia: North–South Road Corridor Investment Program	<p>Extension approval date: 11 Sep 2019 Revised availability period end date: 31 Dec 2024 Revised facility duration: 15.25 years MFF status: Active</p> <p>Extension of the availability period by 5.3 years was requested to enable the government to complete the ongoing contracts under tranches 2–3, and substantially contribute to the achievement of the MFF's intended outcome of efficient, safe, and sustainable transport on the north–south road corridor.</p>	<p>After termination of the civil works contract on tranche 2, ADB agreed to allow "fit for purpose" procurement of a new design and supervision engineer to produce updated design and bidding documents for the two lots. Recruitment of the new engineer encountered delays and will be finalized in March 2021. To allow for successful international bidding and contract award in 2021, all parties must do its utmost to expedite this process.</p> <p>The civil works contractor for tranche 3 has remobilized and improved productivity and quality of the works. The contract variation for shifting from concrete and asphalt pavement has been approved and signed. However, the government and contractor are still negotiating the time loss compensation via a decision of the Dispute Board. The project team will monitor the involvement of the Dispute Board in addressing these outstanding questions.</p> <p>No further extension of the MFF or the tranche loans will be granted.</p>
Georgia: Urban Services Improvement Investment Program	<p>Extension approval date: 21 Oct 2020 Revised availability period end date: 29 Mar 2024 Revised facility duration: 13 years MFF status: Active</p> <p>The 3-year extension of the availability period is to allow the remaining outputs under tranches 3–6 to be completed.</p>	<p>For tranches 3–6, all 16 civil works contracts have been awarded, of which six are completed and 10 ongoing. Three out of 10 contracts are planned for completion in 2021. There are 13 goods packages yet to be procured under tranches 5–6. eOps project records will be updated, and the project team will coordinate with OGC on the draft amendment letters to reflect the revised closing dates, changes in projects, as necessary, and the agreement that (i) this will be the last extension of the MFF availability period and tranches, (ii) contracts will have to be financed by the government if completion is beyond the revised tranche closing dates, and (iii) contract packages yet to be procured will have to be either dropped or financed by the government if delivery and installation are beyond the revised tranche closing dates.</p>

Multitranche Financing Facility	Extension Details	Status of Facility Performance
Pakistan: Power Transmission Enhancement Investment Program	<p>Extension approval date: 5 Dec 2016 Revised availability period end date: 31 Dec 2019 Revised facility duration: 13 years MFF status: Active</p> <p>The 3-year extension of the availability period was requested to enable the executing agency to use cofinancing from AFD to complete the project under tranche 4 and achieve the MFF's target outcome, while maintaining the 10-year MFF period for ADB funds.</p>	<p>The project was extended after some procurement delay. The government committed to finance expenditures incurred beyond the closing dates of tranche 4 Loan 3203 (ADB) and Loan 8311 (AFD). Loan 3203 (ADB) was financially closed on 30 October 2017. The MFF 0007 extended availability period ended on 31 December 2019. Loan 8311 (AFD) closed on 1 May 2020 and will be financially closed in the first quarter of 2021.</p>
Papua New Guinea: Highlands Region Road Improvement Investment Program	<p>Extension approval date: 4 April 2018 Revised availability period end date: 30 June 2020 Revised facility duration: 11.54 years MFF status: Active</p> <p>Extension of the MFF availability period by 2 years was requested to enable the executing agency to complete the outputs envisaged under tranches 2–3 and allow the government to fully utilize a grant cofinanced by the European Union and administered by ADB.</p>	<p>The envisaged outputs under tranches 2 and 3 were achieved as of MFF closure on 30 June 2020.</p>
Papua New Guinea: Civil Aviation Development Investment Program	<p>Extension approval date: 30 Sep 2019 Revised availability period end date: 24 Nov 2021 Revised facility duration: 12 years MFF status: Active</p> <p>The 2-year extension of the MFF availability period was requested to enable the executing agency to physically complete the outputs under tranches 2–3 while ensuring that the government has sufficient financial resources to complete the 12 ongoing airport contracts under tranche 3.</p>	<p>The envisaged completion of the outputs under tranches 2 and 3 are up to 95% and 85%, respectively and are expected to be fully completed by 24 November 2021. The COVID-19 pandemic had a massive impact on the progress in 2020, with 1 year of the 2-year extension being lost.</p>

Multitranche Financing Facility	Extension Details	Status of Facility Performance
Viet Nam: Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project	<p>Extension approval date: 19 Oct 2020</p> <p>Revised availability period end date: 31 Dec 2023</p> <p>Revised facility duration: 13 years</p> <p>MFF status: Active</p> <p>The 3-year and 17-day extension of the availability period is to allow the completion of all the originally planned outputs under the MFF.</p>	<p>Following MFF extension approval, the government has processed an amended investment policy to transfer the remaining scope under tranche 1 to tranche 2, and inclusion of six toll plazas in tranche 2. It is expected that the amended investment policy will be approved in the second quarter of 2021 following Ministry of Finance's appraisal of Vietnam Expressway Corporation's financial status.</p> <p>Majority of contractors resumed their construction of the remaining works in October 2020. Pending payments for the works completed since July 2019 were disbursed in December 2020.</p>
Viet Nam: Water Sector Investment Program	<p>Extension approval date: 19 Oct 2020</p> <p>Revised availability period end date: 31 Dec 2024</p> <p>Revised facility duration: 13.9 years</p> <p>MFF status: Active</p> <p>The 4-year extension of the availability period is to allow the completion of the sector reforms and awarded contracts to fully achieve MFF outputs.</p>	<p>Overall MFF and individual tranche performance are improving. The overall MFF performance will be <i>on track</i> after tranche performance (<i>potential problem</i>) is improved by ensuring the following individual tranche performance: (i) tranche 1: improve from <i>for attention</i> to <i>on track</i> after successful processing of the loan extension; (ii) tranche 2: improve from <i>for attention</i> to <i>on track</i> after successful financial closure; and (iii) tranche 3: maintain <i>on track</i> by making steady construction progress.</p>

ADB = Asian Development Bank, AFD = Agence Française de Développement, COVID-19 = coronavirus disease, MFF = multitranche financing facility, MOF = Ministry of Finance, OGC = Office of the General Counsel, VEC = Vietnam Expressway Corporation.
Source: ADB.