



August 2008

Semi-Annual Progress Report on the Australia-ADB
South Asia Development Partnership Facility
for the Period Ending
30 June 2008

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
AusAID	–	Australian Agency for International Development
DPPSA	–	Development Partnership Program for South Asia
QAI	–	quality at implementation
TA	–	technical assistance

NOTES

In this report, “\$” refers to US dollars and

“A\$” refers to Australian dollars.

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I. INTRODUCTION

1. The Semi-Annual Progress Report (the Report) on the Australia-ADB South Asia Development Partnership Facility (the Facility) covers the period from 1 January to 30 June 2008. TA REG 6337: *Development Partnership Program for South Asia (DPPSA)* implements the objectives of the Facility and is the only program through which subprojects are funded. The Report summarizes the overall implementation progress and achievements as well as plans for the second half of the year. The next progress update will be covered in the annual report to be submitted in early 2009. The annual reporting is done to coincide with ADB's financial year.

2. This Report includes the draft Quality at Implementation (QAI) Report (Appendix 2), a knowledge-sharing tool used and requested by AusAID. The draft QAI Report is for AusAID's consideration and the reporting format is applied only for the whole Program and not for individual subprojects.

II. AUSAID CONTRIBUTIONS

3. The total contribution from the Government of Australia as of 30 June 2008 stood at \$4,006,500 (Table 1).

**Table 1: AusAID Contributions
(‘000)**

No.	Date	A\$	US \$	FX Rate
1	29-Jun-06	2,000	1,468	1.36
2	17-Aug-06	1,000	770	1.29
3	25-Oct-07	2,000	1,768	1.15
TOTAL		5,000	4,006	—

4. These figures do not include interest income, income from investment, and gain (loss) on foreign exchange transactions. The financial reports comprising: Status of Grant Contribution and Statement of TA Expenditures are prepared by ADB's Office of Co-financing Operations and submitted to AusAID at the end of each fiscal year (Appendix 1).

III. IMPLEMENTATION STATUS

A. Approved Subprojects

5. The first batch of proposal review was scheduled in March 2008. A project concept was received by the Secretariat, but was deferred for submission pending results of further discussion on its proposed agenda. With only \$986,000 available funds then, the scheduled review was cancelled to accommodate more proposals by the second batch in November 2008, where a total of about \$2.7 million would be available. Replenishment of funds (\$2 million) is expected from AusAID before the end of August 2008.

6. The total approved subprojects under DPPSA remain to be seven, totaling to about \$3 million grant approvals (Table 2). About 75% of the available funds have been committed.

Table 2: Subprojects under DPPSA
 (As of 30 June 2008)

No.	Project Title	Key Prioritized Area	Key Output Type	Country	Approval by ADB	Amount (\$ '000)
1	Support for Anticorruption and Good Governance at Local Level	Enhanced governance	Innovative intervention	Bhutan	5 Dec 2006	500
2	Study on Intraregional Trade and Investment in South Asia	Regional cooperation and integration	Regional cooperation and integration	Regional (Bangladesh, India, Nepal, Pakistan, Sri Lanka)	5 Dec 2006	320
3	Rural Development Projects Review (Pakistan)	Enhanced governance	Targeted Assessment	Pakistan	20 Jul 2007	300
4	Enhancing Internal Audit in Maldives	Enhanced governance	Innovative intervention	Maldives	20 Jul 2007	500
5	Capacity Building for Introducing Regulatory Impact Assessment in Bhutan	Inclusive growth	Innovative intervention	Bhutan	20 Jul 2007	400
6	Strengthening of Conflict Sensitivity and Governance in Sri Lanka ¹	Enhanced governance	Innovative intervention	Sri Lanka	29 Nov 2007	500
7	Clustered Cities Development: Innovative Interventions in South Asia	Urban infrastructure and service delivery	Innovative intervention	Regional (Bangladesh, India, Nepal, Sri Lanka)	29 Nov 2007	500
AusAID's total contributions (A)						4,006
Total commitment (B)						3,020
Balance (C=A-B)						986

B. Subproject Outputs and Implementation Progress

7. Overall implementation of DPPSA has been satisfactory. Table 3 summarizes each subproject's progress based on the identified outputs. As most are still in the initial stages of implementation, it is quite early to give an assessment of progress towards achieving outcome at this time.

8. Despite unavoidable delays in the schedule of some activities, six out of the seven ongoing subprojects have commenced implementation and disbursement of funds. Subproject 3 experienced unexpected and prolonged delays at the initial stage, but the issues have been

¹ Total subproject cost is \$1,088,000 which includes additional grant from the governments of Norway (\$300,000) and Sweden (\$288,000).

addressed. The letter of agreement was signed with the government and consultant recruitment process is ongoing.

Table 3: Summary of Outputs and Implementation Progress
(As of 30 June 2008)

Outputs	Implementation Progress
1. Support for Anticorruption and Good Governance at Local Level	
<p>Outputs are classified according to the 3 outcomes:</p> <ol style="list-style-type: none"> 1. Strengthen the institutional capacity of selected governance and anticorruption agencies to help them better fulfill their statutory mandates: <ol style="list-style-type: none"> (a) Needs assessments in selected agencies (b) Capacity building packages, including: <ul style="list-style-type: none"> • Training, workshops, field visits • Targeted study tours and attendance at regional knowledge-sharing fora • Information systems • Development programs for relevant staff members (c) Monitoring and Evaluation (M&E) systems (d) Coordinated approach with other development partners 2. Raise awareness and skills at the district and local levels on how to improve management of resources, and to adhere to the various requirements and guidelines (e.g., on procurement) that emanate from the center: <ol style="list-style-type: none"> (a) Assessments of current weaknesses in selected District Administrations, including on levels of awareness/skills in proper resource management (b) Capacity building packages, including: <ul style="list-style-type: none"> • Practical and relevant training at district level and in Thimphu • Workshops and information sharing sessions in districts on centrally mandated guidelines and requirements • Awareness sessions on how to identify corruption-prone situations and how to tackle them, including how to avoid mismanagement of resources (c) Practical, even if simple, M&E system at the district level (d) Coordinated approach with other development partners 3. Contribute to good governance, including enhanced service delivery, in Bhutan: <ul style="list-style-type: none"> • Service delivery mechanisms that draw from organizational development review exercises • Governance tools such as citizens' report cards, governance audits, IT auditing, etc. 	<p>Factors external to the subproject have delayed the achievement of all the outputs. Overall, the subproject is on track.</p> <ol style="list-style-type: none"> 1. Five regional Workshops on simplification of the Financial Rules and Regulations (FRR) Manual with respect to financial management and transparency in the budget process were held at the Dzongkhag (district) level. These workshops enabled the financial staff to review the FRR Manual and propose how the manual can be simplified. A set of recommendations from those workshops was documented and supplied to all stakeholders. 2. Furthermore, financial transparency forms to make the Dzongkhag (district) and Gewog (block) expenditure transparent, were designed, translated into Dzongkha and distributed to 7 locations for public display. 3. The Royal Audit Authority (RAA) was supported in preparation of 12 manuals for improved accountability framework at the national and local levels. Also state-of-the-art IDEA software; and related hardware were provided for effective operations of the RAA. 4. No framework has been developed for the professional training of accountants and finance managers in Bhutan. Periodic advice and research material was provided to the Anti Corruption Commission (ACC) on special employment conditions needed to attract staff to the ACC, engagement with the private sector and Bhutan's asset declaration processes.

Outputs	Implementation Progress
<ul style="list-style-type: none"> • A practical, even if simple, plan on how such tools and service delivery mechanisms will be put in place • An M&E system • Coordinated approach with other development partners 	
2. Study on Intra-regional Trade and Investment in South Asia	
<ol style="list-style-type: none"> 1. Study on Potential for Trade in Services under SAFTA 2. Study on the Role of Trade Facilitation in South Asian Economic Integration 3. Industry Studies: Textile and Clothing; and Automobile Industry 4. Country Investment Studies (5 parallel studies: Bangladesh, India, Nepal, Pakistan, Sri-Lanka) 	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Bangladesh and India are still ongoing.</p> <p>With 7 out of 9 studies already completed, final publication is expected in March 2009.</p>
3. Rural Development Projects Review (Pakistan)	
<ol style="list-style-type: none"> 1. Knowledge dissemination for lessons learned on Rural Development in Pakistan 2. Framework detailing the key design/implementation aspects required for improved design, implementation, and effectiveness of rural development projects in Pakistan 	<p>There was a prolonged delay in the initial stages of implementation due to considerable issues and political factors. However, considering the subproject's importance and its being the first country-specific for Pakistan, an extension was granted.</p> <p>The subproject became effective upon signing of the Letter of Agreement on 19 April 2008 and consultant recruitment is ongoing.</p>
4. Enhancing Internal Audit in Maldives	
<p>Phase 1</p> <ol style="list-style-type: none"> 1. Preparation of Strategic Management Plan to assist the Government in evaluating various management models in establishing the internal audit function, and recommendations <p>Phase 2</p> <ol style="list-style-type: none"> 2. Assist with the establishment of the organizational structure, institutional framework and operations of the Internal Audit Office 3. Prepare human resource policies, mandate and any additional legislation requirement, audit and accounting standards to be followed 4. Prepare corporate plan, including auditor and accounting registration standards, strategic audit plans and time recording system 5. Assist with assessment and evaluation of current Auditor General's staff that may be suitable to be 	<p>Review of internal audit work already completed by staff. Staff training, preparation of Medium Term Report, and development of further programs are ongoing.</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Completed and included in inception report.</p>

Outputs	Implementation Progress
<p>transferred to the Internal Audit Division</p> <ol style="list-style-type: none"> 6. Prepare comprehensive audit manual based on risk-based auditing and performance auditing methodology 7. Develop risk assessment tool and framework covering the processes and each potential source of risks, what those risks are, and how an audit approach would respond to mitigate those risks, etc. 8. Train staff by means of formal training sessions and on-the-job training and implemented new methodologies relating to relevant audit tasks and related risk mitigation 9. Procure computer equipment and installed the hardware and software to be integrated and interfaced with on-going Public Accounting System Management Information System 10. Establish a computer audit group, computerize strategic audit planning process and install the time recording system, and train auditors and computer system audits <p>Phase 3</p> <ol style="list-style-type: none"> 11. Commence audits and work with staff on actual audits and management reports 12. Pilot test audit approach risk-by-risk framework in a pilot ministry 	<p>Outputs #6-10 of Phase 2 are not yet due for completion.</p> <p>Implementation of Phase 3 outputs has not yet commenced.</p>
<p>5. Capacity Building for Introducing Regulatory Impact Assessment (Bhutan)</p>	
<ol style="list-style-type: none"> 1. Developed and adopted Regulatory Impact Assessment (RIA) in the Government's consultation process for better decision making and law review 2. Strengthened government capacity for delivering better policy and regulations, particularly relating to enterprise environment for doing business 	<p>Some delay was encountered in consultant recruitment. An extension was granted to allow for ample time to finalize contractual arrangements with consulting firm.</p> <p>(A consulting firm has been selected and contract negotiations were finalized at the end of July 2008).</p>
<p>6. Strengthening of Conflict Sensitivity and Governance in Sri Lanka</p>	
<ol style="list-style-type: none"> 1. Conflict and good governance related assessments are produced and disseminated 2. Conflict sensitivity and good governance aspects are incorporated into ADB and other development partners' project designs 3. A monitoring system is in place to track these aspects during implementation and enable adjustments to projects based on feed back 4. Innovative, small-scale project activities are implemented 	<p>ADB took necessary steps to accommodate additional grant funds from Norway (\$300,000) and Sweden (\$288,000) through cofinancing.</p> <p>Some delay was encountered in consultant recruitment. An extension was granted to allow for ample time to finalize contractual arrangements with consultants.</p> <p>The post-conflict expert was recruited on 19 May, and delivered inputs from his home base, reviewing documents, and providing inputs into the Sri Lanka Country Partnership Strategy currently under preparation. The governance consultant came to be</p>

Outputs	Implementation Progress
5. Strengthened collaboration between the development partners	on board in July, working on governance-related aspects for the country performance assessment.
7. Clustered Cities Development: Innovative Interventions in South Asia	
1. Targeted assessments on newly emerging Clustered Cities Development (CCD) management & solutions 2. Clustered cities management & governance framework, and innovative solutions for inclusive service delivery identified 3. Innovative development strategies for Urban Regions prepared and knowledge products disseminated 4. Regional roundtable forums on policy dialogue 5. Potential regional cooperation assessed and identified on CCD management, for the cross boarder countries in the South Asia region	Australian firm, SPMS, was hired as Lead International Specialist. Highly recognized reliable national consultant teams are sub-contracted, by each country. Necessary governments' concurrence was obtained for mission clearance, visa issuance, and invitation letters for roundtable meetings. (1st Roundtable during 12-19 July 2008 was organized for stakeholders. About 30 invitees, in each meeting, in respective countries for initial consultation with relevant stakeholders).

C. Disbursement

9. There was a significant increase of 185% in disbursement from \$200,678.23 in 2007 to \$572,316.24 as of 30 June 2008. This represents the equivalent of about 19% disbursement ratio from only 7% in 2007. There was a concern over slow disbursement during the first year of implementation, which was attributed to the time subprojects were approved; the time it took to sign a letter of agreement with the government; and finalize contractual arrangements for a subproject. The Secretariat, in collaboration with subproject teams, employs a monitoring system to ensure timely disbursement and to address issues causing delays to implementation as necessary.

D. Monitoring and Evaluation

10. Timely reporting has been observed by subproject teams, which has helped in effective monitoring for the Secretariat. The consistent and open communication allows the tracking of major milestones reached. Regular monitoring of activities for all subprojects was maintained during the period.

11. Back-to-office reports are shared with the Chair of the DPPSA Advisory Panel through the Secretariat. Support from the Secretariat is sought as needed for issues concerning administration of DPPSA. The revised guidelines encourage communication of procedures and promotion of DPPSA to Departments concerned within ADB.

12. The QAI was requested by AusAID as additional input to their overall program reporting and feedback system. It helps them manage, improve and provide accountability for activity performance and aid effectiveness. Regular updates to the QAI promote knowledge-sharing and open communication to quality issues that need to be addressed with implementing partners.

13. While there have been no subprojects completed during this period, as practiced, ADB will conduct subproject review missions possibly with AusAID.

E. Implementation-Support Activities

14. Plans are underway for the annual consultation between AusAID and ADB to review the actual progress of the Facility and DPPSA scheduled for September 2008; and address issues concerned. Participation of AusAID at important workshops is considered.

15. Communication between AusAID and ADB has been kept open to ensure effective partnership and collaboration. The website has also been a valuable channel for promoting DPPSA to external audiences.

IV. PLANS FOR THE SECOND HALF OF 2008

16. The following next steps are set for July to December 2008.

Date	Event
August 2008	ADB: Submission of semi-annual progress report to AusAID (January-June 2008).
August 2008	AusAID: Fourth contribution to the Facility.
September 2008	Consultation between AusAID and ADB.
October 2008	ADB: Batch #6 proposal submission.
November 2008	ADB: Batch #6 proposal selection and approval by DPPSA Advisory Panel.

17. Focus on increasing grant visibility, utilization and ensuring timely disbursement to subprojects will remain a priority for the remaining second half of 2008.

18. Timely reporting on the Facility and DPPSA progress will be followed through as agreed.

Financial Statement for the Development Partnership Program for South Asia
Statement 1

 ASIAN DEVELOPMENT BANK
 ADMINISTRATOR FOR
 TECHNICAL ASSISTANCE GRANT FUND
 FROM THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA
 6337/REG: DEVELOPMENT PARTNERSHIP PROGRAM FOR SOUTH ASIA

STATUS OF GRANT (CONTRIBUTION)

As of 30 June 2008

(Amounts in US dollar)

TOTAL CONTRIBUTION COMMITTED (AUD11,000,000)		9,468,498.18	^{a/}
Add: Gain (loss) arising from change in value of currency		<u>304,000.30</u>	
TOTAL AMOUNT AVAILABLE			
Amount received (AUD5,000,000)	4,006,500.00		
Receivable from Australia	<u>5,765,998.48</u>	9,772,498.48	
Add: Interest income	30,605.74		
Income from investment	<u>219,184.05</u>	<u>249,789.79</u>	
TOTAL AMOUNT AVAILABLE		10,022,288.27	
Less amounts utilized for:			
Project expenditures	(572,316.24)		
ADB administration cost	(28,615.81)		
Financial expense - bank charges	<u>-</u>	<u>(600,932.05)</u>	
UNUTILIZED BALANCE		9,421,356.22	^{b/}
Less: Outstanding commitments	(6,697,223.76)		^{c/}
Reserve for ADB administration cost	<u>(334,861.19)</u>	<u>(7,032,084.95)</u>	^{d/}
UNCOMMITTED BALANCE		<u><u>2,389,271.27</u></u>	

^{a/} Represents the US\$ equivalent of contributions committed.

^{b/} Represented by:

Cash in bank	51,663.39
Investments	3,601,837.94
Accrued interest	6,018.24
Undrawn contribution (AUD6,000,000)	5,765,998.48
Less: Accounts payable	<u>(4,161.83)</u>
	<u><u>9,421,356.22</u></u>

^{c/} Net of dummy contract amounting to \$1,230,460.

^{d/} Represents 5% of the outstanding commitments.

ASIAN DEVELOPMENT BANK
Statement of TA Expenditures - In Cooperation with the Government of the Commonwealth of Australia
As of 30 June 2008

(Expressed in US Dollars)

TA Title	TA No./Type	Date of Approval	TA Amount ^{1/}	Amount Received	Project Expenditures ^{2/}			Outstanding Commitments	Expected TA Completion Date	Completed TAs	
					Cumulative up to 31/12/07	Transactions 1/1-30/06/08	Cumulative up to 30/06/08			Unutilized Commitment (Savings)	Financial Completion Date
			(A)	(B)	(C)	(D)	(E) = (C) + (D)	(F) = (A) - (E)	(G)	(H) = (A) - (E)	(I)
Development Partnership Program for South Asia	6337/RG	18Aug06	8,500,000.00	AUD 5,000,000.00 US\$ 4,006,500.00 ^{3/}	200,678.23	371,638.01	572,316.24	6,697,223.76 ^{4/}	31-Aug-12		

^{1/} US\$ equivalent of TA Grant at time of TA approval.

^{2/} Actual disbursements.

^{3/} Represents the actual US\$ equivalent of contributions received.

^{4/} Net of dummy contract for bank admin cost, audit cost and forex fluctuation of \$1,230,460.

**Quality at Implementation Report for
Australia-ADB South Asia Development
Partnership Facility (AASADPF) – Draft¹**

*** This template should only be used if the information cannot be entered directly into AidWorks in the first instance; the information should then be copied into AidWorks no later than when the report is approved.*

Report drafted by		Date	
Start date	7 June 2006	End date	March 2011

Criteria	Explanation (no more than 400 words*)	Rating (1-6)	Actions to Improve (no more than 400 words*)
1. Key results	<p>The Facility was established on 7 June 2006.</p> <p>The Development Partnership Program for South Asia (DPPSA or the Program) was designed and launched by ADB to implement the Facility.</p> <ul style="list-style-type: none"> Guidelines for ADB staff were prepared Specific eligibility criteria have been developed to guide the selection of projects and to ensure that the projects are aligned with the key objectives of the Facility Emphasis has been placed on supporting innovative projects that address major development challenges faced by countries in South Asia. Importance has been placed on selecting projects that have the potential for replication or for upscaling Measures to promote the Facility were also undertaken, including the establishment of a dedicated website To ensure effective implementation of subprojects, guidelines were streamlined <p>As of 30 June 2008, seven subprojects are ongoing and supported by the Program.</p>	*	

¹ The draft report is prepared for AusAID's consideration. The report, including rating, will be finalized by AusAID.

* Some of the criteria are to be rated upon completion of the Program

Criteria	Explanation (no more than 400 words*)	Rating (1-6)	Actions to Improve (no more than 400 words*)
2. Objectives Summary	<p>The primary objectives of the Facility are to:</p> <ul style="list-style-type: none"> • advance reforms (including ensuring the participation of end users in service delivery); • promote broad-based and inclusive economic growth; and; • introduce improvement in key development areas by addressing the major development challenges faced by South Asia. <p>There are five key prioritized areas under DPPSA:</p> <ul style="list-style-type: none"> • Enhanced governance; • Urban infrastructure and service delivery; • Inclusive growth; • Human resources development; and • Regional cooperation and integration. <p>One of the key challenges has been sourcing sufficient numbers of competent/good quality subprojects to support. Only two subprojects were approved on the first year and five on the second year because efforts were focused on ensuring quality of the proposals received.</p> <p>AusAID is keen to improve/strengthen alignment with the sectoral priority areas identified under AusAID's South Asia Framework (which include education, health, environment, climate change and infrastructure for growth).</p>	5	<p>AusAID and the ADB need to discuss ways of improving and streamlining the processes with regards to signing off on Letters of Agreement with relevant PG to ensure that there are no delays in implementation.</p> <p>AusAID and ADB to discuss the need to ensure that the projects selected under the Facility are further aligned with the sectoral focus areas of the SA framework and focus on the health, education, climate change and rural development sectors.</p>

* Some of the criteria are to be rated upon completion of the Program

Criteria	Explanation (no more than 400 words*)	Rating (1-6)	Actions to Improve (no more than 400 words*)
3. Implementation Progress	<p>Seven subprojects are underway:</p> <ol style="list-style-type: none"> 1. Support for Anti corruption and Good Governance at Local Level in Bhutan (\$500,000) 2. Study on intra-regional Trade and Investment in South Asia (\$320,000) 3. Pakistan Rural Development Project Review (\$200,000) 4. Enhancing Internal Audit in Maldives (\$500,000) 5. Capacity Building for Introducing Regulatory Impact Assessment in Bhutan (\$400,000) 6. Strengthening of Conflict Sensitivity and Governance in Sri Lanka (\$1,088,000) 7. Clustered Cities Development: Innovative Interventions in South Asia (\$500,000) <p>These subprojects are under various stages of implementation and only one has not fielded the required consultants.</p> <p>One of the key challenges has been sourcing sufficient numbers of competent/good quality projects to support. Only two subprojects were approved for the first year, and five for the second year because efforts were focused on ensuring quality of the proposals received.</p> <p>AusAID is also keen to ensure that the proposed initiatives funded under the ADB facility complement initiatives supported under other facilities in South Asia, such as the WB Infrastructure Facility (supported under IFGI) and the SA World Bank Facility.</p>	5	<p>AusAID and the ADB need to discuss ways of improving and streamlining the processes with regards to signing off on Letters of Agreement with relevant PG to ensure that there are no delays in implementation.</p> <p>AusAID and ADB to discuss the need to ensure that the projects selected under the Facility are further aligned with the sectoral focus areas of the SA framework and focus on the health, education, climate change and rural development sectors.</p> <p>The total committed amount is \$3,020,000, representing support to the seven subprojects. There was a significant increase of 185% in disbursement as of 30 June 2008, in the amount of \$572,316.24. This was from a disbursement level of only \$200,678.23 during the last reporting period ending 31 December 2007.</p>
4. Achievement of Objectives	<p>The subprojects were selected to achieve the objectives.</p> <p>It is too early to evaluate the achievement of objectives because no subproject has been completed.</p>	4	<p>ADB to explore options with AusAID's concurrence to change the Program's scope. (also mentioned in item #9, third bullet)</p>

* Some of the criteria are to be rated upon completion of the Program

Criteria	Explanation (no more than 400 words*)	Rating (1-6)	Actions to Improve (no more than 400 words*)
5. Monitoring and Evaluation	Current monitoring arrangements in place include evaluations of selected activities involving a feedback process by stakeholders on the impact of the activity; ongoing monitoring by the implementation agencies; review missions and reviews of project documentation. The guidelines indicate that regular reviews of projects will be conducted.	5	There is a need to develop a simple and appropriate M&E mechanism to assess the overall impact of the Facility. AusAID and ADB to discuss ways of improving the monitoring and evaluation of activities supported under the Facility and the possibility of undertaking joint reviews or evaluations of activity clusters in one or two sectors or themes (innovative interventions or targeted assessments).
6. Sustainability	There are limited measures in place to ensure the overall sustainability of the interventions. The activities supported under the Facility are small scale activities seen as one-off interventions/pilot interventions that have the potential to be scaled up or replicated.	3	It should be ensured that the subprojects reflect national or regional priorities.
7. Gender Equality and Cross-Cutting Issues	There are no specific outputs identifying or addressing gender related issues or other cross cutting issues.	*	ADB to develop subprojects reflecting its Gender and Development Plan for Action (2008-2010).
8. Risk Management	Political instability in South Asia may delay project implementation and constrain impact of the Program.	*	ADB to strengthen the monitoring of risky subprojects and adopt flexibility in project design and implementation.
9. Current Issues	<p>The activities supported may not achieve significant outcomes and may remain stand alone TA-assistance. This may result in AusAID not being able to effectively leverage impacts of the Program as proposed.</p> <p>It is too early, but there are some concerns about how the initiatives supported under the Facility can contribute to the overall development objectives of AusAID's SA regional program.</p> <p>There is limited interaction/engagement by the various AusAID program managers at Posts on the activities supported.</p>	*	<p>AusAID will seek input from ADB on how to best leverage the impacts of innovative subprojects supported under the Facility (particularly with regards to how the projects could be incorporated into larger loan projects).</p> <ul style="list-style-type: none"> • Key features of the Program include emphasis on innovative intervention as well as activities that are in addition to, and not substitute for ongoing and programmed ADB activities typically included on a preparatory TA or loan-funded project.

* Some of the criteria are to be rated upon completion of the Program

Criteria	Explanation (no more than 400 words*)	Rating (1-6)	Actions to Improve (no more than 400 words*)
	<p>There are also concerns about the lack of visibility of Australian support.</p> <p>There is concern over delays, including factors external to the subprojects' implementation.</p>	*	<ul style="list-style-type: none"> • ADB to promote components that can complement loan projects. • Issues are addressed, with the help of the Secretariat if necessary. • AusAID and ADB to discuss scope of the Program. • The program managers/officers responsible for management of the program will need to ensure that information on projects supported under the Facility are disseminated effectively to all relevant parties to ensure effective engagement. • AusAID to participate in key events of subprojects. • ADB further to enhance the visibility of Australian support.

* Some of the criteria are to be rated upon completion of the Program