



Evaluation Study

Reference Number: SES: OTH 2010-74
Special Evaluation Study
December 2010

Financing Partnership Facilities

Independent Evaluation Department

Asian Development Bank

ABBREVIATIONS

| | | |
|---------|---|---|
| ADB | – | Asian Development Bank |
| ACEF | – | Asian Clean Energy Fund |
| ADF | – | Asian Development Fund |
| APWF | – | Asia-Pacific Water Forum |
| ASEAN+3 | – | ASEAN, the PRC, Japan, and the Republic of Korea |
| BPMSD | – | Budget, Personnel, and Management Systems Department |
| CCF | – | Climate Change Fund |
| CCS | – | carbon capture and storage |
| CCSF | – | Carbon Capture and Storage Fund |
| CE | – | clean energy |
| CEF | – | Clean Energy Fund |
| CEFPF | – | Clean Energy Financing Partnership Facility |
| CFL | – | compact fluorescent lamp |
| COSO | – | Central Operations Services Office |
| CPS | – | country partnership strategy |
| DMC | – | developing member country |
| DMF | – | design and monitoring framework |
| EA | – | executing agency |
| EEI | – | Energy Efficiency Initiative |
| EGAT | – | Electricity Generating Authority of Thailand |
| FPF | – | financing partnership facility |
| GCCSI | – | Global Carbon Capture Storage Institute |
| ICFF | – | Investment Climate Facilitation Fund |
| IED | – | Independent Evaluation Department |
| MWTF | – | Multidonor Water Trust Fund |
| MFF | – | multitranche financing facility |
| NEA | – | Nepal Electricity Authority |
| NTF | – | Netherlands Trust Fund |
| OCO | – | Office of Cofinancing Operations |
| OREI | – | Office of Regional Economic Integration |
| PPMS | – | project performance management system |
| PRC | – | People’s Republic of China |
| PTL | – | project team leader |
| RCI | – | regional cooperation and integration |
| RCIF | – | Regional Cooperation and Integration Fund |
| RCIFPF | – | Regional Cooperation and Integration Financing Partnership Facility |
| RM | – | resident mission |
| RSDD | – | Regional and Sustainable Development Department |
| SES | – | special evaluation study |
| SCIP | – | Sindh Cities Improvement Investment Program |
| SPD | – | Strategy and Policy Department |
| TA | – | technical assistance |
| WFPF | – | Water Financing Partnership Facility |

NOTE

In this report, "\$" refers to US dollars.

Key Words

adb, asia, asian development bank, cofinancing, corporate evaluation, financing facilities, funds, service delivery, value addition

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The guidelines formally adopted by the Independent Evaluation Department (IED) on avoiding conflict of interest in its independent evaluation were observed in the preparation of this report. Bryn Campbell (institutional specialist) and Magdalena Casuga (evaluation specialist) were the consultants. To the knowledge of the management of IED, there was no conflict of interest of the persons preparing, reviewing, or approving this report.

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EXECUTIVE SUMMARY

Introduction

This special evaluation study (SES) has been prepared at the request of the financing partnership facility (FPF) stakeholders. It presents an independent evaluation of the implementation of the Asian Development Bank's (ADB) first three FPFs in the areas of water, regional cooperation and integration, and clean energy. In ADB, the first FPF was established in November 2006. The main objective of the SES is to draw lessons from the implementation of the FPFs and it covers the period from 2006 to the end of 2009. The timing of the SES has been scheduled for the study results to be available well in advance of the FPF annual consultation meeting scheduled for March 2011.

The evaluation covers the first three FPFs established in 2006–2007, but does not assess the urban FPF, which was established only in December 2009. Given that the FPF portfolio is relatively young, the emphasis is more on evaluating the process and the actual outputs, rather than outcomes and likely impacts. The SES is focused mainly at the facility level, but it also looks at issues dealing with performance of FPF-financed projects. The advantage of evaluating the FPF platform as a whole is to learn lessons from initial implementation of FPFs.

In terms of methodology, the SES is a process evaluation to assess the performance of the FPFs in terms of their relevance, effectiveness, efficiency, and sustainability. Since there are no major differences between the funds within each of the FPFs, the SES does not separately evaluate any of the individual funds. The FPFs' stakeholders consulted include in-country partners, concerned project and other staff in ADB, and FPF financing partner staff. The evaluation faced limitations on available data to construct a framework for "before-and-after FPF" and "with-and-without FPF" counterfactual scenarios. Comparison with non-FPF trust funds was done using findings and lessons of previous trust fund evaluations, benchmarking of the project implementation process, and fund administration arrangements.

Description of the FPFs

The FPFs are defined as operational "platforms" for strategic, long-term, and multipartner cooperation with development partners, linking various forms of assistance in a coordinated manner for well-defined purposes. FPFs are focused on ADB's key sector/thematic priorities stemming from Strategy 2020 and may include seed funding from ADB as well. Subprojects or components may be fully financed by cofinanciers on a standalone basis, but linked to an established ADB program or facility, and be supported through ADB's administration services. The intended advantage of FPFs is that they are considered better "platforms" for coordinated financing of agreed-upon objectives in a more sustained and mutually beneficial manner, compared with what was possible previously with just single-donor and multidonor trust funds.

The basic structure of the FPFs is set out in each of the FPFs' respective establishment papers and consists of a number of possible financing mechanisms and delivery modalities. The financing mechanisms include (i) trust funds (single or multidonor), (ii) loan cofinancing through framework agreements (joint or parallel), (iii) cooperation arrangements for knowledge provision and exchange, and (iv) any other form of cooperation that the financing partners and ADB may agree upon for a defined program of activities. To date, the FPFs have made use mainly of one financing mechanism (trust funds) out of these four envisaged mechanisms, but the use of knowledge provision and exchange mechanism has gained popularity recently. The delivery

modalities include (i) concessional loans, (ii) grant components of investment projects, and (iii) technical assistance (TA, both standalone and accompanying). To date, the FPFs have made use of two of the three delivery modalities (grants and TA). The unused modality is “concessional loans” due to donors not having yet provided sector or thematic framework agreements and resources for loan cofinancing. A new modality, the direct charge to project costs,¹ was introduced by four of the seven FPF trust funds as a means of providing a faster response mechanism to emerging needs and making funding available for small, standalone activities such as workshops, short studies, and knowledge product development.

As mentioned above, the present evaluation covers the first three FPFs. Under these three FPFs, there are currently seven funds. The FPFs, funds, and their respective donors are shown below:

- (i) Water Financing Partnership Facility:
 - (a) Multidonor Water Trust Fund (supported by Australia, Austria, Norway, and Spain); and
 - (b) Netherlands Trust Fund (Netherlands);
- (ii) Regional Cooperation and Integration Financing Partnership Facility:
 - (a) Regional Cooperation and Integration Fund (supported currently by ADB); and
 - (b) Investment Climate Facilitation Fund (Japan);
- (iii) Clean Energy Financing Partnership Facility (CEFPPF):
 - (a) Clean Energy Fund (Australia, Norway, Spain, and Sweden);
 - (b) Asian Clean Energy Fund (Japan); and
 - (c) Carbon Capture and Storage Fund (Global Carbon Capture and Storage Institute headquartered in Australia).

There are two separate FPF processing cycles depending on whether the funds under the FPFs are delegated or nondelegated. In the case of the five delegated FPF funds, there are six extra steps vis-à-vis the standard ADB processing cycle. In the case of the two nondelegated FPF funds (the Investment Climate Facilitation Fund and the Asian Clean Energy Fund), a further process is undertaken to seek approval from the donor government. This is estimated to add an additional 14 steps compared with the delegated approval procedure and 19 steps (some of them in parallel) compared with the normal ADB processing cycle.

Overall Assessment

Overall, the FPFs are rated *successful*. In terms of the four evaluation criteria, the FPFs are rated *relevant*, *effective*, *less efficient*, and *likely* sustainable (on the low side). The overall assessment combines both facility-level assessment and project-level assessment. The facility-level and the project-level assessments are largely in line with the overall assessment, although the sustainability of the facility was considered somewhat less positive due to the financial sustainability of the FPFs not yet being fully assured.

The FPFs are rated *relevant* in terms of fulfilling their expected role of being a useful platform for strategic, long-term, and multipartner cooperation. The FPFs are found to have been generally compliant with their established eligibility criteria and flexible in devising an innovative new delivery modality. Had the FPFs taken full advantage of the range of financing mechanisms envisaged at the time of their establishment papers, this would have likely resulted in a higher relevance rating.

¹ To finance direct and identifiable additional resources for project-related and operational-related expenses.

The FPFs are generally found to have been *effective* in delivering their intended outputs, although it is still difficult to assess achievement of FPF outcomes. Evidence suggests that there has been value addition at the facility level, with FPF-financed projects generally having larger project size than non-FPF-financed projects in the FPF sector/thematic areas, which is indicative of ADB projects adding value instead of substituting for other ADB resources. At the project level, there is evidence that the direct charge projects have generally achieved their expected outcomes, but it is still too early to make conclusions on the grant and TA projects. There is anecdotal evidence of value addition from FPF-financed projects, particularly for reducing the risks of proceeding with new technologies and building institutional capacity within agencies for embarking on new investment projects.

The FPFs are found to have been *less efficient* in using resources to achieve their intended results. At the facility level, it was found that the FPF service levels (e.g., setting up trust funds, day-to-day administration of trust funds, processing, and administering projects) were too high for the size of the FPF and the number of financing partners involved. Also, the processing cycle for projects financed by nondelegated funds was found to be excessively long. In addition, project implementation delays also contributed to the lower rating.

The FPF sustainability in terms of the likelihood that achieved and envisaged outcomes could be maintained over time is rated *likely* sustainable (but on the low side). At the facility level, institutional sustainability is considered likely due to the high degree of coordination and collaboration among the various ADB units involved with FPFs. However, the future financial sustainability of the FPFs is not fully guaranteed, given that there are no clear indications that new funding will be forthcoming in the medium term. At the project level, sustainability of project outcomes appears likely, although it is still too early to draw firm conclusions in view of the time lag before outputs become outcomes and the fact that many TA activities are still ongoing.

Key Issues

Tracking and monitoring direct charges is difficult. The introduction of the direct charge modality has recently improved the efficiency of use of the available FPF resources vis-à-vis the other FPF modalities; however, there is a concern regarding the possible overuse of the direct charge modality vis-à-vis the traditional small-scale TA modality. The concern relates to the possibility that direct charge projects use an expedited processing cycle and, hence, may not be subject to the same process of scrutiny as small-scale TA. However, this concern may be addressed if the direct charge modality is confined to the specific purpose for which it was intended. Direct charges are also not yet mainstreamed into the regular ADB procedures and systems, and, as such, there is a heavy dependence on the respective FPF secretariats for tracking and monitoring these funds.

The administrative arrangements are working well but need strengthening in some areas. The FPF administration arrangements appear to be working well. The use of existing ADB structures, such as sector/thematic communities of practice and working groups to screen projects, are seen as effective, particularly under the delegated funds. Stakeholder perceptions indicate that the FPF financing partners generally appreciate the FPF secretariats' efforts and, in the case of the Water Financing Partnership Facility and the CEFPP, the regular annual consultation meetings. One area that needs furthering strengthening is reporting to financing partners. Although the report template was developed together with the partners, their demands have increased over time, especially with the new addition of the Carbon Capture and Storage Fund, which has resulted in the current reporting not meeting all of their needs. Second, in two

of the three FPFs, an issue is that external consultants working for the secretariats often do not have full access to ADB's financial systems and databases, which detracts from the efficiency of the secretariats' work. Third, related to the second point, the external consultants working for the FPF secretariats sometimes maintain separate databases to facilitate their work and to make them less dependent on hard-to-access ADB systems. This reliance on individual databases raises some doubts over data integrity and security, as well as potential implications for ensuring continuity of the secretariats' work in case the consultants leave. Fourth, there is an issue regarding service fees not always recovering the cost of administering TAs and grants and that thematic trust funds tend to require more staff and consultant resources than traditional trust funds.

At the project level, there are chronic implementation delays. Chronic project implementation delays are an issue for the FPFs as they are for other ADB projects. For the FPF-financed grants, the disbursements levels are less than half of what would be expected, given the project elapsed time, and also below the levels of non-FPF grants. Overall implementation progress of FPF-financed TA, although somewhat better than for grants, is also well behind schedule. The causes may be either overly optimistic implementation planning or systemic weaknesses in implementing projects efficiently. This issue is significant in terms of FPF efficiency at the project level and FPF sustainability due to its detracting from ADB's ability to secure replenishments and fresh funds when allocated funds are yet to be disbursed. However, it is not FPF-specific and, therefore, is better addressed at the ADB level for all projects (both FPF and non-FPF). In response to the Independent Evaluation Department recommendations in the 2009 Annual Report on Portfolio Performance, ADB Management agreed to ensure project quality-at-entry through more systematic use of project readiness filters and require procurement capacity assessments of executing agencies.

Lessons

There are potential benefits from consolidating trust funds outside the FPFs into the FPFs. There is an opportunity to consolidate trust funds outside the FPFs that overlap the areas covered by the current FPFs. The potential advantages of this type of consolidation are twofold: (i) broadening the FPF partnership membership would diversify the sources of finance (and also increase the nonmonetary financing mechanisms provided), thereby improving both the relevance and the financial sustainability of the FPFs; and (ii) increased economies of scale in ADB's partnership financing would render the FPFs more efficient.

Recommendations

On the basis of the evaluation findings, the following recommendations are made to the Management regarding the operations of FPFs:

| Recommendations | Timing |
|---|-----------|
| <p>1. Study the possibility of mainstreaming the direct charge modality for financing small, direct, and identifiable standalone activities, such as workshops, short studies, and knowledge product development (para. 128). The introduction of the direct charge modality has recently improved the efficiency of use of the available FPF resources vis-à-vis the other modalities. ADB should undertake an in-depth analysis of the direct charge modality's advantages and disadvantages and the scope for mainstreaming into regular procedures and systems only for the above specifically intended activities.</p> | 2011–2012 |
| <p>2. Establish ground rules and systems for improving ADB's uptake capacity of nonmonetary FPF financing mechanisms (para. 129). As a start, it is recommended that the next annual consultation meeting for the WFPF and CEFPP include a breakout session for ADB and financing partners to discuss nonmonetary contributions and how to put in place ground rules and systems to improve ADB's uptake capacity.</p> | 2011 |
| <p>3. Encourage more delegation of allocation and processing of FPF-financed projects to ADB, while ensuring that FPF requirements are met (para. 130). The best means of improving the efficiency of the FPFs is to reduce the transaction costs associated with processing FPF-financed projects through greater delegation of allocation and processing to ADB. The two main options for further delegation are (i) pilot-testing the moving of selected delegated funds to the normal ADB cycle, consistent with FPF requirements; and (ii) undertaking a process mapping of the processes involved in the nondelegated funds to identify how these could be more streamlined.</p> | 2011–2012 |
| <p>4. ADB should develop a more structured and coordinated approach to securing new FPF financing partners and FPF fund replenishment (para. 131). Managing relationships with current financing partners, securing new partners, and fund replenishment involve different ADB offices and take place at various levels.</p> | 2011 |
| <p>5. Improve FPF design and monitoring frameworks paying particular attention to outcome indicators as well as cost of inputs (para. 132). The WFPF and CEFPP design and monitoring frameworks were good first attempts, nevertheless, there were some drawbacks to these frameworks that rendered their use for evaluating performance problematic.</p> | 2011 |

ADB = Asian Development Bank, CEFPP = Clean Energy Financing Partnership Facility, FPF = financing partnership facility, WFPF = Water Financing Partnership Facility.

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I. INTRODUCTION

A. Background

1. This special evaluation study (SES) has been prepared at the request of the stakeholders of financing partnership facilities (FPFs). It presents an independent evaluation of the implementation of the Asian Development Bank's (ADB's) FPFs in the areas of water, regional cooperation and integration (RCI), and clean energy (a detailed description of the FPFs is provided in Chapter II). The timing of the SES has been scheduled in order that study results will be available well in advance of the FPF Annual Consultation Meeting scheduled for March 2011.

B. Objective and Scope of the Evaluation

2. The main objective of the SES is to draw lessons from the implementation of ADB's FPFs in the areas of water, RCI, and clean energy. The evaluation generally covers the period from 2006, corresponding to the start date of the first FPF in November 2006, until the end of 2009. However, some tables and appendixes provide more recent data.

3. In terms of scope, the evaluation covers the first three FPFs established in 2006–2007, but does not assess the urban FPF, which was established only in December 2009. Given that the FPF portfolio is relatively young, the evaluation focus is more on evaluating the process and the actual outputs, rather than outcomes and likely impacts. The SES is focused mainly at the facility level, but it also looks at issues dealing with performance of FPF-financed projects. The advantage of evaluating the FPF platform as a whole is to better understand its advantages vis-à-vis other arrangements (e.g., non-FPF trust funds). The intention is not to rank the FPFs, but to understand the strengths and weaknesses of the platform as a whole.

C. Methodology and Limitations

4. The SES's approach to performance assessment and rating draws flexibly upon the Independent Evaluation Department's (IED's) guidelines for project performance evaluations.¹ The FPF-financed projects' performances is assessed with respect to relevance, effectiveness, and efficiency criteria. An assessment of the FPFs' performance with respect to the sustainability criterion is undertaken both at the facility level (in terms of institutional and financial parameters) and at the project level. Given that the FPF-financed projects were approved in 2008–2009, it is still too early to assess the impacts of the FPFs and the projects they financed.

5. In assessing the performance of the FPFs, feedback was sought from stakeholders, including both external stakeholders (e.g., developing member country [DMC] officials working on FPF-financed projects and FPF financing partner staff) as well as internal stakeholders (e.g., project team leaders of FPF-financed projects, FPF secretariat staff, FPF facility managers, FPF sector working group members, and FPF steering committee members). The evaluation evidence was based on a combination of questionnaire surveys, structured interviews, a review of relevant policy and operations-related documents, and information included in other reports prepared by IED. Survey questionnaires targeted 95 respondents, of which 36 actually responded (a 38% response rate).

¹ ADB. 2006. *Guidelines for Preparing Performance Evaluation Reports for Public Sector Operations*. Manila.

6. Given that the FPF portfolio is relatively young, the evaluation was essentially a process evaluation focusing more on evaluating actual outputs rather than outcomes and likely impacts. There are inherent limitations in the evaluation related to data availability and the scope of appropriate methodologies—specifically in constructing a framework for “before-and-after FPF” and “with-and-without FPF” counterfactual scenarios.

7. A number of instruments were used to complement the performance assessment and to identify areas for improvement, including (i) a progress review of FPF activities, (ii) a process review of FPF operations, and (iii) a comparator assessment of other aid agencies. Given the limited availability of factual performance data, the evaluation findings are partly based on client perceptions as reflected in the surveys. The focus of the evaluation is on aggregate assessments. It does not purport to evaluate the performance of individual FPFs or individual funds under each FPF. Comparison with non-FPF trust funds was done using findings and lessons of previous trust fund evaluations, benchmarking of the project implementation process, and fund administration arrangements. The evaluation matrix and the rating methodology are presented in Appendix 1. A copy of the draft SES was shared with relevant departments and offices of ADB and with the FPF financing partners, and their comments were incorporated where relevant.

D. Organization of the Report

8. The rest of the report is organized as follows: Chapter II describes the FPFs in detail, including their structure, implementation and administrative arrangements, processing cycles, initial project operations, and lessons from previous fund evaluations. Chapter III assesses the relevance of the FPFs as a new cofinancing platform. Chapter IV focuses on the effectiveness of the FPFs and the FPF-financed projects in achieving intended results and in adding value to ADB's operations. Chapter V discusses the efficiency aspect of FPFs and the FPF-financed projects. Chapter VI examines the sustainability of the FPF and FPF-financed projects. Chapter VII presents the overall assessment. Chapter VIII presents the issues identified, lessons learned, and recommendations. Appendixes include additional information to support the main text. Further details are presented in supplementary appendixes, which are available upon request.

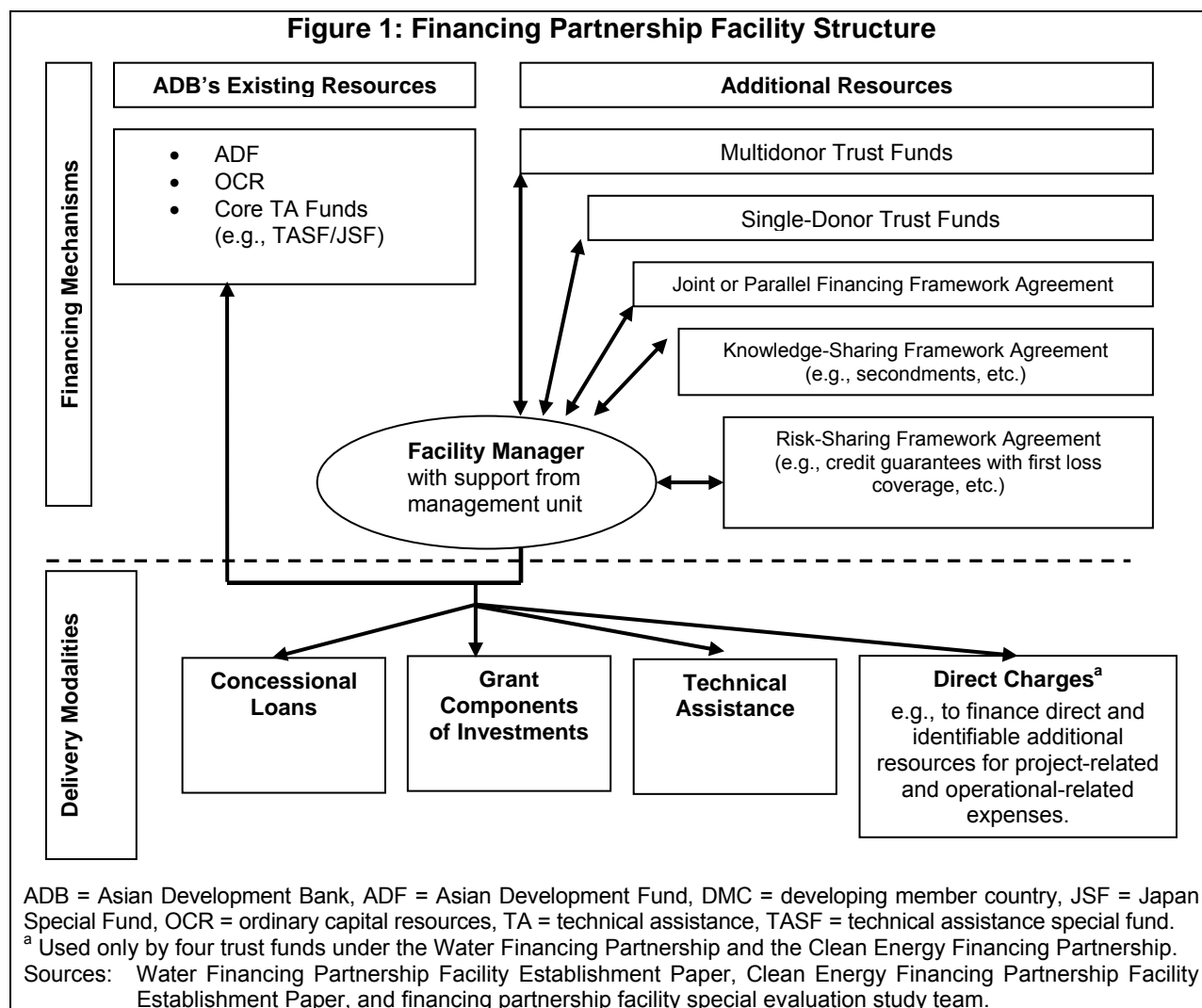
II. FINANCING PARTNERSHIP FACILITIES

A. Definition of the FPF Platform

9. FPFs are defined as operational “platforms” for strategic, long-term, and multipartner cooperation with development partners, linking various forms of assistance in a coordinated manner for well-defined purposes. FPFs are focused on ADB's key sector/thematic priorities stemming from Strategy 2020 and may include seed funding from ADB. Subprojects or components may be fully financed by cofinanciers on a standalone basis, but linked to an established ADB program or facility, and be supported through ADB's administration services. The intended advantage of FPFs is that they are better platforms for coordinated financing of agreed-upon objectives in a more sustained and mutually beneficial manner, compared with what was possible previously with just single-donor and multidonor trust funds.

B. Structure of the FPF Platform

10. The structure of the FPFs is set out in each of the FPFs' respective establishment papers, but generally follows the same form. Figure 1 shows the basic structure of the FPF platform in terms of financing mechanisms and delivery modalities.



11. **Financing mechanisms.** The FPFs were designed to bring together under a common “umbrella” a number of financing mechanisms, including (i) trust funds (single or multidonor), (ii) loan cofinancing through framework agreements (joint or parallel), (iii) cooperation arrangements for knowledge provision and exchange, and (iv) any other form of cooperation that the financing partners and ADB may agree upon for a defined program of activities.

12. **Delivery modalities.** The FPFs originally offered three forms of delivery modality: (i) concessional loans, (ii) grant components of investment projects, and (iii) technical assistance (TA, both standalone and accompanying). To date, the FPFs have made use of only two of these modalities (grants and TA). The unused modality is “concessional loans” due to donors not having yet provided sector or thematic framework agreements and resources for loan cofinancing. A new modality, the direct charge to project costs,² was introduced by four of the seven FPF trust funds as a means of providing a faster response mechanism to emerging needs and making funding available for small, standalone activities such as workshops, short studies, and knowledge product development.

² To finance direct and identifiable additional resources for project-related and operational-related expenses. The modality was not intended to finance regular planned activities.

C. FPF Implementation and Administrative Arrangements

13. Each of the FPFs has detailed implementation arrangements setting out the roles and responsibilities of each of the parties involved. The financing partners are expected to provide strategic direction to the FPFs; attend annual consultation meetings; and review progress reports and annual work programs. The FPF steering committees provide strategic direction to the FPFs, approve FPF policies and procedures, and approve allocation of funds to projects. These are determined by the governance structures included in the respective FPF establishment papers.³ Each of the FPF has a secretariat and they oversee the FPFs' day-to-day operations, vet project proposals for compliance with eligibility criteria, prepare the annual work program and progress reports, and serve as focal points for technical matters. As an example, the governance structure of the water FPF showing the main stakeholders' roles and responsibilities is shown in Appendix 2, Table A2.1.

14. The FPFs have specific administrative arrangements in terms of degree of fund delegation, service charges, and replenishment. In terms of fund delegation, all multidonor funds are fully delegated in terms of screening and allocation of funds to projects, whereas only two of four single-donor funds are fully delegated. In terms of service charges, ADB charges a service fee to cover its incremental costs for administration, management, supervision, and operation of the facility and funds. The service fee is 5% of the amount disbursed for TA. For grant components of loan projects, the service fee is 5% for grants up to \$5 million, or 2% with a minimum of \$250,000 (whichever is greater) for grants above \$5 million.⁴ The FPFs do not have any formal replenishment schedule, but this is normally done on an "as needed" basis. Table A2.2 in Appendix 2 provides more details of FPF administrative arrangements.

D. FPF Processing Cycles

15. The FPF processing cycles for delegated and nondelegated funds are shown in Figure A2 of Appendix 2, together with the normal ADB processing cycle. The application and allocation processes for both delegated and nondelegated funds are discussed below.

16. **Delegated processing.** The five delegated FPF funds have an extra six steps vis-à-vis the standard ADB processing cycle, as follows:

- (i) A project concept paper is appended to the facility application and forwarded to the respective FPF secretariat.
- (ii) The secretariat vets the application in terms of eligibility with FPF and fund criteria and technical quality. Any application that is ineligible is rejected.
- (iii) If necessary, the project team leader revises project concept paper.
- (iv) Eligible applications are presented to the sector/thematic working group for their consideration. In considering the application, the sector working group reviews technical quality, eligibility, fund rationing, and contribution to the outcomes and impacts for the facility as defined in the facility design and monitoring framework (DMF). The sector working group then endorses the application or rejects it.
- (v) Endorsed applications are forwarded to the respective FPF steering committee for their review and approval. The steering committee approves allocation of funds to the project.
- (vi) The project team leaders are informed of the fund allocation to their project and proceed to finalize their project document.

³ In the case of some FPFs, the respective sector/thematic working group also plays a role in reviewing and endorsing project proposals and advising the steering committee on strategic issues.

⁴ ADB. 2009. *Review of the Asian Development Bank's Service Charges for the Administration of Grant Cofinancing from External Sources*. Manila.

These extra steps are usually undertaken in parallel with the normal ADB project processing steps.

17. **Nondelegated processing.** In the case where a project is proposed for funding from either of the two nondelegated FPF funds, there is no delegation to ADB to approve the allocation of funds to the project. Instead, a further process is undertaken to seek approval from the financing partner government. This involves submission of the application and concept paper to the financing partner embassy in the respective country (or countries in the case of regional TA) for their comments and endorsement. After this review, the application and concept paper are forwarded to the donor government via three intermediaries consisting of the FPF Secretariat, the ADB Office of Cofinancing Operations (OCO), and the ADB Executive Director's Office. The donor government reviews the proposal and either approves it or provides comments on it. In the latter case, the comments are sent back to the project team leader via the same three intermediaries for incorporation. The above additional steps are estimated to add an additional 14 steps compared with the delegated approval procedure and 19 steps (some of them in parallel) compared with the normal ADB procedure.

E. Description of the First Three FPFs

18. To date, ADB has established four FPFs for the water sector, RCI, clean energy, and the urban sector. A description of the main objectives of the first three of these FPFs, which are covered by this evaluation, is provided below:

- (i) The **Water Financing Partnership Facility (WFPP)** was established in November 2006.⁵ Its aim is to channel additional financing and knowledge resources from financing partners in support of ADB's water sector program. The WFPP targets activities in three key areas of ADB's water financing program: (a) rural water services to improve health and livelihoods among rural communities, (b) urban water services to promote economic growth in cities, and (c) integrated management of water resources in river basins. The WFPP is designed to provide assistance for project preparation, financial structuring and implementation, reforms and capacity development in project organizations, and policy and institutional reforms, as well as funding goods, works, and services for parts of projects. Activities under the trust fund component of the WFPP can be made available to central and local governments, government agencies, and other entities, including nongovernment organizations.
- (ii) The **Regional Cooperation and Integration Financing Partnership Facility (RCIFPF)** was established in February 2007.⁶ Its aim is to channel additional financing and knowledge resources from financing partners in support of ADB's RCI program. The RCIFPF's main objective is to enhance RCI in Asia and the Pacific by facilitating the pooling and provision of additional financial and knowledge resources to support RCI activities. The RCIFPF is designed to support untied grants for TA, including advisory, project preparatory, and regional TA.
- (iii) The **Clean Energy Financing Partnership Facility (CEFPF)** was established in April 2007.⁷ Its aim is to channel additional financing and knowledge resources from financing partners in support of ADB's Energy Efficiency Initiative (EEI). The CEFPF targets activities that improve energy security and decrease climate

⁵ ADB. 2006. *Establishing the Water Financing Partnership Facility*. Manila.

⁶ ADB. 2007. *Regional Cooperation and Integration Financing Partnership Facility: Establishment of the Regional Cooperation and Integration Fund, and Regional Cooperation and Integration Funds*. Manila.

⁷ ADB. 2007. *Clean Energy Financing Partnership Facility: Establishment of the Clean Energy Fund and Clean Energy Trust Funds*. Manila.

change through use of clean energy. Moreover, it seeks to address serious environmental and economic consequences at both the local and global levels stemming from the increase in consumption of conventional energy and traditional fuels. This CEFPP is designed to support TA, grant components of investment projects, and other activities that may be agreed upon between financing partners and ADB.

19. All three of the FPFs have detailed establishment papers, which in addition to setting out their objectives, also stipulate various eligibility and other criteria specific to the individual FPF. There are certain overlaps between the three FPFs' objectives. For example, energy efficient water pumps could be financed by either the WFPF or the CEFPP, and regional cooperation for renewable energy development could be financed by either the RCIFPF or the CEFPP. Informal guidelines have been developed for addressing such overlaps for three of the FPFs: the WFPF, the CEFPP, and the new urban FPF.⁸

F. Description of the FPF Funds

20. There are currently seven funds under the first three FPFs described above. All of these funds have detailed implementing guidelines setting out eligibility criteria and other criteria to be followed in allocating funds. The funds and their respective donors are shown below:

- (i) **Multidonor Water Trust Fund (MWTF)**,⁹ supported by Australia, Austria, Norway, and Spain under the WFPF;
- (ii) single-donor **Netherlands Trust Fund (NTF)** under the WFPF;
- (iii) multidonor **Regional Cooperation and Integration Fund (RCIF)**,¹⁰ supported by ADB funding under the RCIFPF;
- (iv) single-donor **Investment Climate Facilitation Fund (ICFF)**,¹¹ supported by Japan under the RCIFPF;
- (v) multidonor **Clean Energy Fund (CEF)**,¹² supported by Australia, Norway, Spain, and Sweden under the CEFPP;
- (vi) single-donor **Asian Clean Energy Fund (ACEF)**,¹³ supported by Japan under the CEFPP; and
- (vii) single-donor **Carbon Capture and Storage Fund (CCSF)**,¹⁴ supported by the Global Carbon Capture and Storage (CCS) Institute, headquartered in Australia, under the CEFPP.

21. **Funding mechanisms, funding sources, and delivery modalities.** In terms of funding mechanisms, there are three multidonor funds (the CEF, MWTF, and RCIF) and four single-donor funds (the ACEF, CCSF, ICFF, and NTF). In terms of funding sources, there are currently eight FPF financing partners. Five (Australia, Austria, Norway, Spain, and Sweden) are governments contributing to the multidonor funds, two (Japan and Netherlands) are

⁸ ADB. 2010. *Financing Partnership Facilities: Addressing the Overlaps*. Manila. Informal concept note.

⁹ ADB. 2009. *Water Financing Partnership Facility Implementation Guidelines*. Manila. First version of these guidelines was issued in August 2007. These guidelines also cover the Netherlands Trust Fund.

¹⁰ ADB. 2007. *Staff Instructions: Regional Cooperation and Integration Financing Partnership Facility (Regional Cooperation and Integration Fund and Regional Cooperation and Integration Trust Funds)*. Manila. These staff instructions serve as the implementing guidelines for the RCIF fund under the RCIFPF and were approved by the ADB President.

¹¹ Informal ICFF implementation guidelines were issued in 2008.

¹² ADB. 2009. *Clean Energy Financing Partnership Facility: Implementation Guidelines for Multidonor Clean Energy Trust Fund*. Manila. First version of these guidelines was issued informally in June 2008.

¹³ ADB. 2009. *Clean Energy Financing Partnership Facility: Implementation Guidelines for Asia Clean Energy Trust Fund*. Manila. First version of these guidelines was issued informally in April 2008.

¹⁴ ADB. 2009. *Clean Energy Financing Partnership Facility: Implementation Guidelines for Carbon Capture and Storage Fund*. Manila.

governments contributing to single-donor funds, and one (the Global CCS Institute headquartered in Australia) is a nongovernment organization contributing to a single-donor fund. ADB is financing one of the multidonor funds (the RCIF). In terms of delivery modalities, the multidonor funds currently offer (i) grant components of investment projects, (ii) TA (both standalone and accompanying), and (iii) direct charge to project costs. The CCSF and NTF single-donor funds offer the same modalities as the multidonor funds, whereas the ACEF and ICFF offer all except the direct charge modality.

22. **Differences between funds within FPFs.** The funds under each of the respective FPFs have generally similar objectives, with some small differences. Under the WFPF, the eligibility requirement for accessing the NTF is limited to Asian Development Fund (ADF) countries for water supply and sanitation projects; for all other subsectors eligibility is open. Under the RCIFPF, the RCIF and ICFF cover the areas of cross-border infrastructure and software, trade and investment, monetary and financial cooperation, and regional public goods. Under the CEFPF, the CCSF has a narrower focus on supporting CCS techniques with priority in certain countries. Table 1 provides a comparison of the funds in each of the FPFs.

Table 1: Differences between the Funds within Financing Partnership Facilities

| Focus | Financing Partnership Facilities | | |
|------------|--|--|---|
| | Water | RCI | Clean Energy |
| Subsector | The Netherlands Trust Fund has the following subsector/geographic focus: <ul style="list-style-type: none"> • Only ADF countries eligible for water supply and sanitation • All countries eligible for projects for other subsectors | The multidonor RCIF focuses on physical connectivity, cross-border infrastructure, and regional public goods. The ICFF focuses on financial integration. | The CEF has no subsector focus. ^b The CCSF focuses on supporting carbon capture and storage technology. Other funds do not have particular subsector focus. |
| Geographic | The MWTF has no similar subsector/geographic focus. ^a | None | The CCSF focuses on the People's Republic of China, India, Indonesia, and Viet Nam. Other funds do not have a particular geographical focus. |
| Other | None | None | The ACEF requires calculation of incremental cost for grant components of investment. The other funds do not have this requirement. |

ACEF = Asian Clean Energy Fund, ADF = Asian Development Fund, CCSF = Carbon Capture and Storage Fund, CEF = Clean Energy Fund, ICFF = Investment Climate Facilitation Fund, MWTF = Multidonor Water Trust Fund, RCI = regional cooperation and integration, RCIF = Regional Cooperation and Integration Fund.

^a While there are no country restrictions, the fund implementing guidelines include a footnote stating that (i) Australia's policy seeks to demonstrate that investments in integrated water resources management will contribute to sustainable economic growth, especially in Southeast Asia and the Pacific; and (ii) Austria would like to give priority to supporting activities in the Central Asian republics and South Caucuses (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan).

^b While there are no subsector restrictions, the fund implementing guidelines include a footnote stating that Australia's policy seeks a general focus on reduction of greenhouse gas emissions in significant countries in Southeast Asia and the Pacific region through energy efficiency, clean energy technologies, and demonstrable impacts on economic growth.

Source: Implementation Guidelines for the Financing Partnership Facilities funds.

G. FPF Operations

1. Commitments and Contributions

23. As of December 2009, FPF financing partners had made commitments of \$165.69 million for the first three FPFs and their respective funds (Table 2). In terms of funding source, \$148 million (corresponding to 72% of total) was from bilateral partners, \$17 million (8%) was from private sector partners, and \$40 million (19%) was from ADB's own resources. In terms of financing mechanisms, about \$94 million (corresponding to 46% of total) was committed to multidonor funds and \$112 million (54%) was committed to single-donor funds.

24. Not counting ADB's contribution, about \$127 million was mobilized from the FPF financing partners for the first three FPFs and their respective funds (Table 2). Overall, the financing partners' contributions fell short of their commitments by 23%. In terms of individual facilities, the contributions to the CEFPP were close to their committed levels (92%), whereas the contributions to the WFPF and the RCIFPP were only at 68% and 57%, respectively, of their committed levels.

Table 2: Financing Partners' Commitments and Contributions to the Financing Partnership Facilities, as of 31 December 2009
(\$ million)

| Financing Partnership Facility and Funds | Commitments ^a | Contributions | % Contributed |
|--|--------------------------|---------------------------|--------------------------|
| Water Financing Partnership Facility | 48.30 | 32.69 | 67.70 |
| Multidonor Water Trust Fund (Australia, Austria, Norway, Spain) | 28.36 | 23.86 | 84.10 |
| The Netherlands Trust Fund for the WFPF | 19.94 | 8.83 | 44.30 |
| Regional Cooperation and Integration Financing Partnership Facility | 40.00 | 22.91^b | 57.50^b |
| Multidonor Regional Cooperation and Integration Fund | | 40.00 ^c | |
| Investment Climate Facilitation Fund (Japan) | 40.00 ^d | 22.91 | 57.30 |
| Clean Energy Financing Partnership Facility | 77.39 | 71.22 | 92.00 |
| Multidonor Clean Energy Trust Fund (Australia, Norway, Spain, Sweden) | 25.30 | 19.13 | 75.60 |
| Asian Clean Energy Fund (Japan) | 34.75 | 34.75 | 100.00 |
| Carbon Capture and Storage Fund (Global CCS Institute ^e) | 17.34 | 17.34 | 100.00 |
| Total | 165.69 | 126.82^b | 76.50^b |

CCS = carbon capture and storage, WFPF = water financing partnership facility.

^a In the case of Australia, the instrument of contribution indicates that it will contribute a certain amount and that it intends to contribute an additional amount to the CEF and MWTF. For example, for MWTF, the instrument states that Australia will contribute \$10 million and that it intends to contribute an additional \$20 million.

^b This excludes ADB's contribution (\$40 million) to the multidonor Regional Cooperation and Integration Fund.

^c ADB provided this initial contribution, which was meant to bridge the funding gap over 2007–2009 period (actual period of utilization was 2007 to early 2010).

^d Announced by the Japanese Government as indicative amount of contribution for 5 years.

^e The Global CCS Institute is headquartered in Australia.

Source: Fund status report from the ADB Controller's Department, FPF Secretariat databases.

2. Allocations and Approvals

25. As of 31 December 2009, the three FPF steering committees had approved a total of \$108 million of allocations toward the funding of grant components of investments, TA, and direct charges (Table 3). These allocations represented 65% of the contributions received from the FPF partners. The WFPF has allocated almost all (99.8%) of the contributions made by financing partners, amounting to \$32.62 million. Meanwhile, the two newer funds, the RCIFPP and the CEFPP, have allocated about \$46 million (74% of contributions) and \$30 million (42%), respectively.

Table 3: Allocation of Financing Partnership Contributions to FPF-Financed Projects, as of 31 December 2009 (in \$ million and percent)

| Financing Partnership Facility and Funds | Contributions | Allocations ^a | % Allocated |
|--|---------------|--------------------------|-------------|
| Water Financing Partnership Facility (WFPF) | 32.69 | 32.62 | 99.8 |
| Multidonor Water Trust Fund (Australia, Austria, Norway, Spain) | 23.86 | 23.84 | 99.9 |
| The Netherlands Trust Fund for the WFPF | 8.83 | 8.78 | 99.4 |
| Regional Cooperation and Integration Financing Partnership Facility | 62.91 | 46.28 | 73.6 |
| Multidonor Regional Cooperation and Integration Fund | 40.00 | 35.96 | 89.9 |
| Investment Climate Facilitation Fund (Japan) | 22.91 | 10.32 ^b | 45.0 |
| Clean Energy Financing Partnership Facility | 71.22 | 29.54 | 41.5 |
| Multidonor Clean Energy Trust Fund (Australia, Norway, Spain, Sweden) | 19.13 | 18.99 | 99.3 |
| Asian Clean Energy Fund (Japan) | 34.75 | 9.13 | 26.3 |
| Carbon Capture and Storage Fund (Global CCS Institute ^c) | 17.34 | 1.42 | 8.2 |
| Total | 166.82 | 108.44 | 65.0 |

CCS = carbon capture and storage, FPF = financing partnership facility.

^a Funding approvals by the FPF steering committees. Includes fees and other charges.

^b Excludes approved allocations of withdrawn projects after approval by the Regional Cooperation and Integration Financing Partnership Facility Steering Committee.

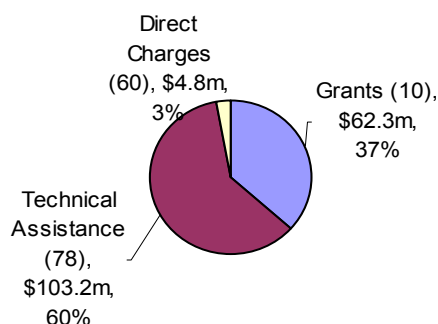
^c The Global CCS Institute is headquartered in Australia.

Source: Fund status report from the Asian Development Bank Controller's Department, FPF Secretariat databases.

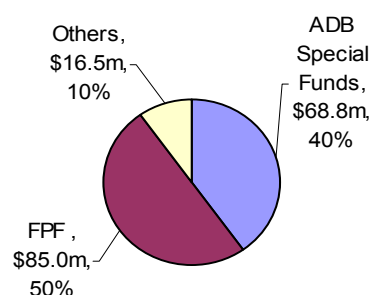
26. During 2007–2009, ADB approved 148 projects in the total amount of \$170.2 million that were either wholly or partly financed using FPF funds. The FPF-financed portion of these projects was \$85 million, representing 50% of the total project financing (Figure 2). Of the total FPF project funding, the RCIFPF accounted for 42%, the WFPF accounted for 36%, and the CEFPF accounted for 22%. Broken down by delivery modality, grant projects accounted for 37% of total FPF-financed projects, TAs (both standalone and piggyback) accounted for 60%, and direct charge to project costs accounted for 3% (Appendix 8, Table A8.1). A total of 10 grant projects have been approved under the FPFs (all under the WFPF and CEFPF). Approved grant projects are distributed among seven countries, with the People's Republic of China (PRC) receiving 4 of the 10 approved grants. In addition, a total of 78 TA operations (both standalone and piggyback) and 60 direct charges to project accounts have been approved under the FPFs (in the case of direct charges, all under the WFPF and CEFPF).

Figure 2: FPF-Financed Projects by Modality and Sources of Financing
(\$ million and percent)

FPF Projects by Modality



FPF Projects by Funding Source



ADB = Asian Development Bank, FPF = financing partnership facility, m = million.

Note: ADB Special Funds include Asian Development Fund for grants, Technical Assistance Support Fund, Japan Support Fund, and Poverty Reduction Fund for technical assistance. Others are other funding sources, which include the governments of Australia, France, Netherlands, and United Kingdom; the Climate Change Fund; the People's Republic of China's Poverty Reduction Fund; the Global Environment Facility; and Republic of Korea's e-Asia and Knowledge Partnership Fund.

Sources: FPF secretariats and ADB listing of approved grants and technical assistance.

3. Disbursements

27. Cumulative disbursements for the FPF-financed projects were about \$44.5 million at end-June 2010, which was 27% of total approvals (Appendix 8, Table A8.3). Broken down by funding source, cumulative disbursements were 43% for the WFPF-supported projects (\$20 million), 38% for the RCIFPF (\$17.3 million), and 19% for projects financed by CEFPF (\$8.7 million). Of the 10 approved grant projects, only 3 have begun disbursement of funds, amounting to \$8 million or around 13% of aggregate approvals. Meanwhile, 6 of the 78 approved TA operations have disbursed a total of \$33.5 million or 33% of total funding, and 58 of the 60 direct charges to project accounts have disbursed 70% of approvals amounting to about \$3.4 million. This means that at this stage of evaluation, it would be difficult to assess outputs of grant projects, but the outputs of TA and direct charge projects can be discerned. Outcomes of several of the completed direct charge projects and a few of the completed TA operations may also be discerned.

H. Lessons from Previous Evaluations

28. A number of studies have findings that are relevant to the preparation of the SES. Many of these studies are evaluations of ADB's other major funds. Appendix 3 provides details of the key findings, lessons, and recommendations of these studies.

29. Among the lessons and recommendations that are most relevant to the SES are the following: (i) ADB should better coordinate with other funding agencies; (ii) ADB should improve its corporate management information systems in order to generate the necessary information to better monitor TA implementation and manage the TA portfolio; (iii) ADB sometimes acts as a passive recipient of funds rather than seeking support for priority activities; (iv) ADB too often accepts funding agency administrative procedures, which add to transaction costs and delays when viewed from the perspective of ADB staff and executing agencies; (v) there is still room for better efficiency in the management of TA financed by nondelegated funds; (vi) better scoping of TA is required, since there are many instances when unforeseen difficulties during implementation create the need for additional resources to complete a TA satisfactorily; and (vii) there is a need to reduce TA processing times, especially the period from fact-finding to the mobilization of consultants.

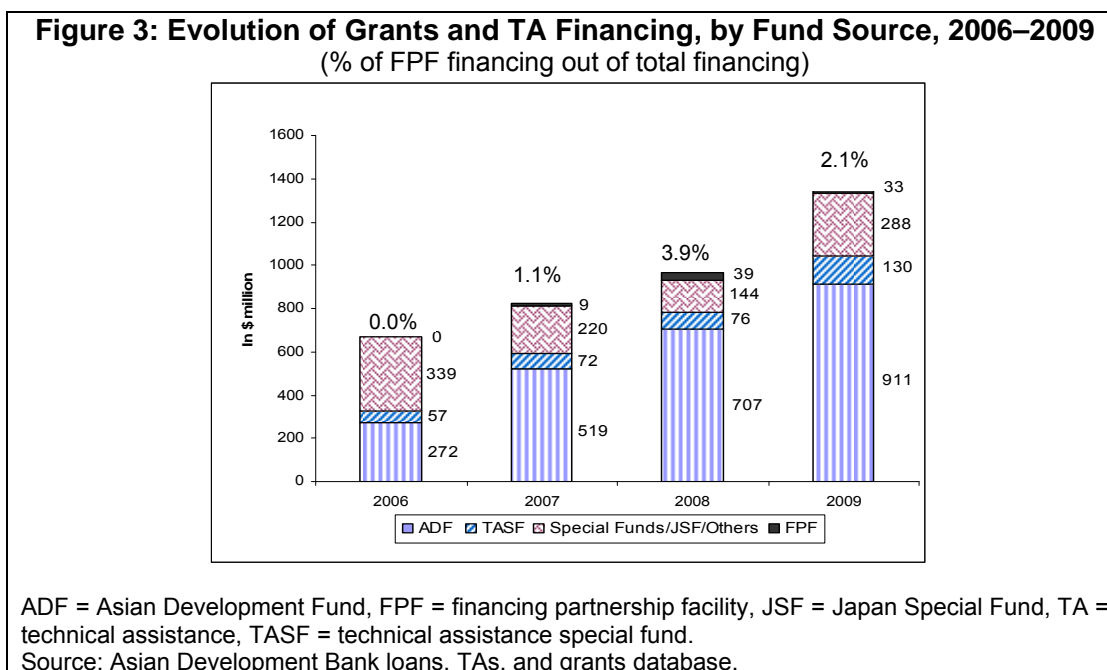
III. RELEVANCE

30. Relevance is defined as the extent to which the FPFs have been designed to fulfill their expected role of being a useful "platform" for strategic, long-term, and multipartner cooperation. First, the FPFs' relevance is evaluated at the facility level using three subcriteria: (i) consistency with ADB's strategies and policies, (ii) conformity with international practices, and (iii) alignment with intended financing mechanisms. Second, the FPFs' relevance is evaluated at the project level using three subcriteria: (i) extent to which FPFs have used intended delivery modalities, (ii) compliance of FPF operations with the various criteria set out in the FPF establishment papers and fund implementing guidelines, and (iii) quality of project design of FPF-financed projects. The project-level assessment is based partly on a quality review of the DMFs for selected FPF-financed projects. Assessment and rating of the above subcriteria is shown at the end of the chapter.

A. FPFs in the ADB Resource Context

31. The FPF is a relatively new platform, and projects financed by the FPFs have been approved only starting in late 2007. Figure 3 shows the evolution of the FPFs over the period

2006–2019. Compared with the other major sources of grant and TA financing, it can be seen that FPFs have accounted for only a tiny share of grant and TA financing, ranging from 1% in 2007 to 4% in 2008.



B. Consistency with ADB's Strategies and Policies

32. Financial partnering is an inherent and integral part of ADB's development mandate. The Agreement Establishing the Asian Development Bank (the Charter) sanctions a limited range of activities, and cofinancing is an important element in this. Specifically, the Charter mandates ADB to promote public and private capital investment and to cooperate with other public or private agencies to leverage its own resources for development. The purpose of cofinancing for ADB is to play a catalytic role in promoting greater resource flows from official and commercial sources to its DMCs, and to ensure that these resources are used effectively and efficiently. The notion of playing a catalytic role to enhance resource flows to borrowing DMCs was briefly mentioned in the long-term strategic framework for 2001 and included as a strategic priority in ADB's second medium-term strategy for 2006–2008. The two main documents that provide the strategic rationale for the establishment of the FPFs are the 2006 Financing Partnership Strategy and the 2008 Strategy 2020. The following two paragraphs review the FPFs' strategic relevance vis-à-vis these two strategies.

33. **Financing Partnership Strategy.** The Financing Partnership Strategy was prepared starting in mid-2005 and approved in June 2006, 2 years before the approval of Strategy 2020 in April 2008. Although it preceded Strategy 2020, it was prepared following the Medium-Term Strategy II and, hence, was fully in line with the directions provided by the latter document. The Strategy's objective was to set out ADB's priorities and to outline approaches and measures to increase the flow of financial resources and improve the development impact and effectiveness of ADB's assistance by working together more closely with public and private financing partners. Among the Strategy's priority actions are (i) improved client orientation and selectivity; (ii) increased cofinancing opportunities with clear entry points; (iii) clear success measures, with focus on coordinated arrangements between cofinanciers; (iv) improved management of

relationships with financing partners, particularly through improved feedback mechanisms and better targeted communication and outreach activities; and (v) effective management of innovation and knowledge, including development of relevant products and facilities. The Strategy includes an implementation plan and a results framework.

34. Table 4 shows how the FPF platform has responded to five of the Strategy's priority actions.

Table 4: Consistency of FPF with Financing Partnership Strategy's Priority Actions

| Priority Actions | How Addressed by FPFs |
|--|--|
| 1. Improved client orientation and selectivity | FPFs consider financing solutions through partnerships at an early stage in the project cycle, thus improving client (financing partner) orientation and selectivity. |
| 2. Increased cofinancing opportunities with clear entry points | FPFs have increased the depth and breadth of financing partnerships. The FPFs were designed to be clear entry points for sector/thematic-related cofinancing. |
| 3. Success measures | Two of the FPFs include design and monitoring frameworks. The indicators at the impact and outcome levels in these frameworks are sometimes not specific enough. The output indicators provide adequate information against which to measure the achievement of results. |
| 4. Improved relationships with financing partners | FPFs include targeted communication (such as annual and semiannual progress reports) and outreach activities (such as annual consultation meetings), which are intended to improve relationships with financing partners. |
| 5. Effective management of innovation and knowledge, including development of relevant products and facilities | By design, FPFs are innovative platforms for strategic, long-term, and multipartner cooperation with development partners. Four of the funds under the FPFs (the CEFPF's CEF and CCSF, and the WFPF's MWTF and NTF) have adopted a new innovative modality, the direct charge. |

CEF = Clean Energy Fund, CCSF = Carbon Capture and Storage Fund, CEFPF = Clean Energy Financing Partnership Facility, FPF = financing partnership facility, MWTF = Multidonor Water Trust Fund, NTF = Netherlands Trust Fund, WFPF = Water Financing Partnership Facility.

Source: Financing Partnership Strategy.

35. **Strategy 2020.** This report sets out ADB's vision and corporate strategy during the period 2008–2020. At the strategic level, the report includes "enhanced partnerships" as one of its five "drivers for change" and recommends that ADB should engage in partnerships with a more diverse group of institutions, with the intent of expanding the scope of ADB's partnership agenda beyond mainly official development finance partners to include endeavors with the private sector and private institutions. The Strategy also advocates the promotion of new assistance modes underpinning these partnerships, including closer collaboration with the private sector in project cofinancing and use of market-based investment instruments. The FPF platform is by design an innovative partnership vehicle designed to foster strategic, long-term, and multipartner cooperation with development partners. As such, the FPFs can be considered to be fully in line with the strategic direction provided by Strategy 2020.

36. At the operational level, Strategy 2020 reorients ADB's operations toward a number of new areas and goals. The Strategy stipulates five core operational areas, as follows: (i) infrastructure; (ii) environment, including climate change, livable cities, and complementary

actions; (iii) RCI; (iv) finance sector development; and (v) education. The FPFs created to date have been focused mainly on the first three areas, with the clean energy subsector covered partly by (i) and (ii), the water sector covered by (i), the urban sector covered by (ii), and RCI covered by (iii). The Strategy also stipulates three operational goals: (i) ADB's lending portfolio is to be gradually reoriented toward core operational areas, private sector development, and environmental and RCI projects over the period 2012–2020; (ii) partnerships are to be advanced via increased partnership-based cofinancing and greater knowledge channeling; and (iii) ADB is to meet all major Paris Declaration on Aid Effectiveness commitments by 2012. The FPFs have generally met all three of these goals, with particular attention to the second goal of increasing partnership-based cofinancing. All in all, the FPFs can be considered to have responded well to both the strategic and operational directions provided by Strategy 2020.

37. **Other policies and strategies.** ADB has a number of sector and thematic policies and strategies that are directly related to the three FPFs being evaluated, including the Water Policy (2001), the Energy Policy (2009), and the RCI Strategy (2006). The objectives of the first three FPFs (para. 18) are fully in line with their respective policies/strategies. In the water sector, the three WFPF priority subsectors (urban, rural, and basin water) are all priorities in the ADB Water Policy. In the energy sector, the Energy Policy covers seven interrelated initiatives, including the Energy for All Initiative, the Carbon Market Initiative, and the EEI. The CEFPPF objectives are aligned with these initiatives, and particularly closely coordinated with the EEI. Notably, the Energy Policy includes specific mention of CCS as a new technology for which ADB should support deployment in DMCs, and thus supports the objectives of the CCSF under the CEFPPF. In the area of RCI, the four RCIFPF objectives are nearly identical to the four pillars of the RCI Strategy. Appendix 4 provides a detailed comparison of the FPF objectives compared with each of the three sector/thematic policies.

38. ADB also has three safeguard policies: the Involuntary Resettlement Policy (1995), the Policy on Indigenous Peoples (1998), and the Environment Policy (2002). Recently, ADB has issued a consolidated policy covering all three of these safeguard areas. ADB has well-established operational policies and procedures covering its safeguard policies. The ADB Operations Manual clearly states that all cofinanced projects are subject to ADB's operational policies. Thus, the FPFs may be considered fully consistent with these safeguard policies.

C. Conformity with International Practices

39. **Paris Declaration.** In March 2005, more than 100 countries and development agencies, including ADB and 19 of its DMCs, signed the Paris Declaration on Aid Effectiveness. The agreement stipulated a number of areas for action, including the need for ownership, alignment, harmonization, and management for development results. The FPFs, including their structure and implementation/administrative arrangements, are in line with both the Paris Declaration on Aid Effectiveness and the subsequent Accra Agenda for Action. In particular, FPFs are an example of a more inclusive partnership that that can leverage joint efforts to have a greater impact in the related sector or thematic area and ultimately in reducing poverty.

40. **Financing partners' perceptions.** The financing partners surveyed generally found that the FPFs conformed to the terms of the Paris Declaration and the Accra Agenda. Survey results indicated that nearly three times more respondents agreed with FPFs' relevance than disagreed with it, although a large number of respondents (nearly half) were neutral. Areas where financing partners believe FPFs have been most relevant are as follows: (i) all projects financed by the FPFs are clearly linked to one or more of the United Nations Millennium Development Goals, (ii) the FPF committed contributions facilitate more predictable and multiyear aid flows,

and (iii) FPFs reduce the number of separate and duplicative missions to the field. Suggested areas of improvement were (i) adequacy of the FPF DMFs, and (ii) the ability of FPF-financed projects to disburse aid in a timely and predictable fashion.

41. The financing partners surveyed also generally found that the FPFs conformed very well to their respective development goals. Overall, survey results indicated that nearly two-thirds of respondents either agreed or strongly agreed with the relevance-related questions concerning alignment with financing partners' development goals. Two areas where the financing partners believe FPFs have been most relevant to their goals were as follows: (i) FPF DMFs are consistent with the development goals and aid focus their organizations, and (ii) FPF-financed projects are in accordance with the sectors and themes supported by the partners.

D. Extent to which FPFs Have Used Intended Financing Mechanisms

42. As mentioned in para. 11, the FPFs were expected to include any or all four of the financing mechanisms. To date, all of the FPFs have made systematic use of the trust fund mechanism, with overall seven trust funds being established under the three FPFs. Each of the FPFs being evaluated has one multidonor trust fund and one or two single-donor trust funds. The establishment of the CCSF, financed by the private sector Global CCS Institute, which is headquartered in Australia, is also notable in that it achieves the CEFPP's goal of serving as a financing platform to link various forms of assistance.

43. The loan cofinancing through framework agreements mechanism has not yet been operationalized, and there appears to be limited scope for its use in the short to medium term. The main reason for this is that the scale of loan cofinancing is far beyond the current contributions to the FPFs. For example, Agence Francaise de Developpement recently provided Euro 150 million in parallel cofinancing to complement ADB lending of \$780 million for an energy efficiency investment program in Pakistan, which itself alone exceeds the total amount of contributions to the three FPFs. Another reason why the mechanism has not been used is that financing partners appear to be comfortable with providing such cofinancing via project-specific agreements and do not see the need for including such types of lending under a separate facility-level financing agreement. Although the mechanism is not suitable for the current operations of the FPFs, it may be retained for use in the future when the FPFs have attracted a greater quantity of funds from the partners.

44. With regard to cooperation arrangements for knowledge provision and exchange, there has been some recent good progress in operationalizing this financing mechanism, particularly with regard to the secondment of experts to ADB and the setting up of regional water knowledge hubs. In January 2010, the Spanish Government agreed to the secondment of three Spanish experts to ADB.¹⁵ Plans for the secondment of experts from Austria for water resources and urban water supply are also progressing. All of these experts are expected to assist with the processing and implementation of the FPF-financed projects. Another area that is under discussion between ADB and the Spanish and Austrian governments is twinning arrangements between river basin organizations in ADB DMCs and similar organizations in the two countries. Meanwhile, under the auspices of the Asia-Pacific Water Forum, which ADB helped established in 2006, the WFPF has provided assistance in setting up regional water knowledge hubs. Through this approach, countries with advanced expertise and existing centers of excellence in the region are given the opportunity to offer their services as a regional water knowledge hub to clients and partners in the region. These knowledge hubs focus on key water sector topics (knowledge domains) such

¹⁵ ADB and Spanish Government. 2010. *Signed Contribution Agreement and Instruments of Contribution*.

as public-private partnerships in water utilities, water allocation and rights, water governance, adaptation to climate change and variability, wastewater management, environmental flows and ecosystem maintenance for healthy rivers, and other priority topics. To date, 17 knowledge hubs have been formed in 12 countries supported by a secretariat hosted at ADB starting November 2009. Several of these hubs are involved in the preparation of Asian Water Development Outlook 2010, which focuses on the following key dimensions of water security: (i) satisfying household needs, (ii) supporting productive economies, (iii) managing vibrant and livable cities, (iv) restoring healthy rivers, and (v) building resilient communities. Other areas for knowledge-sharing that may be explored by ADB and financing partners include sharing of sector/thematic data, models and other information, and collaboration on specific projects through assignment of experts to work with executing agencies. With active knowledge-sharing financing mechanisms, the FPFs could potentially be a very effective means of filling the gaps in ADB's own capacities, particularly in subsectors or thematic areas that are new to ADB. One development partner, the Global CCS Institute headquartered in Australia, indicated that it would be very willing to engage in a more collaborative knowledge exchange with ADB on CCS technologies, but that there was an initial lack of engagement on ADB's part to move forward on this front. The Institute noted that ADB may not currently have the structures and incentives in place to undertake such collaboration, but that the willingness to engage had improved over time. ADB's Budget, Personnel and Management Services Department (BPMSD) recognizes the need to strengthen institutional capacity to use knowledge-sharing resource mechanisms more effectively. Toward this end, BPMSD is currently working on integrating various human resources programs into an expanded special work arrangement platform to be able to address gaps within ADB's legal framework and to position management policy.

45. With regard to other forms of cooperation, there has not been very much progress made to date in attracting financing partners to undertake these types of activities in the first three FPFs. However, the new urban FPF has succeeded in attracting funding from the Swedish Government for financing guarantee instruments that would help to mitigate the risk of undertaking projects in the urban sector. It is unclear what the scope for attracting similar resources to either the CEFPF or the WFPF is, but the addition of a risk-sharing financing mechanism to either or both of these FPFs would allow them to better achieve their aim of being broad platforms that link various forms of assistance by allowing them to undertake more innovative projects, such as public-private partnerships.

46. In conclusion, to date the FPFs have made systematic use of the trust fund financing mechanism and increasing use of the knowledge-sharing mechanism but have not used the other two envisaged mechanisms. The basic rationale for the FPF was to serve as a platform linking various forms of donor assistance and, hence, there appears to be scope for better exploiting the mechanisms—particularly the knowledge-sharing and risk-sharing resource mechanisms. The main reasons for the slow progress in formalizing these other mechanisms appear to be a combination of relatively low willingness on the FPF development partners' side to provide these resources, as well as poor ADB uptake capacity. The poor ADB uptake capacity reflects the fact that these other mechanisms are essentially nonmonetary, and ADB may not yet have all the necessary systems and structures in place to account for and use these mechanisms.

E. Extent to which FPFs Have Used Intended Delivery Modalities

47. As mentioned in para. 12, the FPFs were expected to include any or all three of the delivery modalities. To date, the FPFs have not made use of the concessional lending modality

due to donors not having yet provided resources for loan cofinancing via framework agreements (para. 43).

48. The FPFs have made extensive use of the grant component of investment and TA delivery modalities. As mentioned in para. 26, during the period 2007–2009, there were 10 grants and 78 TA operations approved out of the 148 FPF-financed projects. Grants and TA together accounted for 97% of the \$170.2 million approved for FPF-financed projects.

49. A new modality, the direct charge to project costs, was introduced by two multidonor trust funds (the CEF and MWTF) and two single donor funds (the CCSF and NTF) under the CEFPF and WFPF. This modality is intended to (i) provide a fast response mechanism to emerging needs in user departments and in client governments, for example in plugging holes during project preparation; and (ii) make available funding for small, standalone activities such as workshops, short studies, knowledge product development, and others that, without this modality, may be possible only through TA. Although funding allocations for direct charges are approved at the facility manager level and do not involve interdepartmental or sectoral committee review, direct charge applications, just like TA and grant components of investments, require endorsement by the heads of departments (director general level). The documents required to be included in applications are almost the same as those for regular TA, i.e., an application letter, which takes the form of a concept note; implementation arrangements; DMF; terms of reference; and detailed cost estimates. The main advantage is that the approval process is streamlined, allowing activities to commence faster, thus allowing the facility to benefit from quick results on the ground. As of end-2009, there were 60 direct charge projects approved in the amount of \$4.8 million. There is some concern that these projects are being used as a means of avoiding the more rigorous commenting and scrutiny required by the existing ADB modalities (e.g., small-scale TA). Another concern is that the direct charges are not fully mainstreamed into the regular ADB procedures and systems, but instead information regarding the direct charges is principally maintained by the respective FPF secretariats.¹⁶

50. In conclusion, to date the FPFs have made good use of two of the three envisaged FPF delivery modalities. The unused modality is “loans” due to donors not having yet provided resources for project-specific cofinancing. The introduction of the direct charge modality is considered a flexible and innovative way of making FPF resources available as a fast response mechanism when the need arises or unforeseen events occur during project preparation and implementation and when needs come up for small amounts of money to be mobilized for short and standalone activities. This modality has also helped respond to disbursement delays faced by FPF-financed projects.

F. Compliance of FPF Operations

51. To qualify for funding under the WFPF, the CEFPF, or the RCIFPF, proposed projects must satisfy a set of eligibility criteria. Under the WFPF, project proposals for WFPF should (i) be consistent with ADB’s Water Policy, (ii) contribute significantly to WFPF targets, (iii) introduce innovative solutions, (iv) adopt a participatory approach, (v) have high demonstration value in the sector, (vi) have good potential for replication in the country/region, and/or (vii) be linked with the relevant country strategy and results framework. The eight WFPF-financed projects selected for

¹⁶ Although the secretariats play the principal role, staff from the Regional Sustainable Development Department and the Controllers Department are also involved in documentation of the projects. In addition, all direct charge-supported projects are clearly indicated in the status of grant report prepared by the Controllers Department. The Controller’s Department is currently studying the possibility of introducing a new fund accounting system that would automate preparation of reports for the various trust and special funds.

in-depth review are consistent with the Water Policy and with the respective country's strategy and results framework (Appendix 5, Table A5.1). These projects are also found to either directly or indirectly contribute to the WFPF targets of providing safe water, reducing flood risks, or fostering integrated management of water resources. In terms of communication with financing partners, the WFPF Secretariat prepares annual and semiannual progress reports and annual work programs and participates in the FPF annual consultation meeting.

52. Under the RCIFPF, eligible areas for funding are in accordance with the four pillars of ADB's RCI Strategy, as follows: (i) cross-border infrastructure and related software; (ii) trade and investment; (iii) monetary and financial cooperation; and (iv) other regional public goods such as regional and subregional policy dialogue and initiatives to protect the environment, control communicable diseases, manage the impact of natural disasters, promote clean energy and energy efficiency, improve governance, and prevent human and drug trafficking. An assessment of six RCIFPF-financed projects chosen for in-depth review indicates that they all fall under pillars (i) and (iv) involving research, information dissemination, and capacity and institutional development including prefeasibility studies/identification of projects and building coordination capacity of Greater Mekong Subregion Secretariat (Appendix 5, Table A5.1). Regular annual consultations organized by OCO are held around March for the ICFF. In addition to these meetings, throughout the year, OCO consults the Government of Japan on financing and administrative matters. One area where the RCIFPF Secretariat's operations are not yet fully compliant is in terms of communication with their financing partners. As of December 2010, the RCIFPF Secretariat has produced a brief progress report.¹⁷ The fact that the RCIFPF only includes one financing partner (Japan), as compared with the other FPFs, which include five or six financing partners, is the main reason for the lesser communication.

53. Similar to the WFPF, project proposals are eligible for CEFPF support if they (i) are consistent with the relevant country strategy and results framework, (ii) are consistent with the objectives of ADB's EEI (para. 37), (iii) introduce innovative solutions, (iv) adopt a participatory approach, (v) are catalytic, (vi) have high demonstration value in the sector, and (vii) have good potential for replication and scalability in the country/region. In addition, a project proposal can qualify for CCSF support if it meets one of the following criteria: (i) accelerates the demonstration of CCS technologies; (ii) identifies, lowers, and/or eliminates general and country-specific technical, regulatory, institutional, financial, economic, environmental, and/or social barriers to CCS technology demonstration; or (iii) identifies, eliminates, or mitigates real or perceived risks in CCS capture, transport, or storage technology demonstration. Appendix 5, Table A5.1 shows how these criteria are complied with by the seven sample projects chosen for in-depth review, with one supported by the CCSF. The objectives of all seven sample CEFPF-financed projects are in line with the EEI's objectives of energy efficiency or sustainable development of renewable energy. At the same time, these projects are consistent with ADB's country strategy in each of the recipient countries and address a particular need or priority. Aside from its consistency with the EEI and ADB's PRC country strategy's thrust of environmental sustainability, the CCSF-financed project (Carbon Dioxide Capture and Storage Demonstration) is in conformity with the specific-fund criterion of accelerating CCS demonstration technologies. In terms of communication with financing partners, the CEFPF Secretariat prepares annual and semiannual progress reports and annual work programs and participates in the FPF annual consultation meeting.

54. Overall, the FPF-financed projects selected for in-depth review are consistent with ADB's sector policy/strategy. These projects are also in line with ADB's strategies in each of the recipient countries and address a particular need or support a development priority. They are

¹⁷ Office of Regional Economic Integration. 2009. *Investment Climate Facilitation Fund: Progress Report 2007–2009*. Manila.

also in conformity with the eligible areas and activities for FPF funding support, with most projects falling under preferred/priority initiatives. The issue of overlap in the objectives of the FPFs (para. 19) has been effectively addressed by the development of informal guidelines (footnote 8) that provide a system for prioritizing fund sources across the overlapping FPFs.

G. Design Quality of FPF-Financed Projects

55. In early 2010, ADB’s Central Operations Services Office (COSO) conducted an assessment of the DMFs of 337 projects approved in 2009. The objective was to improve the quality of the project DMFs and the project performance management system. COSO used a weighted score for a number of criteria to evaluate each of the DMF elements: impact, outcomes, outputs, activities, indicators, data sources, and assumptions and risks. The same method was used to evaluate the DMFs of 21 selected FPF-financed projects to get an indication of the relative quality of the design of FPF projects. Although a good DMF does not necessarily ensure a project’s success, a poorly developed DMF indicates poor project design, and the inability of ADB to monitor project progress and performance. Conversely, a well-developed DMF reflects a high-quality project design that should be able to detect risks that may be occurring, assumptions that are not being realized, and project inefficiencies. Toward the conclusion of the project, outcomes should be emerging, and with good outcome measures and reliable data, outcome deficiencies can be corrected early with suitable interventions.

56. Figure 4 shows the evaluation results for DMFs of the 21 sample FPF-financed projects compared with 337 project DMFs assessed by COSO. In all aspects of the DMF except performance indicators and data sources, the 21 sample FPF-financed projects fared slightly better than the 337 projects. However, the ratings for the 21 sample projects in all elements of the DMF are below 70%, which shows weaknesses, particularly in activities, indicators, and data sources, which are all below 50%.

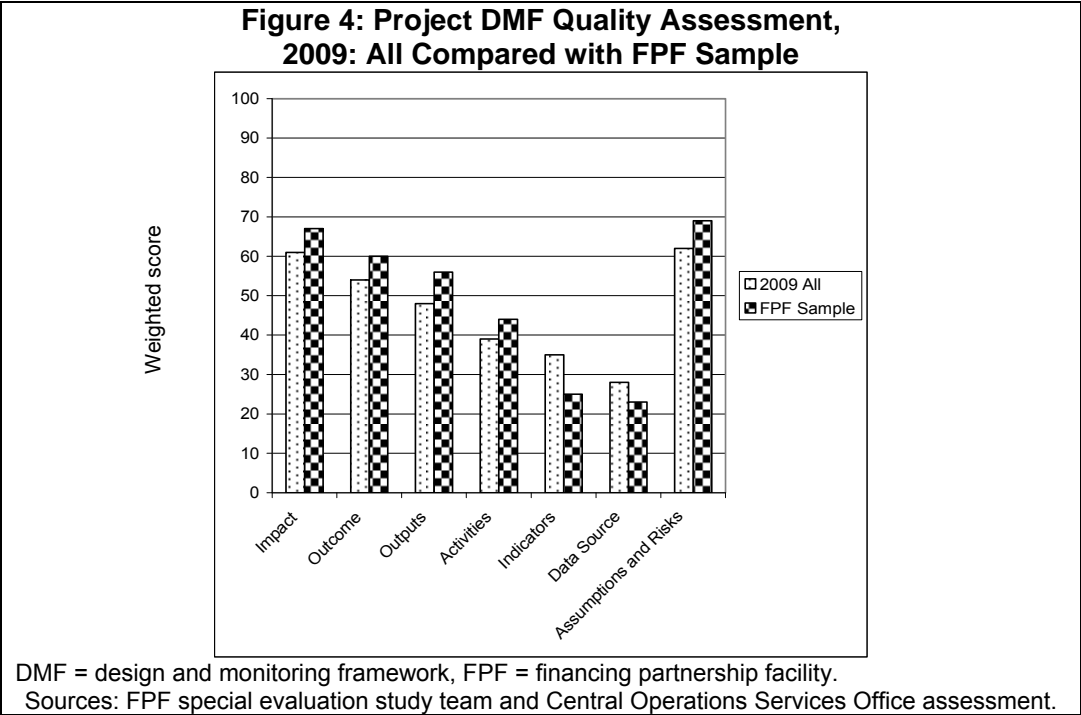


Table 5: Assessment and Rating of Relevance

| Criteria | Assessment | Relevance Rating |
|---|---|-------------------------|
| A. Facility Level | | |
| 1. Consistency with ADB's strategies and policies | All in all, the FPFs can be considered to have responded well to ADB's strategies and policies. In terms of long-term strategies and priorities, the FPFs have responded well to the strategic and operational directions provided by Strategy 2020 and are fully in line with several of the priority actions included in the Financing Partnership Strategy. The FPFs are also fully in line with ADB's medium-term policies and strategies, including sector/thematic, country, and safeguard policies/strategies. | Highly relevant |
| 2. Conformity with international practice | The FPFs are found to be in conformity with international practice. The FPFs are in line with both the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. In particular, FPFs are an example of a more inclusive partnership that can leverage joint efforts to have a greater impact on reducing poverty. The financing partners surveyed generally found that the FPFs conformed very well to their respective development goals. | Highly relevant |
| 3. Extent to which FPFs have used intended financing mechanisms | To date, the FPFs have made systematic use of the trust fund financing mechanism, increasing use of the knowledge-sharing financing mechanism, but have not used the other two envisaged financing mechanisms. The basic rationale for the FPF was to serve as a platform linking various forms of donor assistance and, hence, there appears to be scope for better exploiting the mechanisms—particularly the knowledge-sharing and risk-sharing resource mechanisms. | Less relevant |
| B. Project Level | | |
| 1. Extent to which FPFs have used intended delivery modalities | To date, the FPFs have made good use of two of the three envisaged FPF delivery modalities. The unused modality is "concessional loans" due to donors not having yet provided resources for cofinancing through framework agreements. The introduction of the direct charge modality is considered a flexible and innovative way of making FPF resources available as a fast response mechanism when need arises or unforeseen events occur during project preparation and implementation and when needs come up for small amounts of money to be mobilized for short and standalone activities. This modality has also helped respond to disbursement delays faced by FPF-financed projects. | Highly relevant |
| 2. Compliance of FPF operations with eligibility criteria | Overall, FPF operations have been compliant with the eligibility criteria set out in the establishment papers and fund implementing guidelines. An assessment based on a sample projects selected for in-depth review indicates that these projects are in line with ADB's strategies in each of the recipient countries and address a particular need or support a development priority. | Relevant |
| 3. Adequacy of the project designs | The quality of the projects' design and monitoring frameworks is no better or worse than that of all ADB projects. The only particular weakness is in the definition of the indicators and data sources. Generally, project designs were adequate. Grants and TA generally adopted the appropriate delivery modality. It would appear that the direct charge modality was often used in place of the small-scale technical assistance (SSTA) modality, simply due to the cap on the number of SSTA operations that could be approved. | Relevant |
| Overall Assessment | | Relevant |

ADB = Asian Development Bank, FPF = financing partnership facility.
Source: FPF special evaluation study team assessments.

IV. EFFECTIVENESS

57. Effectiveness is a measure of how well the outcomes and outputs of a facility, program, or project as defined in its DMF are achieved or are likely to be achieved. First, the FPFs' effectiveness is evaluated at the facility level using two subcriteria: (i) the extent to which the FPFs' intended results have been achieved, and (ii) the value addition of the facilities. Second, the FPFs' effectiveness is evaluated at the project level using two similar subcriteria: (i) the

extent to which FPF-financed projects have achieved their intended results, and (ii) the FPF projects' value addition vis-à-vis non-FPF-financed projects. Since most of the FPF-financed projects are still under implementation, IED's assessment of their effectiveness or likely effectiveness is preliminary. Assessment and rating of the above subcriteria are shown at the end of the chapter.

A. Achievement of FPFs' Intended Results

58. The 2008 WFPF Annual Report and the 2008 CEFPP Annual Report include detailed facility-level DMFs for their respective FPFs, which set out intended FPF results (impacts, outcomes, and outputs) and their corresponding indicators. These DMFs also indicated important activities, milestones, and inputs for achieving the intended results. Unfortunately, there were two common drawbacks in the DMFs that make their use for assessing achievement of results problematic. First, both DMFs are not focused solely on their respective FPFs, but include intended results for a broader range of activities. Specifically, the WFPF DMF includes results and activities for the Water Financing Program, which is not wholly funded by the WFPF, and the CEFPP DMF includes results and activities for the Climate Change Fund, which is not covered by the CEFPP. As such, the outcomes and outputs cannot be wholly attributed to the respective FPFs.¹⁸ Second, neither of the DMFs set intermediate targets for achieving impact and outcome indicators, which could have allowed for an assessment before the full achievement of the impact/outcome.

59. There were other drawbacks specific to the individual DMFs. In the case of the WFPF DMF, the following drawbacks were noted: (i) the DMF performance targets/indicators are generally not specific and time bound enough, and (ii) some of the output indicators appear to be more appropriate as outcome indicators. For the CEFPP DMF, the following were noted: (i) the impact and outcome indicators are both indicated as to be achieved in 2020, whereas normally one would expect the intermediate outcomes achieved first and later to achieve the impacts; (ii) two of the impact performance targets do not specify the value to be achieved; (iii) both of the outcome indicators are not specific, express their target values as a range rather than an absolute value, and neglect to include the base value that is needed to calculate the new target value. The current CEFPP DMF is scheduled for review and revision in late 2010.

60. **FPF outcomes.** Two of the FPFs (the WFPF and the CEFPP) have DMFs with outcome performance indicators. However, these indicators are to be achieved only in 2020. In the absence of intermediate indicators, it is still difficult to assess the achievement or likely achievement of the FPFs' intended outcomes.

61. **FPF outputs.** Two of the three FPFs being evaluated had a DMF with output indicators that were time bound and monitorable, and, although the DMF is constructed for a larger set of activities over and above the respective facilities, there remain outputs and output performance targets that are specifically linked to the facility. Table 6 shows the WFPF's target outputs by the end of 2010, the current achievement of the performance target, and IED's assessment based on this information. In general, WFPF's target outputs have been mostly achieved.

¹⁸ In the case of the CEFPP DMF, the project contributions to the DMF indicators are monitored and reported separately for the Climate Change Fund and the CEFPP.

Table 6: Likely Achievement of WFPF Outcomes and Outputs

| Output/ Outcome | Performance Target/Indicator to 2010 | Assessment | Achievement (as of 30 August 2010) |
|---|--|------------------------|--|
| 1. Increase the level of water investment | At least 30 PPTAs, of which no fewer than 15 translate to investment projects | Achieved | WFPF-financed PPTAs resulted in 15 proposed loans expected to be approved by the end of 2010. One loan is expected to be approved in 2011. |
| | At least 15 loans are provided grant support | Mostly achieved | Provided grant support to 13 loans. |
| | At least 30 direct charges that add value to project development | Mostly achieved | Supported 27 additional project development activities through the direct charge modality. |
| | At least 15 TAs and direct charges designed to advance reform measures in each of the areas of policy, legislation, regulation, and institutional arrangements | Mostly achieved | Allocated funds for 13 TAs and direct charges supporting institutional reform measures. |
| 2. Policy and institutional reforms are accelerated | 80% of pilot and demonstration activity (PDA) projects completed within schedule and replication occurring for at least 40% | Mostly achieved | Supported 20 PDAs that are at varying stages of implementation: 8 completed, 12 ongoing, and 1 is yet to start implementation; replication is highly likely in at least 50%. |
| 3. Institutional capacity is strengthened and the knowledge base expanded | Capacity development of sector organizations and agencies supported either as part of loans and TAs or as standalone activities | Achieved | Supported capacity development consisting of 11 TAs and direct charges that are targeted at key sector organizations. |
| | Knowledge products developed on schedule and achieved targeted distribution level | Achieved | Supported the development of 7 knowledge products. |
| | At least five regional knowledge hubs operational by end 2010 | Achieved | Established 17 knowledge hubs, all operational. |
| | At least two annual major water events | Achieved | Conducted five major international water events |
| Overall rating | | Mostly achieved | |

PPTA = project preparatory technical assistance, TA = technical assistance, WFPF = Water Financing Partnership Facility.

Source: WFPF Secretariat with assessment provided by the financing partnership facility special evaluation study team.

62. The CEFPP's DMF had well-formulated output statements and performance targets/indicators clearly indicating they were to be achieved by end-2010. Given that most projects are still ongoing, it is still too early to determine actual achievement. However, based on the reported results in the 2009 CEFPP Annual Report and the draft 2010 CEFPP Annual Report, IED concludes that the CEFPP is likely to achieve its intended outputs. Table 7 provides an assessment of likely achievement of each of these output indicators.

Table 7: Likely Achievement of CEFPP Outputs

| Output/Outcome | Performance Target/ Indicator | Assessment | Achievement (as of 30 June 2010) |
|--|--|------------------------------|--|
| 1. CE investments in DMCs increased | Amount of CE component in ADB investments increased to at least \$1 billion by 2008 and maintained through 2010 | Likely to be achieved | ADB's total CE investments were approximately \$1.7 billion and \$1.26 billion in 2008 and 2009, respectively. (Note: Not all of these investments are attributable to the CEFPP.) The cumulative CE investment directly attributable to the CEFPP was approximately \$898 million by end-July 2010. |
| 2. Deployment of new technologies with strong demonstration effect facilitated | Three new renewable energy/cleaner fuel/energy efficiency technologies deployed in DMCs by 2010 | Likely to be achieved | 45 projects with new technologies and three projects in the demonstration stage are helped deployed using CEFPP financing. |
| 3. Barriers to new technologies lowered | Five national and local policies enabling CE development in DMCs by 2010 | Likely to be achieved | Five projects are addressing lack of enabling policies and regulations. |
| | At least three financing models suitable for bundling small CE investment projects used in DMCs by 2010 | Likely to be achieved | 13 projects addressed assessment of suitable financing models for bundling small CE investment projects. |
| | Knowledge/information education-communication products and capacity-building services promoting and enabling CE development provided to DMCs by 2010 | Achieved | 57 projects contributed to lowering the barriers to CE technologies through knowledge/information education-communication products |
| Overall rating | | Likely to be achieved | |

ADB = Asian Development Bank, CE = clean energy, CEFPP = Clean Energy Financing Partnership Facility, DMC = developing member country.

Sources: 2008 CEFPP Annual Report, 2009 CEFPP Annual Report, Draft 2010 CEFPP Semiannual Report, and financing partnership facility special evaluation study team assessments.

B. Value Addition of the FPF Platform

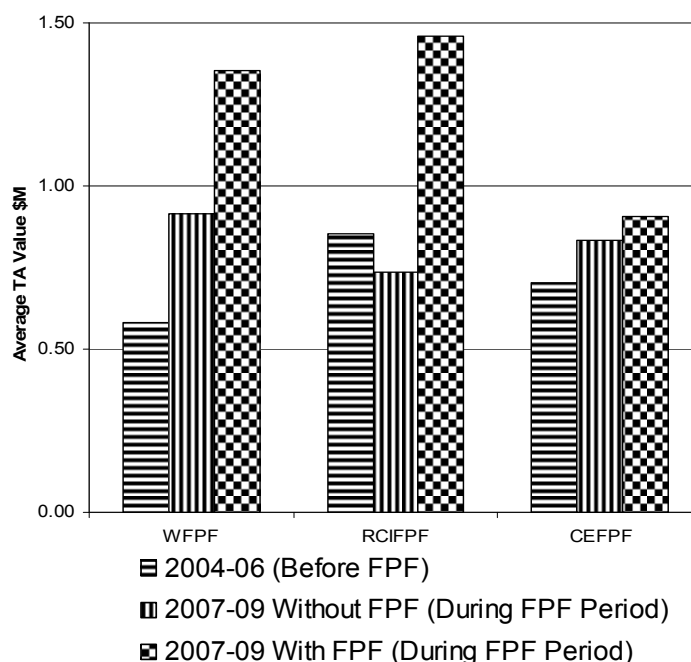
63. The intention of this subcriterion is to gain insight into the FPF's additionality as a new platform. First, an assessment vis-à-vis two counterfactuals is undertaken to determine if the FPFs have added value. Second, an assessment is made of the extent to which FPFs have leveraged the flow of financing for ADB-supported projects. Third, IED has considered the perceptions of both financing partners and project team leaders in respect of the FPFs' ability to add value to the development program. It should be noted that many other factors (Strategy 2020 focus areas, the increase in ADB's general capital, changes in DMC context) affect the availability of finance for project preparation and, hence, these assessments can be considered only tentative.

1. Assessment against Counterfactuals

64. An assessment was undertaken of value addition vis-à-vis two counterfactuals to determine if the FPFs have added value through a higher average project size in each of the sector/thematic areas. The two counterfactuals used are (i) TA approved before the advent of the FPFs in 2007, and (ii) TA approved after the advent of the FPFs but without FPF financing. The assumption is that, if the average FPF-financed project has a higher value than the average non-FPF-financed project and average pre-FPF-financed project, then substitution has not occurred and there is "added value" in being able to increase the value and scope of the project compared with not

having access to FPF funding. “Added value” in this case is defined as “increasing the size and scope” of an average project. The assessment of data on TA approvals during 2004–2009 indicates that WFPF- and RCIFPF-financed projects are on average larger in value than both pre-FPF projects and non-FPF-financed projects. Figure 5 shows the average value of a WFPF and RCIFPF-financed TA was approximately \$1.4 million, which was approximately twice the size of comparable TA before the advent of the FPFs and around 50% larger than non-FPF-financed TAs approved in 2007–2009.

Figure 5: Average TA Size for FPF-Financed Projects vis-à-vis Two Counterfactuals^a



CEFPF = Clean Energy Financing Partnership Facility, FPF = financing partnership facility, RCIFPF = Regional Cooperation and Integration Financing Partnership Facility, TA = technical assistance, WFPF = Water Financing Partnership Facility.

Note: Values shown are nominal values from 2004 through 2009.

^a Two counterfactuals: (1) TA approved before the advent of the FPFs in 2007, and (2) TA approved after the advent of the FPFs but without FPF cofinancing.

Sources: Asian Development Bank loans, TAs, and grants database and FPF Secretariat databases.

65. The comparable results for the CEFPP do not show the same increase in average TA value. We believe this is due to the recent rapid increase in the clean energy sector and the significant demand for TA and grants over and above those financed by the CEFPP. For the 3 years 2004–2006, ADB financed some 15 clean energy-related TA operations for a value of \$10.54 million, whereas for the same time span, from 2007 to 2009, ADB financed some 45 clean energy-related TA activities for a total value of \$38.56 million, being an overall increase of some 265%. This rapid increase in clean energy TA activity hides the additional contribution made by the CEFPP. Figure 5 shows that the average cost of CEFPP-financed TA is higher than in the period before the CEFPP became available and slightly higher than the counterfactual for clean energy TA not financed by the CEFPP. With a higher aggregate investment in clean energy-related TA and the average TA cost being the same for with and without CEFPP support, IED can say that CEFPP funds have not substituted for other funds.

66. The difference between the FPF-financed projects and the two counterfactuals may be considered a broad measure of the value addition of the FPFs. IED concludes from the above assessment that FPFs have generally added value to ADB operations in terms of increasing the

average size of projects in FPF sectoral/thematic areas, as well as through increasing the overall size of the aggregate portfolio of FPF-financed and non-FPF-financed projects in these same areas. Appendix 6 provides additional details of the assessment of value addition against the counterfactuals.

2. Leveraging of FPF Support

67. Another measure of the FPFs' output performance is increased investments in the sector that can be directly or indirectly attributed to the funding support provided by the FPFs for the grant component of investments, TA (including PPTA and TA attached to loans), and direct charges. Because the FPFs have not operationalized the originally intended loan under a framework agreement financing mechanism, there has been no direct value addition in respect of concessional loan cofinancing of investment projects (except via FPF-financed grant components).

68. For 2008–2010, the WFPF targets increasing levels of water investments in terms of additional resources to (i) fund at least 30 PPTAs, of which no fewer than 50% translate to investment projects; (ii) finance grant components of (at least 15 loans/investments) that support either works, goods, or services designed to enhance project design and implementation; and (iii) finance specific activities (at least 30 applications) that directly support project development. As of end-2009, WFPF had leveraged its resources to approximately \$3.3 billion in cumulative investments comprised of an estimated \$1.2 billion of ensuing loans from 15 PPTAs, about \$1.5 billion for supporting grant components of 11 projects, and \$588 million resulting from other project development activities. Of the \$3.3 billion, \$2.4 billion or 73% had already been approved as of end-2009.

69. Likewise, CEFPP targets indirectly contributing to increased clean energy investments in ADB's DMCs. Specifically, CEFPP targets \$1 billion annually worth of clean energy investments by 2008 and \$2 billion annually by 2013. This target is not all attributable to the CEFPP but is rather a higher level target expected from all clean energy initiatives across ADB. The target was met in 2008 and 2009, amounting to \$1.69 billion and \$1.26 billion, respectively. CEFPP also set a more direct target output of \$500 million in direct clean energy investments annually in 2009. Actual clean energy investments for 2009 directly attributable to the CEFPP totaled \$346.3 million, leveraged from \$14.1 million in CEFPP resource allocation. On a cumulative basis to end-2009, the CEFPP over its life has been able to leverage its fund allocation of \$28.5 million to \$528 million in clean energy investments, equivalent to a leveraging ratio of 1:19.

70. Both the WFPF and the CEFPP, therefore, have added value to ADB operations in terms of leveraging significant amounts of ADB investments for the water and clean energy sectors.

3. Perceptions of Value Addition

71. **FPF's value addition to the sector.** Three-quarters of FPF-financed project team leaders (PTLs) surveyed believe that the FPFs have added value to the respective FPF sector/subsector/theme (Appendix 7, Table A7.16). In particular, 77% of PTLs agree/strongly agree with the survey statements that the FPFs (i) enabled projects to expand or add a new activity/component; (ii) enabled the implementation of projects that did not have approved funding from ADB regular funding channels; and (iii) provided nonfinancial services such as technical advice, information materials, and other knowledge resources. Many (68%) of them also believe that the FPF enabled the full implementation of projects that had only partial funding from regular ADB

funding. A PTL highlighted that the FPF is used for project preparation, which means that the FPF has facilitated additional investments for the sector.

72. Further, two of the five WFPF financing partners surveyed cited the following as important benefits the FPF is expected or is able to bring to the development of the sector: (i) improving the quality of the designs and the monitoring and evaluation of the programs; and (ii) leveraging significant amounts of ADB resources with a clear focus and that have facilitated achieving outcomes. Nevertheless, certain financing partners have indicated that the current reporting does not meet all of their needs. For example, the Global CCS Institute indicated that it would like to see more details with regard to specific projects that have been supported by the CCSF and additional reporting on outcomes achieved to date.

73. **FPF's value added to ADB's operations.** The majority (72%) of the PTLs believe that the FPFs have added value to ADB's operations (Appendix 7, Table A7.17). About 80% of the respondents strongly believe that the new direct charge to project costs modality has added value to ADB operations. One PTL remarked that the direct charge modality has been extremely important in responding quickly to project design needs. They cited for instance that they used this modality to carry out a diagnostic study of water utility performance in Uzbekistan, which in turn was used to design a much larger grant component than the FPF and the loan project design. Another PTL cited that the WFPF direct charge has helped address key bottlenecks in the sector (e.g., support for small-scale sector work and capacity development activities) and is also being used to explore new initiatives.

74. Several of PTLs identified a number of important benefits (in a way, value addition) of the RCIFPF to their operations. The RCIFPF is a key source of financing for TA and helped ADB to implement its RCI Strategy and Strategy 2020 by responding in a timely manner to DMC requests for increased RCI activities. It has supported a wide range of activities under ADB's various regional programs (e.g., Greater Mekong Subregion, Central Asia Regional Economic Cooperation), which have contributed to enhanced policy dialogues, cross-border harmonization, improved capacity building, and knowledge generation and dissemination in Asia and the Pacific. Some projects have led to investment opportunities as well. The RCIFPF has also contributed to the ASEAN, the PRC, Japan, and the Republic of Korea (ASEAN+3) Credit Guarantee and Investment Facility, the Asian Bond Market Initiative, and the ASEAN+3 Bond Market Forum.

C. Achievement of FPF-Financed Projects' Intended Results

1. Outcomes of FPF-Financed Projects

75. Most of the FPF-financed projects are still ongoing; thus their outcomes have not yet been achieved. Of the 148 FPF-financed projects approved between 2007 and end-2009, only 50 have been completed. The vast majority of these completed projects (39) are direct charge projects, with the balance (11) being TA. To date, none of the 10 FPF-financed grants have been completed. Completion reports have been prepared for 36 of the 39 completed direct charge projects, but no TA completion reports have yet been completed. Given the paucity of completed TA and grants and the absence of any completion reports for these two modalities, it is still too early to assess the overall achievement or likely achievement of the intended outcomes of the FPF-financed projects. The most that can be said is that the direct charge projects appear to have generally achieved their respective outcomes, as documented in Appendix 8, Tables A8.7 and A8.8.

2. Outputs of FPF-Financed Projects

76. As mentioned in para. 75, to date there have been no TA or grant completion reports, only direct charge completion reports. A review of 17 ongoing FPF-financed projects was undertaken to assess the extent to which outputs have been or are likely to be achieved. In general, the review found that the projects were on track to meeting their outputs. The results of this review are summarized in Table 8 and provided in detail in Appendix 9, Tables A9.1 and A9.2.

Table 8: Likely Achievement of Outputs for Selected Projects

| Facility/Project | Achievement |
|--|----------------------|
| Water FPF | |
| ADTA 7049-PRC: Implementing the National Flood Management Strategy | Highly likely |
| ADTA 7217-PRC: Preparing National Guidelines for Eco-Compensation in River Basins and a Framework for Soil Pollution Management | Likely |
| PPTA 7136-IND: Integrated Flood and Riverbank Erosion Risk Management - Assam (Phase 2): Processing and Institutional Strengthening | Likely |
| PPTA 7367-PHI: Pasig River Catchment Sewerage | Highly likely |
| RETA 6484: Mekong Water Supply and Sanitation | Likely |
| DC - Developing Sustainable Water Monitoring and Ecological Payment System | Highly likely |
| DC - Qinghai Pasture Conservation Using Solar Photovoltaic (PV)-Driven Irrigation | Highly likely |
| Clean Energy FPF | |
| G0142-PHI: Philippine Energy Efficiency (Investment Grant Component of Loan) | Highly likely |
| G0109-PRC: Capacity Building for Energy Efficiency Implementation | Likely |
| ADTA 7011-SRI: Building the Capacity of the Sustainable Energy Authority | Highly likely |
| CDTA 7286-PRC: Carbon Dioxide Capture and Storage Demonstration - Strategic Analysis and Capacity Strengthening | Highly likely |
| PPTA 7097-PHI: Pasuquin East Wind Farm Development | Highly likely |
| RETA 6485: Promoting Energy Efficiency in the Pacific | Highly likely |
| DC - Recruitment of Clean Energy Expert | Highly likely |
| DC - Investment Summit for Hainan's Clean Energy Development | Highly likely |
| Regional Cooperation and Integration FPF | |
| RETA 6433: South Asia Subregional Economic Cooperation Regional Information and Communication Technology Research and Training Network | Likely |
| ADTA 7157-BHU: Promotion of Clean Power Export Development | Highly likely |
| Overall | Highly likely |

ADTA = advisory technical assistance, BHU = Bhutan, CDTA = capacity development technical assistance, DC = direct charge, FPF = financing partnership facility, G = grant, IND = India, PHI = Philippines, PPTA = project preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, SRI = Sri Lanka.

Source: FPF special evaluation study team assessment.

3. Value Addition in FPF-Financed Projects

77. At the project level, value addition is regarded as any component that is incremental to what the project would typically be. The value addition may include (i) increase in scope, (ii) inclusion of additional monitoring and evaluation, (iii) financial guarantees, (iv) risk sharing, (v) greater consultation or inclusion of beneficiaries, (vi) additional effort to ensure sustainability, and/or (vii) mitigation of risks. Not all of these added value components are featured within the FPF-financed projects. However, a number of projects do demonstrate added value.

78. The provision of a financial guarantee or a contingency fund to cover specific risks is a good example of added value, such as the case of the Solar Power Project in Thailand, supported by the CEFPF (Box 1).

Box 1: The Case of the Solar Power Project in Thailand

CEFPF assistance is playing a catalytic role in demonstrating the feasibility of a large-scale private sector solar farm, a model that can then be replicated by other private sector investors in Thailand and other DMCs and eventually have a transformational impact on the energy sector and the development of a green industry using advanced technology.

The CEFPP-financed Solar Power Project is developing a new 55-megawatt photovoltaic (PV) solar power plant in Lopburi Province in Central Thailand. The development will sell its generated power to the Electricity Generating Authority of Thailand, the national power utility of the country. The project will be the first large, utility-scale solar power generating facility in the country and the largest PV solar power plant in the world. Power projects need contingency funds to cover risks, which are directly related to total project capital expenditure. These risks have to be covered by contingency funds in order to provide comfort to private sector investors and lenders. The incremental costs show that a solar power project would cost \$18.3 million more than an equivalent capacity conventional gas-fired power project. The CEFPP will support the implementation of the project, which will be the first to demonstrate the capacity of a large scale-solar project to satisfy the power needs in Thailand, and prove the feasibility of thin-film PV technology for utility-scale power generation. Specifically, the CEFPP financing will provide cover (via a grant component of investment) of up to \$2 million of the contingency in the unlikely case that the project has to draw down contingency funds. Therefore, the CEFPP funds will help to overcome the gap and significantly reduce an inherent risk of introducing new thin-film PV technology on a large scale.

CEFPF = Clean Energy Financing Partnership Facility, DMC = developing member country.

Sources: Thailand Solar Power Project concept review paper, Thailand Solar Power Project application to access CEFPP resources or Climate Change resources.

79. Capacity building to assist in the implementation of a bigger investment project is another example of added value of the FPF. In the case of a WFPF-financed activity in support of the \$300 million multitranche financing facility loan for Pakistan's Sindh Cities Improvement Investment Program (SCIP), the implementing agency required assistance to improve its capability to carry out strategic planning and then to complete engineering drawings suitable for contract negotiations. The activity developed and disseminated a replicable wastewater management Strategic Planning Methodology to prepare the Khairpur Wastewater Management Strategic Action Plan and Priority Investment Program. This expedited SCIP implementation and highlighted strengthened institutional capacity.

80. Another example of added value is an assessment of the institutional capacity of an implementing agency, particularly where the implementing agency is the same for a likely investment project (Box 2). Not all agencies have the capability to plan and implement investment projects, yet their capacity is vital for project implementation and sustainability.

Box 2: Institutional and Policy Assessment for Small Towns Water Supply and Sanitation in Nepal

A strong need for conducting a comprehensive institutional and policy assessment to facilitate the design of institutional strengthening in the sector surfaced during the preparation of a feasibility study for water supply and sanitation in small towns of Nepal. This was to ensure alignment with the decentralization and devolution goals. The Water Financing Partnership Facility funded this activity to define (i) a vision for the sector, supported by the required institutional framework and roadmap; (ii) the roles and responsibilities of the Department of Water Supply and Sewerage within a devolved scheme; and (iii) the organizational structure and institutional mandates. This activity has successfully facilitated a \$45.1 million investment project (Second Small Towns Water Supply and Sanitation Project), approved in September 2009.

Source: Nepal's Small Towns Water Supply and Sanitation concept review paper and application to access the Water Financing Partnership Facility resources.

81. Increasing the scope of an investment project, above what the DMC may have originally envisaged facilitates a more rapid takeup of new and emerging technologies. Deployment of a new technology that otherwise the DMC would have been reluctant to pursue is an example of

value addition. The Nepal Electricity Authority (NEA) is now embarking on an energy-efficient lighting program based on compact fluorescent lamps (CFLs) in two districts with some seed money provided from the government. The CEFPP/Climate Change Fund will provide an additional \$4.5 million to expand this program to three additional districts. The funds will also assist NEA to create and maintain a revolving fund that will facilitate future replication of the CFL program across Nepal. The additional components cover (i) energy efficiency in lighting, and (ii) renewable energy for street lighting. Being a new and untested technology in Nepal, NEA would have found it difficult to justify a wider investment. Therefore, considering both the global and local benefits of the proposed activities and the opportunity for later replication, support from CEFPP/Climate Change Fund will overcome the financial barrier. The proposed piloting of the CFL program will introduce 1,000,000 CFLs in selected districts over a period of 2 years. Once fully implemented, the direct efficiency improvement in lighting will amount to a saving of approximately 23 gigawatt-hours per year. Since funding provided will be partly used as a revolving fund, the impact of the program will be substantially higher in the long term.

82. The FPFs have, on a number of occasions, provided “seed” money to support the cost of upfront feasibility studies or the early initial investments required to develop new technologies. The feasibility of a wind farm depends upon a thorough assessment of wind energy at a potential site, which involves erecting towers and installing monitoring equipment. Lowering the financial risk for the potential investor encourages activity in the sector, and is an example of value addition. Funds from the CEFPP support the feasibility study for a large-scale (90-megawatt) wind farm in Lamthakong, supplying power to the Electricity Generating Authority of Thailand (EGAT) under EGAT's commitment to purchase renewable energy. Given that no large-scale wind farms currently exist in Thailand, this activity should have a significant catalytic effect by funding the assessment of a technical feasibility study and, based upon the results, will hopefully encourage private sector investment in this wind energy project. Table 9 summarizes the assessment and rating of the effectiveness subcriteria.

Table 9: Assessment and Rating of Effectiveness of FPFs

| Criteria | Assessment | Effectiveness Rating |
|---|--|-----------------------------|
| A. Facility Level | | |
| 1. Achievement of FPFs' intended results | Given the lack of baseline and monitoring data and the short passage of time, no definitive conclusions are possible for the achievement of the outcomes of any of the facilities. However, within the two DMFs that are available, there are specific outputs that can be related to the WFPF and CEFPP and are time bound to 2010. Accordingly, IED has assessed the likely achievement of these outputs and, based on our initial findings, we conclude both the WFPF and CEFPP are likely to achieve their intended outputs. | Effective |
| 2. Value addition of FPF platform | FPFs are found to have generally added value to ADB operations in terms of increasing the average size of projects in FPF sectoral/thematic areas, and in increasing the overall size of the aggregate portfolio of FPF-financed and non-FPF-financed projects in these same areas. Both the WFPF and the CEFPP have added value to ADB operations in terms of leveraging significant amounts of ADB investments for the water and clean energy sectors. The WFPF has leveraged \$2.4 billion in water investments through its funding support of about \$23 million to PPTA, TA linked to loans, grant components of investments, and direct charges. Similarly, the CEFPP used its \$28.5 million allocation to generate \$528 million in clean energy investments. | Effective |
| B. Project Level | | |
| 1. Achievement of FPF-financed projects' intended results | In terms of project outcomes, there is evidence that the direct charge projects have generally achieved their expected outcomes, but it is still too early to make conclusions on the grant and TA projects. In terms of project outputs, a review of 17 ongoing or recently completed FPF-financed projects indicates that all projects are highly likely or likely to achieve their outputs. Given the paucity of completed TA and grants and the absence of any completion reports for these two modalities, this assessment should be considered only preliminary. | Effective |

| Criteria | Assessment | Effectiveness Rating |
|--|---|----------------------|
| 2. Value addition of FPF-financed projects | Anecdotal evidence indicates that FPF-financed projects have added value in terms of reducing the risks of proceeding with new technologies and building capacity within agencies embarking on new investment projects. Also, the majority of project team leaders surveyed strongly agree or agree that FPF funding has expanded projects or added new project components. | Effective |
| Overall Assessment | | Effective |

ADB = Asian Development Bank, CEFPP = Clean Energy Financing Partnership Facility, DMF = design and monitoring framework, FPF = Financing Partnership Facility, IED = Independent Evaluation Department, PPTA = project preparatory technical assistance, TA = technical assistance, WFPF = Water Financing Partnership Facility.
Source: FPF special evaluation study team assessments.

V. EFFICIENCY

83. Efficiency is a measure of how well resources are used by a program in achieving its targeted outputs and outcomes. In this evaluation, efficiency also relates to the administration of the FPFs and the processing and implementation of projects financed by them. The efficiency of FPF administration has been assessed by comparing administration performance mainly in terms of the speed at which project funding applications are endorsed against the set standard and comparable facilities. Meanwhile, the efficiency of FPF-financed projects, comprised mainly of grant components of investment projects and TA, was analyzed based upon project progress, rates of disbursement, and elapsed implementation time. Assessment and rating of the above subcriteria are shown at the end of the chapter.

A. Facility Administration

1. Costs of Fund Administration

84. The establishment and implementation of trust funds and facilities involved a wide range of activities that include discussing and coordinating with financing partners for fund mobilization and implementation activities, preparing and negotiating trust fund and cofinancing agreements, processing and preparing Board papers and implementing guidelines, allocating funds to projects, and fund monitoring and reporting.

85. The cost of activities to mobilize, process, and administer external grants can be grouped into three categories: (i) setting up a trust fund, (ii) day-to-day administration of a trust fund, and (iii) processing and administering grants for specific projects. The costs of these activities including staff time spent in the administration of financing partner funds were estimated in the 2009 review of ADB's service charges for the administration of grant cofinancing from external sources (footnote 4). The review estimated that the average costs to set up trust funds are \$41,912 for non-FPF-related trust funds and \$103,168 for FPF-related trust funds or an average of about \$57,226 for all funds. It also showed that the annual cost of managing the funds varied depending on the structure of managing the funds, estimated to range between \$42,735 and \$1.47 million. One reason that thematic trust funds tend to require more staff and consultant resources than traditional trust funds is that fund allocation is done by ADB, not by the donor, and FPFs have facility-level DMFs (which traditional trust funds do not have).

86. The same review concluded that, overall, the 5% service fee does not fully recover the cost of administering TA grants either through the trust funds or project-specific arrangements. The administration costs for small TA grants are not fully recovered under the current 5% fee but are cross-subsidized in part by the fees collected for larger TA projects. Further, TA grants of less than \$500,000 are less cost-efficient and disproportionately more costly to administer. Likewise, with the 2% fee, ADB does not fully recover the costs of administering grants that

finance or cofinance components of investment projects. The costs of administering smaller grants for components of investment projects are underrecovered in varying magnitudes, depending on the duration and complexity of implementation.

2. FPF Fund Allocation

87. The allocation process under the FPFs is scheduled six times a year at two-monthly intervals, and therefore has an implied service level turnaround time of 2 months; meaning that the slowest allocation approval time will be no more than 2 months (or 60 days). This service level suggests that, as long as the application meets the quality standards and is submitted before the scheduled closing date, then its processing will be completed within that cycle. In both the WFPF and CEFPF DMFs, a service standard for approving the allocation is set at 1 month for TAs and grants. This service standard cannot be met if the applications are bunched toward the start of the cycle, but if bunched in the second month of the cycle they should be processed within the standard time. There is an inconsistency between the service standard set in the WFPF and CEFPF DMFs and the service cycle. Therefore, to be fair in this efficiency assessment, IED has used 60 days as the service standard, which is what is possible, given the service cycle of 2 months.

88. To assess whether or not the said service standard under the FPFs is being achieved, the following have been determined: (i) *days taken for the allocation process*, which is measured from the date the application is submitted to the FPF Secretariat for consideration by the working committee and steering committee, to the date of the memorandum from the chair of the steering committee approving the allocation of funds to the project;¹⁹ and (ii) *percentage of applications processed in 60 days or less*, which is the percentage of all applications received by the secretariat that were submitted for consideration and finally endorsed by the chair of the steering committee within 60 days from the application date.

89. Table 10 shows that in respect of TA, the actual turnaround time is about 1 month for both the WFPF and the CEFPF, both being well inside the cycle period of 60 days. The applications that received fund allocations within the cycle turnaround of 60 days were 100% for the WFPF and 77% for the CEFPF. In respect of grants, the actual turnaround time for WFPF applications is slightly less than 30 days, and for the CEFPF is 30 days or slightly longer, both within the cycle period of 60 days. All grant applications for both facilities received fund allocations within the standard turnaround of 60 days.

Table 10: Length of Fund Allocation Process under the WFPF and CEFPF
(number of days and percent)

| Item | Days Taken for the Allocation Process | | Applications Processed in 60 Days or Less (%) |
|--------------------------------|---------------------------------------|--------|---|
| | Mean | Median | |
| A. Technical Assistance | | | |
| Water FPF | 33 | 27 | 100 |
| CEFPF | 42 | 35 | 77 |
| B. Grants | | | |
| Water FPF | 26 | 25 | 100 |
| CEFPF | 34 | 30 | 100 |

CEFPF = Clean Energy Financing Partnership Facility, FPF = financing partnership facility, WFPF = Water Financing Partnership Facility.

Note: "Mean" is the arithmetical average; "median" is the midpoint of listed days in ascending order.

Source: FPF special evaluation study team.

¹⁹ In the case of the nondelegated funds, this includes the steps needed to seek the financing partner government's review and concurrence.

90. When using any of the FPFs as a cofinancing source, the concept paper proceeds along a separate project allocation track that is in parallel with the normal ADB process cycle (Figure A2 in Appendix 2). Once funds have been allocated from the FPF (for the cofinancing part), the concept paper returns to the normal ADB process. Therefore, if cofinancing is sought from the FPFs or other trust funds, there are incremental steps and costs when compared with a concept without cofinancing. Since the allocation process is a serial step in addition to the normal ADB flow, it will delay the overall flow for project approval by around 1 month.

91. This delay of 1 month relates to funds within the facility where ADB has full delegation to allocate the funds to a project; these funds include the three multidonor trust funds, the NTF, and the CCSF. For funds that do not delegate allocation approval to ADB, further processing steps are undertaken to seek allocation approval from their respective partners. There are some 19 additional process steps both within ADB and with the financing partner country that need to be followed. This gives rise to considerable extra time, sometimes up to 1 year. Most of these extra processing steps have more to do with securing financing partner government comments and approval, rather than being steps within the respective secretariats. Anecdotal evidence suggests that in a small number of cases project team leaders have not applied for nondelegated funds because the application process is too lengthy. Further, in the case where the application relates to a grant component of an investment project, the grant component may take so long in its approval process that it adversely impacts the related loan approval process to the extent where the loan is deferred or progresses without the grant component.

92. As a result of the incremental processes, many of the steps are redundant compared with the concept clearance process for a project financed from the ADF or the TA Special Fund. For example, the initial quality review of the concept paper is performed by the regional director, the director general, and the secretariat; the testing for eligibility is done by the secretariat at the time of application but is also considered and decided upon at the time when the country strategy and program is being developed. After the concept paper has been refined with the secretariat's assistance and the allocation has been endorsed by the working committee and the steering committee, the concept paper, with its allocated FPF funds, must still pass an interdepartmental review and be finally approved by the regional director, the respective director general, and the President or Board. FPF implementing guidelines were formulated using an incremental process approach rather than critically looking at ADB's mainstream processes and adapting them to meet the FPF requirements.

93. The perception survey reported very positive results for the secretariats in that 88% of PTLs affirmed that the FPF managers and secretariats are highly capable and their interaction with them is of high quality (Appendix 7, Table A7.6). In particular, PTLs find the FPF team (i) respectful and accommodating, (ii) with good communication skills, (iii) able to deliver on commitments and carry out promises, (iv) knowledgeable about the sector, and (v) able to provide valuable guidance in respect of the FPF funding and eligibility criteria. A number of PTLs commented that the facility managers and secretariats (particularly the WFPF) are very open to ideas, helpful in providing inputs to applications, and efficient. Most financing partners (90%) are confident that the agreed-upon FPF implementing guidelines are being followed and the FPF Secretariat is performing its functions efficiently and effectively. Many (at least 80%) agree that the annual work program as well as the semiannual and annual reports are of high quality and are provided in a timely manner. All of the partners think that the annual consultation meeting is either an important forum or the most important forum to attend.

94. The less positive views of the secretariats focus upon the effectiveness of their reporting. Half of the respondent partners disagreed with the statement that the “FPF results reported to partners through the annual/semiannual reports and the annual consultation meeting will satisfy domestic obligations to measure and communicate development results to their parliament and citizens.” One partner remarked that, while the facility matches the strategy of their government, the explanations of the effectiveness and importance of cooperation through this facility are insufficient. Another partner revealed that they have agreed to use the reports provided for their agency's reporting obligations, but they have difficulty meeting all the requirements. More details are requested concerning specific projects that have been supported, particularly by the CCS fund and their outcomes. This level of detail, as pointed out by one partner, may not be appropriate to be reported in the annual report, but partners need to be able to access this detailed information upon request.

95. Partner expectation is an issue to be managed to be both fair to the partner and to facilitate the long-term sustainability of the facility. The perception survey indicated that ADB is not meeting some partner expectations, including (i) expressing gratitude for the early involvement in FPF development and ongoing participation, (ii) providing clarity about how projects were selected for FPF funding and how they are expected to contribute to the FPF DMF outcomes, (iii) reporting that does not meet the partners' needs for communication about the FPF operation and to justify continuing contributions, (iv) the speed of disbursement, and (v) ADB being less successful in securing additional partners. It can be expected that some partners wish to have a more hands-on role in ADB development activities, whereas other partners will be happy with a hands-off approach. The FPF, however, due to its design and intention, treats all partners equally, so there needs to be some compromise on high expectations from some partners and a willingness by ADB to address any expectations that are not being met for the majority. Where a partner expresses any dissatisfaction, the issue needs to be actively managed. Continuous close coordination with financing partners through regular annual consultation meetings should address their concerns.

96. Two secretariats use domestic consultants as their main resource. These consultants do not have the same access to ADB financial systems as do ADB staff and as a result depend upon their own data sources and PC-based “systems” to track FPF performance and to generate the required information for the reports. The secretariats do receive financial data from ADB Controllers Department, which are reconciled to their own data sources. The secretariats cannot, however, trace financial transactions through ADB's systems, nor directly generate analysis reports from ADB's financial records. This dependence upon consultants' personal computers and data contained thereon is a weakness in respect of system efficiency, data security, data integrity, and a clear audit trail leading to reporting and analysis content. It is acknowledged that the secretariats are participating in the implementation of the e-Star document management system and that this should improve the security of FPF document records.

97. While considering the FPF secretariat resource of around one full-time person per facility, a part-time facility manager, a working group (utilizing a community of practice or a sector working group) that meets regularly, a steering committee that approves the endorsed allocations and may meet if necessary, and the very high service level expected by FPF partners, the resources are considered comparatively high for the facilities' funding levels and the small number of partners involved. By comparison, other major funds such as the Regional Cooperation and Poverty Reduction Fund and the Gender and Development Cooperation Fund do not have the same level of service. This is not to say that the existing FPF service level is unnecessary; but rather that, with this capacity to service the FPF platform, additional partners

and new contributions need to be added to make greater use of the service provided. A larger number of partners within each FPF will reduce the unit cost of FPF administration.

B. Project Processing and Implementation

98. The efficiency of FPF-financed projects is assessed by examining both the length of the project approval process and the project implementation process. For the assessment of the implementation process, IED used the disbursement and project progress rates to calculate an *efficiency factor* (computed as the ratio of actual funds disbursed [for TA] or project progress [for grants] over the elapsed implementation period). An efficiency factor of 1 would mean fund disbursement for TA, or project progress for grants, is progressing at the same rate as the project's elapsed time against plan. A benchmark of 0.8 is appropriate, accepting a 2-month delay in disbursements for a typical project running over 12 months.²⁰ For the purpose of this assessment, we have assumed the rate of fund disbursement or project progress is a straight line over the implementation period, and we have not factored in a disbursement or progress profile. Therefore, the determination of an efficiency factor using a straight line for disbursement or project progress is only indicative of project efficiency.

99. Table 11 shows the length of the approval and pre-implementation process for FPF-financed grant components of investment and TA. For the three facilities as a whole, the average time spent between the allocation of funds to a TA and the date the TA is approved is around 1–2 months, with processing of TA under the RCIFPF taking a shorter period of only about 1 month. For the WFPF and the CEFPF, the time spent between the allocation of funds to a grant project and the date the grant is approved is around 7–8 months. The TA mobilization period, or the period from approval to the first day of implementation, varies widely from 5–6 months in the case of the WFPF, 5–7 months under the RCIFPF, and 2–3 months under the CEFPF. For FPF-financed grant components of investment projects, the allocation to approval period as well as the average mobilization time are longer than those for TAs. For both WFPF- and CEFPF-financed projects, it takes around 6–7 months to advance a project from the point of fund allocation to approval. Another 4–8 months would normally be spent from approval to start of implementation. On average, the period it takes for an FPF grant component of investment projects to start implementation from its approval date is longer than the 173 days average for the 250 loan projects approved by ADB for the period 2007–2009.²¹ A study on CEFPF-financed projects completed in 2009²² that compared the length of the CEFPF-financed project process cycle, i.e., from application to disbursement, with other ADB loans and TA (20 projects each) also showed that CEFPF-financed projects take longer. In particular, the average loan processing cycle under the CEFPF (and Climate Change Fund) takes 16.5 months compared with 14.5 months average for other ADB loan projects. The CEFPF TA cycle, on the other hand, takes the same time of about 12.5 months as other TA projects financed from various ADB sources.

²⁰ For reasons such as the delays in receiving supplier invoices, approving invoices, and disbursing the funds to the supplier, the factor will normally be less than 1; a factor of 0.5 would mean that the actual disbursement of funds is half the speed of the elapsed time; an acceptable factor would be in the order of 0.8.

²¹ IED database on startup times of loans approved from 2007 to 2009.

²² CEFPF Secretariat. 2009. *CEFPF–Climate Change Fund Process Timeframe*. Manila.

Table 11: Length of Project Processing and Mobilization of FPF-Financed and Non-FPF-Financed Projects (number of days)

| Item | Project Processing Period ^a | | Project Mobilization Period ^b | |
|--------------------------------|--|--------|--|--------|
| | Mean | Median | Mean | Median |
| A. Technical Assistance | | | | |
| FPF-Financed | | | | |
| WFPF | 82 | 54 | 170 | 150 |
| RCIFPF | 37 | 38 | 206 | 157 |
| CEFPF | 73 | 48 | 108 | 65 |
| Non-FPF-Financed | | | | |
| WFPF | .... | .... | 197 | 148 |
| RCIFPF | .... | .... | 128 | 90 |
| CEFPF | .... | .... | 172 | 194 |
| B. Grants | | | | |
| FPF-Financed | | | | |
| WFPF | 360 | 213 | 264 | 264 |
| CEFPF | 192 | 195 | 196 | 117 |
| Non-FPF-Financed | | | | |
| WFPF | .... | .... | 124 | 117 |
| CEFPF | .... | .... | 167 | 172 |

... = not available, CEFPF = Clean Energy Financing Partnership Facility, FPF = financing partnership facility, RCIFPF = Regional Integration and Cooperation Financing Partnership Facility, WFPF = Water Financing Partnership Facility.

Note: Mean = arithmetical average, median = midpoint of listed number of days in ascending order.

^a Number of days from date of approval of fund allocation by the FPF steering committee to date of project approval.

^b For technical assistance, project mobilization period is the number of days from date of approval to first contract date, while for grants this is the number of days from date of approval to date of effectivity.

Source: Data are from project performance reports for 31 May 2010.

100. Table 12 shows the length of the implementation process for FPF-financed grant components of investment and TA, as well as comparison benchmarks for non-FPF-financed projects. Most of the TA projects are halfway through their implementation period, with many of the WFPF-financed TAs approaching their completion dates in 2–3 months. Implementation progress for WFPF TAs, based on actual funds disbursed, is around 42% and behind their elapsed implementation period with an efficiency factor of around 0.5. Implementation progress for CEFPF TAs is lower at 30% and an efficiency factor of around 0.6. Implementation progress for RCIFPF TAs is around 37% with an efficiency factor of around 0.7. For grant projects, implementation progress is taken from reported progress to-date, being an estimation from the project team leaders on how much of the project has been completed. For WFPF-financed grants, the elapsed period of implementation is 26%, whereas the actual implementation progress to date is 8%, giving an efficiency factor of 0.3. This means that WFPF-financed grants are progressing at one-third the speed their implementation period is elapsing. For CEFPF-financed grants, the elapsed implementation period is around 30% and progress to date is around 14% with an efficiency factor at 0.45.

Table 12: Efficiency of Implementation of FPF-Financed and Non-FPF-Financed Projects

| Item | Elapsed Implementation Period (%) | | Implementation Progress (% as of 31 May 2010) ^a | | Efficiency Factor ^b | |
|--------------------------------|-----------------------------------|--------|--|--------|--------------------------------|--------|
| | Mean | Median | Mean | Median | Mean | Median |
| A. Technical Assistance | | | | | | |
| FPF-Financed | | | | | | |
| WFPF | 78 | 75 | 42 | 45 | 0.54 | 0.52 |
| RCIFPF | 53 | 47 | 37 | 32 | 0.70 | 0.76 |
| CEFPF | 46 | 55 | 30 | 22 | 0.64 | 0.49 |
| Non FPF-Financed | | | | | | |
| WFPF | 63 | 63 | 40 | 45 | 0.58 | 0.56 |
| RCIFPF | 79 | 80 | 48 | 48 | 0.62 | 0.63 |
| CFPF | 56 | 60 | 25 | 17 | 0.42 | 0.33 |
| B. Grants | | | | | | |
| FPF-Financed | | | | | | |
| WFPF | 26 | 28 | 8 | 8 | 0.31 | 0.33 |
| CEFPF | 31 | 32 | 14 | 13 | 0.45 | 0.33 |
| Non FPF-Financed | | | | | | |
| WFPF | 40 | 22 | 33 | 20 | 0.65 | 0.52 |
| CEFPF | 25 | 27 | 13 | 5 | 0.48 | 0.37 |

CEFPF = Clean Energy Financing Partnership Facility, FPF = financing partnership facility, RCI = regional cooperation and integration, WFPF = Water Financing Partnership Facility.

^a For TA, implementation, progress is based on funds disbursed (i.e., ratio of the amount disbursed to amount approved), while for grants, this is the reported project progress in the project performance reports.

^b The efficiency factor is the ratio of its implementation progress to the elapsed implementation period as of 31 May 2010.

Source: Data are from project performance reports for 31 May 2010.

101. For comparison purposes, Table 12 also shows the length of the implementation process and efficiency factors for non-FPF-financed grant components of investments and TA. The efficiency factors for FPF-financed TA compare favorably to those for non-FPF-financed TA, with the efficiency factors of RCIFPF- and CEFPF-financed TA being considerably higher than the corresponding factors of non-FPF-financed TA, while WFPF-financed TA and non-FPF-financed water TA are more or less equivalent. In terms of grants, the efficiency factors for FPF-financed grants are generally lower than those for the non-FPF-financed grants. This is particularly the case for WFPF-financed grants, which have efficiency factors nearly half those of non-FPF-financed water projects. One caveat to the above analysis of grants is that only a small number of FPF-financed grants (three each for the WFPF and CEFPF) are currently under implementation; thus it is not possible to draw firm conclusions on the efficiency of FPF-financed grants vis-à-vis other grants at this time.

102. The expectations of the partners in regard to the speed of disbursements are an issue to be considered. From the perception survey, we found that a significant number of partners are not satisfied with the speed of disbursements of the FPF projects and it does not meet their expectations. Although it is recognized that it does take time to develop projects, partners would like to see higher disbursement rates. Table 13 summarizes the assessment and rating of the efficiency subcriteria.

Table 13: Assessment and Rating of Efficiency in Achieving Results

| Criteria | Assessment | Efficiency Rating |
|--|--|--------------------------|
| 1. Facility administration | While the allocation process can be considered efficient as evidenced by an average turnaround time of 1 month or half the application cycle period, the FPF allocation process has become incremental and to some extent redundant, adding 1 month to the normal approval process. Further, although the FPF administration process generally meets the needs of the partners, the service level is relatively high for size of the FPF and the small numbers of partners involved. | Less Efficient |
| 2. Project processing and administration | Most of the TA operations are more than halfway through their implementation period, but implementation progress based on actual fund disbursements is generally below 40% and advancing at slightly better than half the speed the implementation period is elapsing. For grant components of investment projects, the percentage of elapsed project time is around 30%, with project progress for both FPFs well behind at 8%–14% and progressing at less than half the speed the implementation period is elapsing. | Less Efficient |
| Overall Assessment | | Less Efficient |

FPF = financing partnership facility, TA = technical assistance.

Source: FPF special evaluation study team assessments.

VI. SUSTAINABILITY

103. Sustainability considers the likelihood that institutional, financial, and project-level resources are sufficient to maintain the envisaged outcome over time. It is evaluated at both the facility and the project level. Three subcriteria have been used: (i) institutional sustainability, (ii) financial sustainability, and (iii) project-level sustainability. At the facility level, sustainability is assessed on the likelihood that existing institutions and institutional arrangements within ADB and financial resources could continue or maintain FPF operations. Sustainability at the project level assesses the prospects of sustaining operations of projects to meet targeted outputs and outcomes. Assessment and rating of the above subcriteria are shown at the end of the chapter.

A. Institutional Sustainability Analysis

104. The institutional sustainability of an FPF generally depends on how its operation and management can be sustained; taking into consideration the way specific “rules of the game” are defined and practiced. These could be assessed on two levels: (i) within institutional levels at ADB, and (ii) between ADB and the donor community. Institutional rules and arrangements and the means they are being applied and honored are important, as these determine the incentives for maintaining and managing diverse relationships at various institutional units and levels within ADB and for attracting additional financing partners and continued external support. These institutional arrangements/institutions²³ also affect the form and the context in which FPF policies and processes are made.

105. **Institutional arrangements within ADB.** Within ADB, there is a high degree of collaboration concerning working level relationships (horizontal level) among various units involved with FPFs. OCO, the regional departments, the Regional and Sustainable Development Department (RSDD), the Office of Regional Economic Integration (OREI), and the Strategy and Policy Department have closely coordinated with each other on matters dealing

²³ Broadly, an institution is a collectively shared, self-sustaining system of beliefs about specific ways in which the “rules of the game” are defined and enforced. Therefore, improvements in institutions could lower transaction costs and manage the risks involved.

with FPF activities and facilities implementation. RSDD and OREI both act as facility managers for the FPFs. These arrangements have resulted in improved transaction-level communication as clear and consistent messages and information are properly disseminated. Coordination failures and duplication of efforts and resources among these concerned units have also been kept to a minimum as a result of improved collaboration.

106. There has also been a good degree of collaboration among other ADB units in supporting the FPFs, as well as development of related plans and guidelines. High-visibility flagship events such as the launching of these FPFs, which involved support of non-FPF units within ADB (e.g., Department of External Relations) and the participation of resident missions (RMs) and regional representative offices, were successful. These were attributed largely to the strong collaboration and linkages between FPFs and the non-FPF units. For example, the RMs have been acting as conduits or links at the local levels, which is necessary to support links between ADB and local funding sources such as in-country aid agencies. Regional departments also continue to dialogue with donors on implementation matters and regularly keep financing partners informed of the status and progress of project implementation. Operational plans have increasingly been used to identify and secure financing partnerships. For example, the 2007 country partnership strategy guidelines²⁴ explicitly indicate the need to confirm any cofinancing arrangements during the country partnership strategy formulation mission.

107. However, in assessing institutional arrangements, one has to evaluate not only the existing institutions, but also those that are absent as well.²⁵ In the case of FPFs, there is a noticeable division of responsibilities and functions among institutional units that are involved in managing these facilities. For example, OCO manages a few institutional arrangements involving donor-related activities, and RSDD, OREI, and other departments manage other specific FPFs/funds. On the other hand, the Strategy and Policy Department manages relationship with donors for ADF replenishment meetings. At a strategic level, this sometimes leads to uncoordinated dialogue with donors (e.g., ADF donors being approached to fund FPFs), due to the overlap between financing partners of FPF and donors of non-FPF funds. A concern is the possible crowding out of ADF funding, with the advent of various fund facilities competing for funding.

108. Ideally, existing institutional arrangements should reflect a team approach. In the previous setup, both OCO and RSDD resided institutionally under the same Vice President. Recently, OCO was moved to the new Vice President for Private Sector and Cofinancing Operations. It remains to be seen if this new institutional structure is an improvement over the previous one, since there is a risk that decision making may become fragmented among various units involved with FPFs within ADB. Institutional arrangements should be mutually consistent or reinforcing to realize economies of scale, help improve institutional functioning, and realize mutual gains among various units. These underscore the need to build their institutional capacity to improve responsiveness and contribute to the stability and sustainability of FPF operations in the medium term, including monitoring of the current organizational setup to spur greater coordination in implementing and managing FPF-related activities.

109. **Relationship with development partners.** Management of relationships with financing partners and related activities take place at various levels and need to be well coordinated to

²⁴ ADB. 2007. *Country Partnership Strategy Guidelines*. Manila.

²⁵ J. Stiglitz. 2001. *Challenges in the Analysis of the Role of Institutions in Economic Development*. Keynote address at the Villa Borsig Workshop Series 2000: *The Institutional Foundations of a Market Economy*, Gudrun Kochendorfer-Lucius and Boris Pleskovic (eds.), German Foundation for International Development (DSE), pp 15–28.

ensure consistency of messages. At the institutional level, this involves the development of broader understanding and institutional financing arrangements, general information exchange, and targeted consultation and outreach.²⁶ OCO staff and RSDD/OREI facility managers have developed good working relationships with their donor counterparts, which helps to promote trust and ensure clear and consistent communication. However, senior-level relationship management (vertical level) may need further strengthening. Managing relationships at the top level will require senior ADB staff—at the Director, Director General, and Vice President levels—to strengthen further existing links with their counterparts in donor agencies that make strategic and funding decisions.

110. Assessing relationship with the donor community requires getting a sense of strong ownership and satisfaction among the donors, especially on how the FPFs are being administered. In the financing partner perception survey (Appendix 7), excellent relationships with ADB staff were noted by the respondents (70%) which is almost the same number as those who indicated satisfaction with the management of FPFs (78%). Seventy percent of the respondents also noted that their agencies' contributions to the FPFs are duly recognized by ADB, including the developing countries and the FPF partnership.

B. Financial Sustainability

111. **Donors'/partners' survey results.** IED conducted a survey to determine the partners'/donors' perceptions on how the various FPFs are being managed by ADB and how these facilities are likely to be sustained in the future. Fourteen key donor-respondents were invited to participate in the survey (representing 13 donor agencies/government offices). Of these, 10 (71%) responded. Details of the survey results are indicated in Table 14.

Table 14: Partners' Perception of the Sustainability of the FPF
(% of total respondents)

| Items | SA/A | N | SD/D |
|---|------|----|------|
| 1. My agency is satisfied with how the FPF is managed. | 78 | 11 | 11 |
| 2. My agency's contribution to the FPFs is duly recognized by ADB, the financing partners, and the FPF partnerships. | 70 | 20 | 10 |
| 3. Accepting satisfactory project development effectiveness, my agency is likely to continue supporting the FPFs over the next 5 years. | 50 | 30 | 20 |
| 4. My agency has a rolling plan for the next 3–5 years that includes financial support for the FPFs. | 10 | 40 | 50 |
| 5. Accepting satisfactory project development effectiveness, my agency's budget to support the FPFs are reasonably consistent over the next 3–5 years. | 10 | 60 | 30 |
| 6. In my opinion, ADB is actively and effectively pursuing additional financing partners. | 40 | 50 | 10 |
| 7. My agency's staff has an excellent relationship with ADB staff. | 70 | 30 | 0 |
| 8. The FPF's annual/semiannual reports and annual work program have sufficient detail that facilitates justifying existing contributions to the FPFs and possible future requests for additional contributions. | 30 | 60 | 10 |
| 9. My agency believes the FPFs will be facilitated by ADB over the longer term. | 70 | 20 | 10 |

ADB = Asian Development Bank, FPF = financing partnership facility.

Note: SA/A = strongly agree/agree, N = neutral, SD/D = strongly disagree/disagree.

Source: FPF special evaluation study financing partners' survey.

112. The financial sustainability of FPF appears to be less likely, which is reflected in the survey. Overall, 50% of respondents indicated that their agencies do not have rolling plans, which include financial support for the FPFs, for the next 3–5 years. Thirty percent of the respondents did not agree with the statement regarding the consistency of their agencies' budgets to support the FPFs over this period, while 60% did not make any commitment. An issue that may be worth

²⁶ ADB.2006. *ADB's Financing Partnership Strategy*. Manila.

mentioning is the fact that agencies' budgets are usually being scrutinized and determined at the legislative level which makes earmarking of funds a more lengthy, and sometimes difficult process. Only 30% of the respondents noted the sufficient detail in the FPF's annual/semiannual reports and annual work programs that would facilitate justifying existing annual contributions to the FPFs and possible future requests for additional contributions.

113. Various reasons were offered for these results, focusing mostly on the WFPF. For example, it was indicated that further support to the WFPF depends on various factors such as the outcome of evaluations and their results and also on internal assessment vis-à-vis political priorities. Another respondent indicated that, while they would like to continue supporting the WFPF, they are uncertain about possible future commitments. It was pointed out that the agency's earmarked funds have yet to be utilized. A respondent noted that a rolling plan for a particular sector is not being done by the agency, although there is finite funding for the next year, while another respondent indicated that the national budget situation limits the agency's ability to make commitments for the short to medium term. Medium-term budgets and work plans are being revised and renegotiated.

114. **WFPF status.** The partners in the MWTF have fully remitted their pledges, which totaled \$28.36 million. Remittances are still being awaited from the NTF amounting to \$11.11 million.²⁷ Replenishment from this remaining balance will most likely occur after 2010 (Table 15). Project allocations made so far are only against the \$37 million remitted contributions to date. However, these remitted funds have not been fully allocated but will be spread out until 2011.²⁸

Table 15: Summary of Total Commitments and Contributions Received^a
(\$ million)

| Financing Sources | Total Commitments (2007–2010) | Total Contributions Received (2007–2010) | Financial Balance |
|-------------------------------|----------------------------------|--|-------------------|
| Multidonor Trust Fund | 28.36 | 28.36 | 0.00 |
| Australia | 8.69 | 8.69 | 0.00 |
| Austria | 5.00 | 5.00 | 0.00 |
| Norway | 4.67 | 4.67 | 0.00 |
| Spain | 10.00 | 10.00 | 0.00 |
| Netherlands Trust Fund | 19.75 | 8.64 | (11.11) |
| Total | 48.11 | 37.00 | (11.11) |

^a As of 30 June 2010.

Source: Water Financing Partnership Facility Secretariat.

115. The WFPF's capacity to respond to demand is limited, because the unallocated amount is not that large. The total contributions received to date stand only at \$48.11 million against the initial target of \$100 million. This represents a financing gap of \$52 million. There are still no firm developments yet for additional contributions beyond 2010 from either existing or new partners.

116. **CEFPF status.** In the case of the CEFPF, partners for the CEF (Australia, Norway, Spain, and Sweden) have fully remitted their commitments, which amounted to around \$25 million. The CCSF, which was fully financed by the Global CCS Institute, has received the full amount of \$17.3 million. On the other hand, the Japanese Government announced indicative amounts of its contribution of up to \$60 million for the ACEF over 5 years (Table 16).

²⁷ The \$6.17 million was due in 2009 but was not remitted. Also, the \$4.94 million due this year is still not yet forthcoming.

²⁸ This implies that the WFPF will still be in active operation after 2010, taking into consideration also the remaining tranches expected from the NTF.

Table 16: Summary of Total Commitments and Contributions Received^a
(\$ million)

| Financing Sources | Total Commitments | Total Contributions Received | Financial Balance |
|--|-------------------|------------------------------|---------------------------|
| Clean Energy Fund^b | 25.96 | 25.12 | (0.84)^c |
| Australia (2007–2008) | 6.46 | 6.46 | 0.00 |
| Norway (2007–2009) | 5.00 | 4.77 | (0.23) ^c |
| Spain (2008 and 2010) | 9.50 | 9.50 | 0.00 |
| Sweden (2008–2010) | 5.00 | 4.39 | (0.61) ^c |
| Carbon Capture and Storage Fund^b | 17.32 | 17.32 | 0.00 |
| Global CCS Institute (2009) | 17.32 | 17.32 | 0.00 |
| Asian Clean Energy Fund | 29.86 | 48.12 | 18.26 |
| Japan (2008–2010) ^d | 29.86 | 48.12 | 18.26 |
| Total | 73.14 | 90.56 | 17.42 |

CCS = carbon capture and storage.

^a As of May 2010.

^b Full amount of contribution received.

^c Due to foreign exchange differentials.

^d Projections are based on the expressed commitment of \$60 million covering the period 2008–2012 less actual remittances from 2008 to 2010.

Source: Clean Energy Financing Partnership Facility Secretariat.

117. **RCIFPF status.** Under the RCIFPF, the initial RCIF contribution was \$40 million, financed from the net income of ADB from ordinary capital resources for 2006. The initial contribution was meant to bridge the funding gap over the 2007–2009 period (actual period of utilization was 2007 to early 2010). The Fund was replenished early this year with \$10 million. Under the RCIFPF, the ICFF was established by the Government of Japan, which announced the indicative amount of its contribution of up to \$40 million over 5 years. In 2009, Japan made a contribution of \$11.4 million equivalent for the ICFF.

118. **ADB's ability to attract additional financing partners.** Over time, ADB has proven its attractiveness as an effective development partner for bilaterals which are willing to place resources into trust funds, as evidenced by recent perception surveys.²⁹ Hence, there is a need for ADB to build a critical mass for donor funding to sustain funding FPFs' operations in the years to come. At present, both the WFPF and the CEPFP have five donor partners. The RCIFPF is supported by ADB and the Government of Japan. There may also be a need to explore possible sources of financing other than the traditional ones, in view of tight budgetary situations in some donor countries. ADB should seriously demonstrate that it is getting more partners every year and sharing the risks/burden of financing across more sources.

119. At present, there are growing nongovernment sources for funding such as the Gates Foundation, major charities, and private grants. However, tapping these sources would be difficult in view of incompatibilities of business processes between ADB and these private funds.³⁰ Local funding may be explored, but this will require additional resources from ADB in terms of personnel on the ground (e.g., RMs) to monitor the availability of these funds. Often, donor countries prefer to give multilateral contributions to the ADF and General Capital Increase instead of putting their contributions into trust funds because of better visibility. A good way to attract more funding for FPFs may be for ADB to try to tap into donors' "decentralized budgets,"

²⁹ Overseas Development Institute. 2010. *What Does an Effective Multilateral Donor Look Like?* London.

³⁰ For example, these private donors usually have a keen interest in the project application and would seek to be consulted on project design and expected outcomes and impact every step of the way.

although this will require in-depth study, since these are usually for single countries or regions and require earmarking, which is not possible under the multidonor funds.

C. Project-Level Sustainability

120. **Preliminary assessment.** The sustainability of project outcomes is difficult to ascertain. All grant projects are still ongoing. Of the 78 TA operations being financed by FPFs, only 11 have been completed so far. On the other hand, 60% of the direct charges, in view of their quick-disbursing nature, have so far been completed. For capacity-building activities such as those financed by direct charges (e.g., workshops, study tours, and conferences), the issue of sustainability is difficult to ascertain in the absence of tracer studies that would help assess the medium-term benefits from these activities (e.g., how compatible were the concepts/ideas gained from these activities with the skill requirements of the participants and their institutional environment) and how these activities could possibly be sustained.

121. Also, the absence of monitoring and evaluation systems and baseline information makes it difficult to assess capacity-building initiatives and performance of institutions and whether these could be sustained over time. For those direct charges and TA projects that have assisted in preparatory activities, and grants that are utilized as components of investment projects, sustainability is *likely*, as the outputs of these TAs, direct charges, and grants would lead to loan projects. However, more attention needs to be devoted to ensure that benefits on a project level are likely to be sustained in FPF-financed projects. Although it is difficult to determine in view of the time lag before outputs become outcomes, and since most of the TA and grants are in their initial stages of implementation, sustainability of outcomes appears *likely*.

122. **Project team leaders survey results.** PTLs were also polled on their views regarding sustainability of FPF-financed projects. There were 81 respondents invited to join the survey, of whom 26 (32%) responded, so caution may have to be applied when interpreting the results. Details are indicated in Appendix 7. About 85% of the respondents thought that there is adequate absorptive capacity in the recipient country (Appendix 7, Table A7.21). This result tallies with the respondents' perception that there are genuine efforts on the part of the concerned governments to develop in-country capabilities and that capacity development components of FPF-financed projects are being given their due importance. Seventy-four percent of the respondents also expressed optimism about the likelihood that the results of capacity-building initiatives supported by FPF-financed projects will be maintained. The same optimism of the respondents (74%) is reflected in their perception that the countries' human, institutional, and financial resources are sufficient to sustain the outcomes of the FPF-financed TA projects. Table 17 summarizes the preliminary assessment and rating of the sustainability subcriteria.

Table 17: Preliminary Assessment and Rating of Sustainability

| Criteria | Assessment | Sustainability Rating |
|---------------------------------|--|------------------------------|
| A. Institutional Sustainability | High degree of coordination and collaboration is noted among various units involved with FPFs. Excellent relationship with ADB staff is noted by financing partners that contributes to greater sense of ownership and satisfaction. There appears to be some scope for stronger coordination between units involved with FPFs and units involved with other donors. | Likely |
| B. Financial Sustainability | While contributions almost matched commitments, there are no clear indications that new funding will be forthcoming in the medium term. Donors, however, appear to have a positive perception about ADB's development effectiveness according to recent surveys. | Less likely |

| Criteria | Assessment | Sustainability Rating |
|---------------------------------|--|---|
| C. Project-Level Sustainability | Majority of respondents indicate that there is adequate absorptive capacity in the recipient countries. Capacity development components of FPF-financed projects are being given due importance. However, sustainability at the project level is difficult to determine in view of the time lag before outputs become outcomes and TAs are in their initial stages of implementation. Sustainability of outcomes appears likely. | Likely |
| Overall Assessment | | Likely sustainable (on the low side) |

ADB = Asian Development Bank, FPF = financing partnership facility, TA = technical assistance.
Source: FPF special evaluation study team assessments.

VII. OVERALL ASSESSMENT

123. Overall, the FPFs are rated *successful* (Table 18). In terms of the four evaluation criteria: The FPFs are rated *relevant* in terms of fulfilling their expected role of being a useful platform for strategic, long-term, and multipartner cooperation. The FPFs have been found to be generally compliant with their established eligibility criteria and flexible in devising an innovative new delivery modality. Had the FPFs taken full advantage of the range of financing mechanisms envisaged at the time of their establishment papers, this would have likely resulted in a higher relevance rating. The FPFs are generally found to have been *effective* in delivering their intended outputs and outcomes. Evidence suggests that there has been value addition at the facility level, but there is less evidence of such value addition at the project level. The FPFs were found to be *less efficient* in using resources to achieve their intended results due to the relatively high service levels vis-à-vis the small number of financing partners involved and the project implementation delays. The FPFs are rated *likely sustainable* (on the low side) on the basis of positive assessments of institutional and project-level sustainability, although financial sustainability is considered still not assured.

Table 18: Overall Performance Assessment

| Criterion | Assessment | Weighted Rating ^a |
|-----------------------------------|-------------------|------------------------------|
| 1. Relevance | Relevant | 0.47 |
| 2. Effectiveness | Effective | 0.80 |
| 3. Efficiency | Less Efficient | 0.20 |
| 4. Sustainability | Likely | 0.33 |
| Overall Rating^b | Successful | 1.80 |

^a The weights used were 20% (relevance), 40% (effectiveness), 20% (efficiency), and 20% (sustainability). For details of rating methodology, see Table A1.2 in Appendix 1.

^b Highly successful > 2.7; successful 2.7 ≥ S ≥ 1.6; partly successful 1.6 > PS ≥ 0.8; unsuccessful < 0.8.

Source: Financing partnership facility special evaluation study team assessments.

VIII. ISSUES, LESSONS, AND RECOMMENDATIONS

A. Key Issues

124. **Tracking and monitoring direct charges is difficult.** In terms of the FPF delivery modalities, to date the FPFs have made use of two modalities (grants and TA) out of the three envisaged modalities (para. 12). The unused modality is “concessional loans.” A new modality, the direct charge to project costs, was introduced by two of the multidonor trust funds and two single-donor funds under the FPFs as a means of providing a faster response mechanism to emerging needs and making funding available for small, standalone activities such as workshops, short studies, and knowledge product development. The introduction of the direct charge modality has recently improved the efficiency of use of the available FPF resources vis-

à-vis the other modalities. However, there is a concern regarding the possible overuse of the direct charge modality vis-à-vis the traditional small-scale TA modality. The concern relates to the possibility that direct charge projects use an expedited processing cycle and, hence, may not be subject to the same process of scrutiny as small-scale TA (e.g., direct charges are vetted by the FPF Secretariat, but are not subject to interdepartmental review). However, this concern may be addressed if the direct charge modality is confined to the specific purpose for which it was intended. Direct charges are also not yet mainstreamed into the regular ADB procedures and systems and, as such, there is a heavy dependence on the respective FPF secretariats for tracking and monitoring these funds.

125. The administrative arrangements are working well, but need strengthening in some areas. The FPF administrative arrangements appear to be working well. The use of existing ADB structures, such as sector/thematic communities of practice and working groups to screen projects, are seen as effective, particularly under the delegated funds. Stakeholder perceptions indicate that the FPF financing partners generally appreciate the secretariats' efforts and, in the case of the WFPF and CEFPPF, the regular annual consultation meetings. One area that needs further strengthening is in terms of reporting to financing partners (para. 94). Although the report templates were developed together with the financing partners, partners' demands have changed over time, especially with the new addition of the CCSF, which has resulted in the current reporting not meeting all of their needs (para. 72). Second, in two of the three FPFs (the WFPF and CEFPPF), an issue is that external consultants working for the secretariats often do not have full access to ADB's financial systems and databases, which detracts from the efficiency of the secretariats' work. Third, related to the second point, the external consultants working for the FPF secretariats sometimes maintain separate databases to facilitate their work and to make them less dependent on hard-to-access ADB systems. This reliance on individual databases raises some doubts over data integrity and security, as well as potential implications for ensuring continuity of secretariats' work in case the consultants leave the secretariat. Fourth, there is an issue regarding service fees not always recovering the cost of TAs and grants and that thematic trust funds tend to require more staff and consultant resources than traditional trust funds (para. 86).

126. At the project level, there are chronic implementation delays. Chronic project implementation delays are an issue for the FPFs as they are for other ADB projects. For the FPF-financed grants, the disbursements levels are less than half of what would be expected, given the project elapsed time, and also below the levels of non-FPF grants (paras. 100–101 and Table 12). Overall implementation progress of FPF-financed TA, although somewhat better than for grants, is also well behind schedule. The causes may be either overly optimistic implementation planning or systemic weaknesses in implementing projects efficiently. This issue is significant in terms of FPF efficiency at the project level and FPF sustainability due to its detracting from ADB's ability to secure replenishments and fresh funds when allocated funds are yet to be disbursed. However, it is not FPF-specific and, therefore, is better addressed at the ADB level for all projects (both FPF and non-FPF). In response to IED recommendations in the 2009 Annual Report on Portfolio Performance,³¹ ADB Management agreed to ensure project quality-at-entry through more systematic use of project readiness filters and require procurement capacity assessments of executing agencies.

B. Lesson

127. There are potential benefits from consolidating trust funds outside the FPFs into the FPFs. There is an opportunity to consolidate trust funds outside the FPFs that overlap the

³¹ ADB. 2009. *Annual Report on 2008 Portfolio Performance*. Manila.

areas covered by the current FPFs. The potential advantages of this type of consolidation are twofold: (i) broadening the FPF partnership membership would diversify the sources of finance (and also increase the nonmonetary financing mechanisms provided), thereby improving both the relevance and the financial sustainability of the FPFs; and (ii) increased economies of scale in ADB's partnership financing would render the FPFs more efficient.

C. Recommendations

128. **Study the possibility of mainstreaming the direct charge modality for financing small, direct, and identifiable standalone activities, such as workshops, short studies, and knowledge product development.** As mentioned in the first issue above (para. 124), the introduction of the direct charge modality has recently improved the efficiency of use of the available FPF resources vis-à-vis the other modalities. ADB should undertake an in-depth analysis of the direct charge modality's advantages and disadvantages and the scope for mainstreaming into regular procedures and systems only for the above specifically intended activities. By limiting the scope of the direct charge modality to these activities, the concern regarding the possible misuse of the modality to circumvent required scrutiny would be addressed. Benefits from mainstreaming the direct charge modality would include alleviating the burden borne by the FPF secretariats for tracking and monitoring these funds and ensuring sufficient scrutiny of proposals.

129. **Establish ground rules and systems for improving ADB's uptake capacity of nonmonetary FPF financing mechanisms.** To date, the FPFs have made systematic use of the trust fund resource financing mechanism, increasing use of the knowledge-sharing financing mechanism, but have not used the other two intended FPF mechanisms (para. 46). The basic rationale for the FPF was to serve as a platform linking various forms of donor assistance, and, hence, there appears to be scope for better exploiting the mechanisms—particularly the knowledge-sharing and risk-sharing financing mechanisms, which have the potential to improve the quality of project outputs. The main reasons for the delay in formalizing these other financing mechanisms appear to be a combination of relatively low willingness on the FPF development partners' side to provide these resources, as well as poor ADB uptake capacity. The poor ADB uptake capacity reflects the fact that these other financing mechanisms are essentially nonmonetary, and ADB does not yet have the systems and structures in place to account for and use these financing mechanisms. These systems/structures may include, among other things, facilitation of (i) secondment of experts to ADB; (ii) secondment of experts to executing agencies in DMCs; (iii) exchange of knowledge resources between ADB and financing partners (including data, models, etc.); and (iv) other forms of nonmonetary cooperation. As a start, it is recommended that the next annual consultation meeting for the WFPF and CEFPP include a breakout session for ADB and financing partners to discuss nonmonetary contributions and how to put in place ground rules and systems to improve ADB's uptake capacity.

130. **Encourage more delegation of allocation and processing of FPF-financed projects to ADB, while ensuring that FPF requirements are met.** The efficiency of the FPFs was rated lower than the other evaluation criteria. The two main reasons for the low project efficiency are (i) project processing delays, and (ii) project implementation delays. Whereas the latter is an ADB-wide problem, the former is closely related to the degree of FPF fund delegation. As discussed in paras. 98–102, the FPF processing cycle for projects financed from delegated funds appears to be reasonable, whereas the cycle for projects financed from nonfully delegated funds would appear to be inordinately long vis-à-vis the normal ADB cycle. This was also the finding of a previous evaluation, which indicated that there was still room for better

efficiency in the management of TA financed by nondelegated funds (para. 29). Therefore, the best means of improving the efficiency of the FPFs would appear to be to reduce the transaction costs associated with processing FPF-financed projects through greater delegation of allocation and processing to ADB. The two main options for further delegation are (i) pilot-testing the moving of selected delegated funds to the normal ADB cycle, consistent with FPF requirements; and (ii) undertaking a process-mapping of the processes involved in the nondelegated funds to identify how these could be more streamlined.

131. ADB should develop a more structured and coordinated approach to securing new FPF financing partners and FPF fund replenishment. Managing relationships with current financing partners, securing new partners, and fund replenishment involve different ADB offices and takes place at various levels (paras. 109–110). In addition, country operational plans have increasingly been used to identify and secure financing partnerships (para. 106). A lesson from the initial implementation of the first three FPFs is that there appears to be some scope for stronger coordination among the different ADB offices, working with FPF donors and other donors, such as ADF donors (para. 107). A more structured approach that (i) matches ADB strategic priorities with donor priorities, and (ii) develops a bank-wide format for marketing ADB's project pipeline to donors would also be an improvement. In some cases, RMs and/or representative offices may also be given a greater role in fund mobilization for FPFs. It is well recognized that this issue goes beyond the FPFs themselves, but it is a crucial issue in ensuring their sustainability.

132. Improve FPF design and monitoring frameworks paying particular attention to outcome indicators as well as cost of inputs. A positive lesson from two of the FPFs is that they included clear success measures in the form of facility-level DMFs, which was one of the main aims of the 2006 Financing Partnership Strategy (para. 33). The WFPF and CEFPPF DMFs were good first attempts to make the new FPF platforms results-oriented. Nevertheless, there were some drawbacks to the impacts, outcomes, and indicators in the frameworks that rendered their use for evaluating performance problematic (paras. 58–59). In addition, the inputs included in the DMFs (including the costs associated with administration and service level) should also be monitored to determine whether there is scope for efficiency improvement on that front. The CEFPPF framework has relatively better indicators and is currently being revised to address shortcomings. Once revised, the CEFPPF framework should be used as a model for the other FPFs.

EVALUATION FRAMEWORK AND RATING METHODOLOGY

Table A1.1: Evaluation Design Matrix

| Assessment Criteria/Subcriteria | Evaluation Questions | Methodology | Information Required | Information Sources |
|---|---|---|---|---|
| 1. Relevance of the financing partnership facilities (FPF) in fulfilling their expected role of being a useful platform for strategic, long-term, and multipartner cooperation | | | | |
| A. Facility Level | | | | |
| <ul style="list-style-type: none"> Consistency of FPFs with ADB's long-term strategic directions and priorities | How did the FPFs relate to ADB's overall development mandate? | Assess strategic fit between FPF establishment papers and ADB's overall development mandate and long-term strategic directions and priorities | FPF objectives | FPF establishment papers, ADB Charter, ADB Strategy 2020, ADB Medium-Term Strategy II (2006–2008), ADB Financing Partnership Strategy |
| | Were the FPFs' objectives consistent with ADB's long-term strategic direction? | | ADB's mandate for development cooperation | |
| | Did the FPF establishment papers reflect the priority actions enunciated in ADB's Financing Partnership Strategy? | | ADB's medium-term and long-term strategic objectives | |
| | Are the FPFs still consistent with ADB's strategic directions and priorities? | | Priority actions for financing partnerships | |
| <ul style="list-style-type: none"> Consistency of FPFs with ADB's other policies and strategies | Were the FPFs' objectives consistent with ADB's other crosscutting policies and strategies? | Assess strategic fit between FPF establishment papers and ADB's other policies and strategies | FPF objectives, relevant sector policies, relevant thematic strategy, relevant country strategies, safeguard policies | FPF establishment papers, ADB Water Policy, ADB Energy Policy, ADB Regional Cooperation and Integration Strategy, ADB country programs and strategies, ADB Involuntary Resettlement Policy, ADB Indigenous People's Policy, ADB Environment Policy, |
| | Were the FPFs' objectives consistent with ADB's country strategies? | | | |
| | Are the FPFs still consistent with these other policies and strategies? | | | |

| Assessment Criteria/Subcriteria | Evaluation Questions | Methodology | Information Required | Information Sources |
|---|--|--|---|--|
| | | | | ADB Safeguard Policy Statement |
| <ul style="list-style-type: none"> Conformity of FPFs with international good practice | <p>Did the FPFs reflect best international practice?</p> <p>In particular, are the FPFs an example of a more inclusive partnership?</p> <p>Do FPF financing partners perceive the FPFs as being in conformity with international best practice?</p> <p>Do FPF financing partners perceive the FPFs as being in conformity with their countries' development goals?</p> | <p>Desk review to assess FPFs' conformity with international donor harmonization efforts</p> <p>Perception survey and key informant interviews to assess development partners' perceptions</p> | <p>FPF objectives</p> <p>Paris Declaration action areas</p> <p>Accra Agenda action areas</p> <p>Financing partner perceptions</p> | <p>FPF establishment papers, Paris Declaration on Aid Effectiveness, Accra Agenda for Action, perception survey results</p> |
| <ul style="list-style-type: none"> Extent to which FPFs have used intended financing mechanisms | <p>Did the FPFs make appropriate use of the intended financing mechanisms?</p> <p>What are development partners' views of the current use of financing mechanisms?</p> | <p>Desk review to assess FPFs' alignment with financing mechanisms set out in FPF establishment papers</p> <p>Perception survey and key informant interviews to assess development partners' perceptions</p> | <p>FPF financing mechanisms</p> <p>ADB trust funds</p> <p>Financing partner perceptions</p> | <p>FPF establishment papers, ADB Financing Partnerships (2009), perception survey results, key informant interview notes</p> |
| <ul style="list-style-type: none"> Extent to which FPFs have used intended delivery modalities | <p>Did the FPFs make appropriate use of the intended delivery modalities?</p> <p>What are development partners' views of the current use of delivery modalities?</p> <p>What are project team leaders' views of the current use of delivery modalities?</p> | <p>Desk review to assess FPFs' alignment with delivery modalities set out in FPF establishment papers</p> <p>Perception surveys and key informant interviews to assess development partners' and project team leaders' perceptions</p> | <p>FPF delivery modalities</p> <p>ADB trust funds</p> <p>Financing partner perceptions</p> <p>Project team leader perceptions</p> | <p>FPF establishment papers, ADB Financing Partnerships (2009), perception survey results, key informant interview notes</p> |
| B. Project Level | | | | |
| <ul style="list-style-type: none"> Compliance of FPF operations with the intended FPF directions | <p>Did the FPF-financed projects make appropriate use of the intended delivery modalities?</p> <p>Did the FPF-financed projects follow the eligibility criteria set out in the establishment papers?</p> | <p>Desk review of compliance of FPF operations with intended FPF directions</p> <p>In-depth review of selected FPF-financed projects</p> | <p>FPF intended delivery modalities</p> <p>FPF eligibility criteria</p> <p>Selected project documents</p> | <p>FPF establishment papers, FPF fund implementing guidelines, project approval documents, project progress reports</p> |

| Assessment Criteria/Subcriteria | Evaluation Questions | Methodology | Information Required | Information Sources |
|---|--|---|---|--|
| <ul style="list-style-type: none"> Design quality of FPF-financed projects | Did the FPF-financed projects follow the eligibility criteria set out in the fund implementing guidelines? | Perception survey and key informant interviews to assess project team leaders' perceptions | | |
| | Are the design and monitoring frameworks (DMFs) of FPF-financed projects well-formulated? | Comparative assessment of selected FPF-financed projects' DMFs vis-à-vis non-FPF-financed projects | DMFs of selected FPF-financed projects | Project approval documents, project progress reports, Central Operations Services Office (COSO) DMF Quality Review |
| | Are the FPF-financed projects soundly conceived and properly designed to achieve their outputs, outcomes, and impacts? | Comparative assessment of the different delivery modalities, including the new direct charge modality | DMF quality assessment for non-FPF-financed projects | |
| | Do the FPF-financed projects take into consideration relevant sector constraints? | In-depth review of selected FPF-financed projects | FPF intended delivery modalities | |
| Was the chosen delivery modality of the FPF-financed project appropriate? | Perception survey and key informant interviews to assess project team leaders' perceptions | | | |
| 2. Effectiveness of the FPFs in terms of achievement of desired results and value addition | | | | |
| A. Facility Level | | | | |
| <ul style="list-style-type: none"> Achievement of FPFs' intended results | To what extent have the FPFs achieved their intended outputs and outcomes? | Assessment of achievement of indicators in the WFPF DMF and the CEFPP DMF | WFPF DMF, CEFPP, DMF | WFPF annual reports, CEFPP annual reports, perception survey results, key informant interview notes |
| | Are there any risk factors that affect achievement of outputs and outcomes? Are any of these risks systemic? | Assessment of risks and assumptions cited in DMFs | Financing partner and project team leader perceptions | |
| | | Key informant interviews with FPF facility managers to get views on risks and assumptions and particularly any systemic risks within the projects financed by the FPF | | |
| <ul style="list-style-type: none"> Value-addition | How have FPFs added value to ADB operations vis-a-vis possible counterfactuals? | Before-and-after assessment of average project approvals by sector and by delivery modality to | FPF-financed project approvals | Project approvals database, perception survey results, key |

| Assessment Criteria/Subcriteria | Evaluation Questions | Methodology | Information Required | Information Sources |
|--|--|--|--|---|
| | What is the value-addition of the FPF platform vis-à-vis other sector-focused donor trust funds? | <p>see if the average project cost has risen with advent of FPFs</p> <p>With-and-without assessment of average project approvals by sector and by delivery modality to see if the average project cost of FPF-financed projects is greater than that of non-FPF-financed projects</p> <p>Assessment of possible leveraging by FPFs via attraction of additional funding from other sources</p> <p>Perception survey and key informant interviews to assess perceptions of value addition</p> | <p>Data on project approvals before advent of FPFs</p> <p>Data on project approvals without FPF-financing</p> <p>Other funding of FPF-financed projects</p> <p>Financing partner and project team leader perceptions</p> | informant interview notes |
| B. Project Level | | | | |
| <ul style="list-style-type: none"> Achievement of FPF-financed projects' intended results | To what extent have the FPF-financed projects achieved their intended outputs and outcomes? | Assessment of achievement of indicators in selected project DMFs | Project DMFs | Project approval papers, project progress reports, project completion reports, perception survey results, key informant interview notes |
| | Are there any risk factors that affect achievement of outputs and outcomes? Are any of these risks systemic? | Assessment of risks and assumptions in selected project DMFs | Project team leader perceptions | |
| | | Key informant interviews with project team leaders to get views on risks and assumptions and particularly any systemic risks within the FPF-financed projects | | |
| <ul style="list-style-type: none"> Value-addition | How have FPF-financed projects added value? | Anecdotal evidence of value addition through improved project financing structure, improved design, etc. | Project reports | Project approval papers, project applications, project approvals database, perception survey results, key informant interview notes |
| | | Perception survey and key informant interviews to assess perceptions of value addition | Project team leader perceptions | |

| Assessment Criteria/Subcriteria | Evaluation Questions | Methodology | Information Required | Information Sources |
|--|---|---|---|--|
| 3. Efficiency in terms of how well resources were used in achieving targeted outputs and outcomes | | | | |
| A. Facility Administration | | | | |
| <ul style="list-style-type: none"> • Allocation process • Administration process • Utilization of staff resources | How much time and resources are needed to process a FPF-financed proposal? | Review/mapping of processes, procedures, and systems (i.e., processing performance of FPF projects) to identify possible bottlenecks in the operation of these facilities | Relevant indicators related to time, processes, and attendant costs (to the extent possible) | FPF secretariat data |
| | Are there any transaction costs involved? | | Processing standards documented in the FPF DMF | Key informants: project staff, BPHR, OCO, RSDD, etc. |
| | Are economies of scale being realized? | Assess strengths and weaknesses in the FPFs' processing cycles and identify contributing factors. Identify constraints to be addressed including possible changes in systems and procedures | Processing cycles | FPF implementation guidelines and ADB organizational structure |
| | What improvements can be made to strengthen the process? | | Data on resources for staff involved in FPF operations; data on corporate support from ADB units (i.e., BPMSD, RSDD, OCO, etc.) | TA and grant reports |
| | To what extent are the FPF processing cycles for delegated and nondelegated funds synchronized with the ADB processing cycle? | Review of staff resources, administrative budget, processing time, etc. | Project application elapsed time using the dates at application to the date of allocation | Financing partners perceptions survey results |
| | Is there room for further simplification and standardization in FPF operations? | Review actual performance for processing project applications | | Project team leaders perceptions survey results |
| | Is there any flexibility built-into the procedures or processes to respond to changing circumstances? | Review the FPF administration structure and understand the positions and makeup of committees | | |
| | Are ADB resources and staff requirements appropriate and sufficient to carry out implementation of FPFs? | | | |
| | Are there any special staffing and skills mix needed for those who are in charge of FPFs? | | | |
| B. Project Processing and Administration | | | | |
| <ul style="list-style-type: none"> • Project approval process | How much time and resources are needed to process an FPF-financed | Review/mapping of processes, procedures, and systems (i.e., | Relevant indicators related to time, processes, and | FPF secretariat project database |

| Assessment Criteria/Subcriteria | Evaluation Questions | Methodology | Information Required | Information Sources |
|---|--|---|--|---|
| <ul style="list-style-type: none"> Elapsed implementation time Disbursement and project progress rates | <p>project proposal?</p> <p>What improvements can be made to strengthen the process?</p> <p>Is there room for further simplification and standardization in FPF operations?</p> | <p>processing performance of FPF projects) to identify possible bottlenecks in the operation of these facilities</p> <p>Review actual performance for processing project applications</p> | <p>attendant costs (to the extent possible)</p> <p>Processing cycles</p> <p>Project application elapsed time using the dates at application to the date of allocation</p> | <p>TA and grant performance reports</p> <p>Key informants: project team leaders, FPF secretariat members</p> |
| <p>4. Sustainability in terms of likelihood that institutional, financial, and project-level resources are sufficient to maintain the envisaged outcome over time.</p> <p>A. Facility Level</p> | | | | |
| <ul style="list-style-type: none"> Institutional sustainability | <p>What is the extent to which institutional rules and arrangements within ADB are being applied in managing FPF operations?</p> <p>How are relationships with financing partners or development partners being managed?</p> <p>Is the current institutional arrangement between ADB and other donors sustainable? Are there sufficient or appropriate institutional arrangements between ADB and the donor community?</p> | <p>Assessment of institutional arrangements among offices, including their capacities for managing FPFs</p> <p>Assessment of working relationships with financing partners, including identification of possible coordination failures and alternative institutional arrangements</p> | <p>FPFs' institutional setup within ADB and working relationships among various units involved in managing FPFs</p> <p>Feedback from financing partners and institutional relationships between concerned ADB offices and financing partners</p> | <p>Interviews with key ADB officials and staff involved with FPFs</p> <p>Perception surveys of financing partners and interviews with key ADB officials/staff</p> |
| <ul style="list-style-type: none"> Financial sustainability | <p>Is there a scope for generating additional contributions from the existing and new financing partners in the medium term?</p> | <p>Examine current status of FPF commitments including contributions received to date and possible future contributions; assess indications (if any) of forthcoming contributions including ADB's ability to attract additional financing partners in the near term.</p> | <p>Updated FPF funds flow and financing partners' perception on possible future commitments</p> | <p>Financing partner perception survey; FPF financial funds flow statements, and interviews with ADB staff</p> |

| Assessment Criteria/Subcriteria | Evaluation Questions | Methodology | Information Required | Information Sources |
|--|---|--|--|--|
| B. Project Level | | | | |
| <ul style="list-style-type: none"> Project sustainability | What are the prospects of sustaining operations of projects to meet targeted outputs and outcomes? Are there adequate absorptive capacities among agencies concerned of recipient countries? Are capacity development components of FPF-financed projects being given due importance? | Assess, to the extent possible, sustainability of projects being financed by FPFs, which includes, among other things, examining absorptive capacities and adequacy of capacity-building components. | Feedback from project team leaders; progress and accomplishments of projects to date | Documents on projects financed by FPFs; project team leaders' survey |

ADB = Asian Development Bank; BPHR = Human Resources Division of BPMSD; BPMSD = Budget, Personnel, and Management Systems Department; CEFPF = Clean Energy Financing Partnership Facility; OCO = Office of Cofinancing Operations; RSDD = Regional and Sustainable Development Department; TA = technical assistance; WFPF = Water Financing Partnership Facility.
Source: FPF special evaluation study team.

Table A1.2: Rating Methodology

| Criterion | Weight (%) | Definition | Subrating Description | Rating Value |
|----------------------|------------|--|-----------------------|--------------|
| Relevance | 20 | <p>Defined as the consistency of the FPFs with the donors' strategies and international best practices, ADB's lending strategy for the country, ADB's strategic objectives, and the adequacy of the FPFs' design to achieve developmental effectiveness. Relevance at the project level is based on compliance of FPF operations with various policies set out in FPF papers and on the quality of design.</p> <p>The rating for relevance is determined by facility level and by project level.</p> <p>A. Facility level</p> <ul style="list-style-type: none"> - consistency with ADB's strategies and policies - conformity with international practices - alignment with intended financing mechanisms - alignment with intended delivery modalities <p>B. Project level</p> <ul style="list-style-type: none"> - compliance of FPF operations with the various criteria set out in the FPF establishment papers and fund implementing guidelines - quality of project design of FPF-financed projects | Highly relevant | 3 |
| | | | Relevant | 2 |
| | | | Partly relevant | 1 |
| | | | Irrelevant | 0 |
| Effectiveness | 40 | <p>Defined as the extent to which the outputs and outcomes of FPFs contributed to the effectiveness of ADB's operations and yielded desired quality enhancement and value addition in support of ADB's operations.</p> <p>The rating for effectiveness is determined by facility level and by project level.</p> <p>A. Facility level</p> <ul style="list-style-type: none"> - achievement of FPF desired results - value-addition of the facility <p>B. Project level</p> <ul style="list-style-type: none"> - achievement of FPF-financed projects' desired results - value-addition of the FPF-financed projects | Highly effective | 3 |
| | | | Effective | 2 |
| | | | Less effective | 1 |
| | | | Ineffective | 0 |
| Efficiency | 20 | <p>Defined as the extent to which the FPFs have contributed to improved ADB operations.</p> <p>The rating for efficiency is determined by facility level and by project level.</p> <p>A. Facility level</p> <ul style="list-style-type: none"> - efficiency of FPF processing, including transaction costs - synchronization of the FPF processing cycle with the ADB processing cycle - staff resources <p>B. Project level</p> <ul style="list-style-type: none"> - projects are implemented according to schedule - overall project timing is proportionate to the scope and complexities of the project | Highly efficient | 3 |
| | | | Efficient | 2 |
| | | | Less efficient | 1 |
| | | | Inefficient | 0 |

| Criterion | Weight (%) | Definition | Subrating Description | Rating Value |
|---|--|---|---|-------------------------------------|
| Sustainability | 20 | <p>Sustainability considers the likelihood that institutional, financial, and project-level resources are sufficient to maintain the envisaged outcome over time.</p> <p>The rating on sustainability is by facility level and by project level.</p> <p>A. Facility level</p> <ol style="list-style-type: none"> 1. Institutional sustainability <ul style="list-style-type: none"> - institutional arrangements within ADB - relationship with the donor community 2. Financial sustainability <ul style="list-style-type: none"> - donors'/partners' perception - current status of fund commitments - ability to attract additional financing partners - realization of targeted performance indicators <p>B. Project level</p> <ol style="list-style-type: none"> 1. Project-level sustainability <ul style="list-style-type: none"> - project team leaders' perception - assessment of sustainability on a per-project basis | <p>Most likely</p> <p>Likely</p> <p>Less likely</p> <p>Unlikely</p> | <p>3</p> <p>2</p> <p>1</p> <p>0</p> |
| Overall Assessment (weighted average of above criteria) | <p>Highly Successful: Overall weighted average is greater than 2.7. Successful: Overall weighted average is greater than or equal to 1.6 and less than 2.7. Partly Successful: Overall weighted average is greater than or equal to 0.8 and less than 1.6. Unsuccessful: Overall weighted average is below 0.8.</p> | | | |

ADB = Asian Development Bank, FPF = financing partnership facility.

Source: Independent Evaluation Department rating guidelines, FPF special evaluation study team.

FPF ARRANGEMENTS—IMPLEMENTATION, ADMINISTRATION, AND OPERATIONAL CYCLE

Table A2.1: FPF Implementation Arrangements—WFPF Governance Structure

| Party | Responsibilities |
|---|---|
| Financing Partners | |
| Members: WFPF contributors | <ul style="list-style-type: none"> (i) Provide strategic direction to WFPF (ii) Meet with ADB for annual consultation (iii) Review progress and administration and annual work program |
| WFPF Steering Committee (SC) | |
| Chair: DG, RSDD Secretariat: RSID Members: DGs of user departments | <ul style="list-style-type: none"> (i) Provide strategic direction to WFPF (ii) DG, RSDD approves WFPF policy and procedures (iii) Approves allocation of funds to applications for TA and grant components of investments |
| Water Committee (WC) | |
| Chair and Co-Chair: Directors, EASS and PSIF 1 Secretariat: RSID Members: Water specialists nominated by the chair as members | <ul style="list-style-type: none"> (i) Review and endorse proposals for WFPF support (ii) Advise SC on strategic direction policy and procedures of WFPF to support Water Financing Program implementation |
| Facility Manager | |
| Manager: Director, RSID Assistant: A team of consultants | <ul style="list-style-type: none"> (i) Serve as secretariat and oversee WFPF day-to-day operations (ii) Oversee review process for applications (iii) Review applications for compliance with implementation guidelines for use of funds and eligibility criteria (iv) Prepare annual work program and progress reports (v) Serve as focal point for WFPF partners for technical matters |
| Office of Cofinancing Operations (OCO) | |
| Contact: Designated by Principal Director, OCO | <ul style="list-style-type: none"> (i) Facilitate partner contributions to WFPF (ii) Communicate on financial issues among the partners (iii) Lead negotiations with partners on financial and procedural agreements for WFPF contributions and framework agreements |

ADB = Asian Development Bank, DG = director general, EASS = Urban and Social Sectors Division, FPF = financing partnership facility, RSDD = Regional and Sustainable Development Department, RSID = Sustainable Infrastructure Division under RSDD, WFPF = Water Financing Partnership Facility.

Source: WFPF 2009 Annual Report.

Table A2.2: FPF Administrative Arrangements

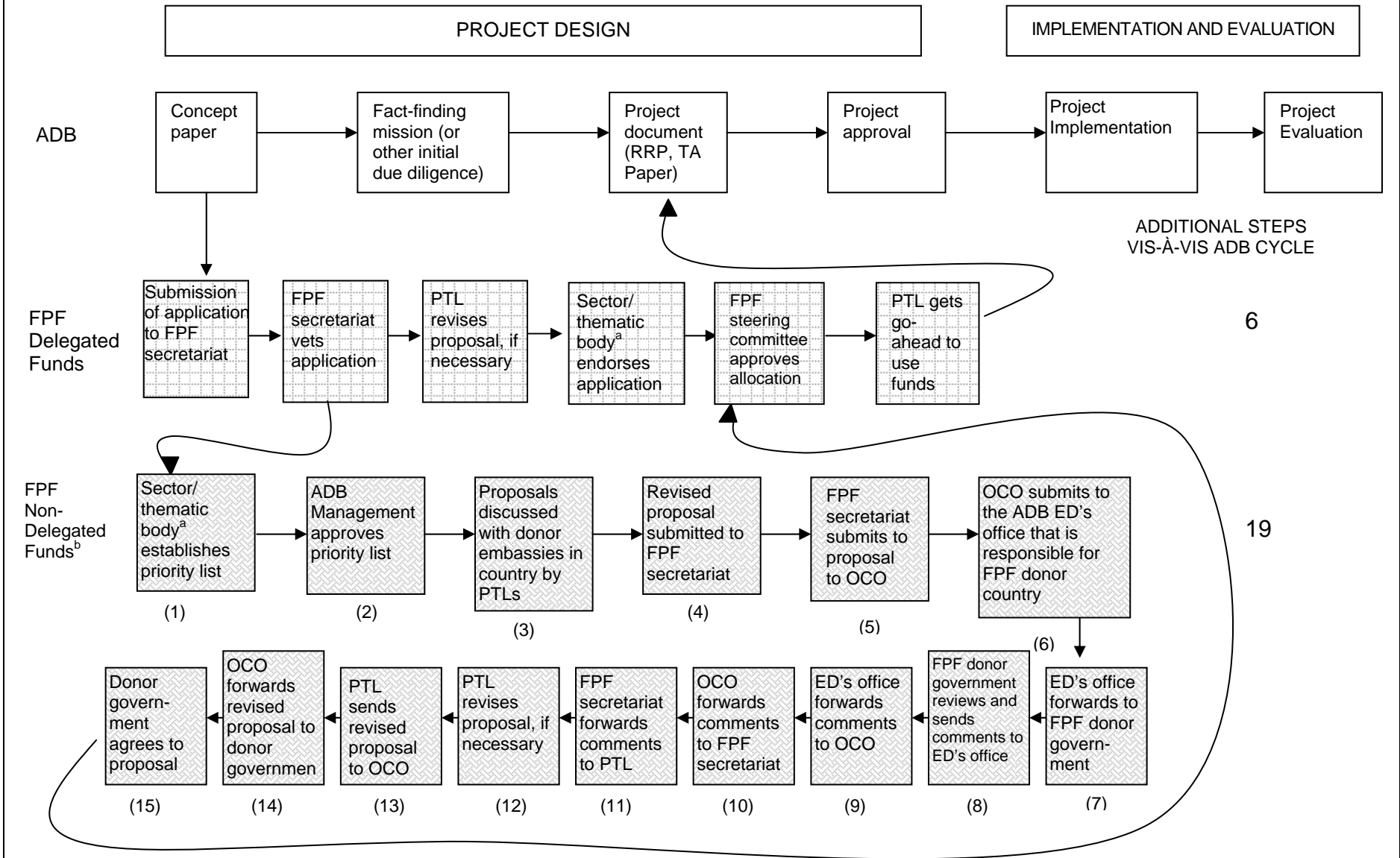
| Legal Vehicles | Fund Delegation | Charges | Communications | Life | Replenishment |
|---|---|--|--|--|--|
| <p>FPF establishment papers approved by the ADB Board</p> <p>Agreements with individual financing partners to join the facility and accept the conditions of the facility</p> <p>Instruments of contribution that commit the financing partners to contribute</p> | <p>All multidonor funds and two of the single-donor funds are fully delegated in terms of screening and allocation of funds to projects</p> <p>Two single-donor funds are not fully delegated in terms of screening and allocation of funds to projects</p> | <p>ADB charges a service fee to cover ADB's incremental cost for administration, management, supervision, and operation of the facility and funds. The service fee is 5% of the amount disbursed for TA. For grant components of loan projects, the service fee is 5% for grants up to \$5 million, or 2% with a minimum of \$250,000 (whichever is greater) for grants above \$5 million.^a</p> | <p>Biannual and annual reports at the facility level</p> <p>Annual consultation meetings between financing partners and ADB staff</p> <p>Informal communications between some financing partners and ADB</p> | <p>Indefinite</p> <p>Some FPFs may close when outcomes are achieved</p> <p>No specific sunset clause</p> | <p>No formal replenishment schedule</p> <p>Replenishment made on an as-needed basis</p> <p>Interest earned is paid back to the individual trusts within the facility</p> |

ADB = Asian Development Bank, FPF = financing partnership facility, TA = technical assistance.

^a Until October 2009, the service charge on grant components of loan projects was 5%. The new service fees were introduced by Board Paper R189-09: *Review of the Asian Development Bank's Service Charges for the Administration of Grant Cofinancing from External Sources*.

Sources: FPF establishment papers, fund implementing guidelines.

Figure A2: FPF Operational Cycle for Delegated and Non-Delegated Funds vis-à-vis ADB's Operational Cycle



ADB = Asian Development Bank, CEFPF = Clean Energy Financing Partnership Facility, ED = Executive Director, FPF = financing partnership facility, OCO = Office of Cofinancing Operations, PTL = project team leader, RCIFPF = Regional Cooperation and Integration Financing Partnership Facility, RRP = report and recommendation of the President, SES = special evaluation study, TA = technical assistance, WFPF = Water Financing Partnership Facility.

^a In the case of the WFPF, this is the Water Committee. In the case of the CEFPF, this is the Clean Energy Working Group. In the case of the RCIFPF, this is the Regional Cooperation and Integration Community of Practice.

^b This follows mainly the process of the Investment Climate Facilitation Fund under the RCIFPF. For the Asian Clean Energy Fund under the CEFPF, steps 1, 2, and 4 are not included in the process. Source: FPF SES team.

LESSONS FROM PREVIOUS SIMILAR EVALUATION STUDIES

Table A3.1: PPF-Related Lessons and Recommendations of Various Asian Development Bank Evaluation Reports

| Evaluation | Key Findings/Lessons | Recommendations |
|--|--|--|
| <p>1. External Evaluation of the Water and Sanitation Program for the period 1999–2003 (June 2004)</p> <p>The Water and Sanitation Program (WSP) is an international partnership, set up in 1978, whose declared aim is “to help poor people gain sustained access to improved water supply and sanitation.” WSP focuses on a limited number of countries to make good use of limited funds. The geographic focus sharpened during the 5 years, reducing from 27 to 22 countries, which are distributed among the Program’s regions: Africa – 9 countries, East-Asia and Pacific – 5 countries, Latin America and the Caribbean – 5 countries, and South Asia – 3 countries.</p> <p>In late 2003, the WSP management, as secretariat to the WSP Council, appointed Information, Training, and Agricultural Development (ITAD)-Water, in association with the Water, Engineering, and Development Centre (WEDC) to carry out an external evaluation of WSP’s work in the five fiscal years, 1999 to 2003, and to make recommendations for the future.</p> <p>The evaluation analyzed the Program’s work in terms of the extent to which its own activities and outputs achieved outcomes and lasting impacts that were beyond its control.</p> | <ul style="list-style-type: none"> • The overall finding is that WSP was effective and efficient in the service of valuable objectives during the review period. Various changes made during the 5 years have improved the Program’s governance and performance. • Given the effectiveness of WSP and the large global need for sustainable WSS, there is scope for WSP to usefully expand the scale of operations: that scale is effectively limited by donor funding and not by the Program’s inherent capacity. • Planning and monitoring were weak in the earlier years of the evaluation period, with several changes in the format of business plans, but steps were taken and they have now been much improved. There remains a need to consolidate cost-effective ways of combining coherent, outcome-focused, multiyear planning with creativity and adequate flexibility, and to achieve consistent application of such planning and monitoring procedures over all regions and all projects. • The Program’s work has evidently achieved relevant outcomes in diverse situations, with considerable impact already observed and more considered likely to follow. • WSP has many important relationships with other sector actors, and most of them are very satisfactory. There are some tensions not necessarily of WSP’s making, which could be alleviated by good communication and by clear thinking and discussion about shared and separate objectives. • WSP’s knowledge-related work is important and fruitful as a complement to its other activities, and is mostly well done. Quality and appropriateness of publications are usually good, though inevitably variable in a difficult field. • WSP has an excellent core of staff with relevant skills and experience, but they are spread quite thinly and slightly weakened by recent losses. • The Program has significant comparative advantages in relation to other organizations working in its field or overlapping to a greater or lesser extent with its functions. Its partnership style enables it to collaborate and complement those other organizations where appropriate. There are | <ul style="list-style-type: none"> • The Program should remain a partnership organization directed by its main stakeholders represented on its Council, while being hosted and administered by the World Bank (WB), and operating under WB financial and accounting systems. • Within that structure, the Council should consider taking on a more active role than at present, through a delegated executive committee or otherwise, in the direction and control of the Program. • The Council should debate the extent to which WSP’s thematic and technical work ought to be controlled by the WB, and if possible replace the ambiguous provisions of the Charter with a clear and agreed-upon statement. • The Council should consider changing its rules so that it elects its Chair from time to time. • WSP should seek to clarify its strategy by sharpening the definition of its objectives, emphasizing the need to address institutional failure and ineffectiveness. • WSP should both plan and monitor its resource use with a multiyear perspective, rather than just within fiscal years as it has tended to do until recently. • Donors should seek ways to commit funds several years in advance, typically years. • WSP should make systematic and transparent arrangements for coping with the fact that donors often do not commit funds more than 3 years in advance. • The Program and the donors together should seek ways of achieving joint flexibility in resource allocation by increasing the proportion of untied, partly tied, or core funding. • WSP should seek ways to improve the flexibility of resource allocation in the course of each project’s life. • WSP should continue with regular reviews of the mix |

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| | <p>several types of work, such as advocacy, policy advice, learning or knowledge management, which are also covered by others. But WSP's global reach, valuable contacts, long track record, high professional capacity, and ability to maintain continuing real-time contact with key decision-makers all give it particular advantage.</p> | <p>of staff skills, and seek ways of providing key staff with a degree of security of employment over more than about 3 years.</p> <ul style="list-style-type: none"> • In view of the political sensitivity of institutional reform, WSP should further strengthen its efforts to build up close and trusting relationships both with donors/funders and with government officials and local politicians. • WSP should consider using a wider range of media, and should more often share the distribution of publications with other organizations. • WSP should seek more ways to exchange information between its regions. • WSP should continue and strengthen its efforts to overcome language barriers and to foster the work of subregions such as West Africa. Donors should consider helping with the costs of translation and interpretation. • WSP staff should have enough confidence in their own caliber and achievements to adopt a more self-questioning culture, together with a less defensive attitude to constructive criticism. |

2. Performance and Process Evaluations of ADB-GEF Projects (ADB, June 2007)

The Global Environment Facility (GEF) was set up in 1991 to help developing countries protect the global natural environment. Thus far, GEF has approved 21 proposals from ADB, of which 13 led to projects in 12 countries.

The evaluation examined the performance of three mature, challenging projects: (i) the Sundarbans Biodiversity Conservation Project in Bangladesh; (ii) the Protected Area Management and Wildlife Conservation Project in Sri Lanka and the People's Republic of China; and (iii) Technical Assistance for Prevention and Control of Dust and Sandstorms in Northeast Asia. It also drew lessons from a rapid review of implementation progress of the other 10 GEF projects.

- Incentives to seek GEF financing should be balanced by the need to ensure project quality-at-entry.
- Time should be spent on developing project ownership at all levels of government and the public.
- Public awareness campaigns and mass media initiatives should be used to gain support for project activities and minimize conflicts with vested interest groups. Transparency of project objectives and activities is essential.
- Grant cofinancing arrangements should be selected with care and designed to ensure that associated incremental transaction costs are not excessive.
- Complex projects involving an ambitious agenda and diverse stakeholders require a strong project management structure and clear project management processes.
- Delegation of implementation supervision to country resident missions makes a vast difference in terms of timely resolution
- Consider a radical redrawing of the GEF activity cycle to simplify all aspects, improve transparency and predictability, and reduce transaction costs.
- Expand GEF initiatives to the next level of results-based management.
- Confine the identification phase to establishing project eligibility and availability of resources, and concept endorsement by the recipient country.
- Require that the work program give evidence of strategic orientation.
- Request the GEF chief executive officer to endorse fully documented project proposals on a rolling basis, as envisaged in the GEF instrument.

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| | <p>of implementation issues.</p> <ul style="list-style-type: none"> • Project monitoring mechanisms should be used as a management tool rather than a fulfillment of GEF or ADB design requirements. • ADB staff skills in managing complex natural resource management projects should be complemented with the specialized technical skills associated with GEF projects. • Sustainability and threats to it should be given serious attention in project formulation, for example regarding budgets for maintenance of project facilities and activities, and delegation of authority to field levels. • ADB should take a long-term approach to project development for global environmental protection, and not be overly optimistic. | |
| <p>3. Evaluation of the Japan Special Fund (JSF) (ADB, August 2007)</p> <p>The JSF was established in March 1988 to provide financial support for ADB's technical assistance (TA) program in the form of an untied grant, with ADB as fund administrator. ADB's regular policies for TA were to generally apply to JSF-financed TA. The Fund was to be utilized for supporting the efforts of developing member countries toward industrialization, natural resource development, human resource development, and transfer of technology.</p> <p>This study evaluated Fund performance, analyzed issues and constraints, and made recommendations and suggestions to assist in future implementation.</p> <p>Applying the criteria used to evaluate public sector operations, the JSF was judged <i>relevant, effective, partly efficient, and likely to be sustainable</i>.</p> | <ul style="list-style-type: none"> • The JSF's overall performance was deemed <i>successful</i>, with 65% of advisory and 67% of project preparatory TA rated <i>successful</i>. • Factors associated with success: (i) clarity of objectives; (ii) need and ownership (country ownership, priority, agency and beneficiary input into design, selection of consultants, identification of client, provision of counterparts, and appropriate process); (iii) adequacy of time and resources; (iv) quality of consultants; (v) continuous alignment of objectives and client priorities; and (vi) customer satisfaction and client relationship management. • The impact of the Fund has been significant in the following respects: (i) advisory TA for policy development has had profound beneficial impacts on the legislative environments governing several sectors; (ii) improved performance of sector and subnational agencies in the delivery of services, particularly to the poor, which is attributed to JSF advisory TA supporting capacity development; and (iii) JSF supports about 75% of ADB's project preparatory TA. <p>JSF's management might be improved in several respects: (i) the value added of requiring each TA to be approved by Japan is not clear; (ii) only 40% of TA projects seems to be adequately resourced; (iii) all advisory TA projects are treated as though they are likely to face similar risk levels;</p> | <ul style="list-style-type: none"> • The relevance rating suggests the need for a more strategic approach to JSF resource allocation. • Sustainability is more complex but could be addressed by longer term TA engagement and larger TA projects and/or cluster TA projects. • ADB should develop strategies for utilizing the JSF and provide clear guidelines to staff. • Realistic assessment of time and resource requirements for any TA should be undertaken, particularly in areas such as capacity development, where a longer term commitment is needed through larger, longer duration TAs, and cluster TA operations. • The Government of Japan should be actively involved at the concept and design stages, with concomitant greater predictability of approval and a more efficient final approval step. • Majority of funding should continue to support project preparatory TA and accompanying advisory TA (including capacity building), but with no specified target percentage. |

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| | <p>(iv) the one-off nature of many interventions is not conducive to enhancing awareness of Japan's role; and (v) client satisfaction is disappointingly low for TA in general including JSF, and this may be attributed to advisory TA failing to deliver what was promised, lack of exit strategies, insufficient client involvement in the design phase, and inadequate attention given to problem resolution during implementation.</p> | |
| <p>4. Evaluation Study of the Japan Scholarship Program (ADB, August 2007)</p> | | |
| <p>ADB and the Government of Japan agreed to establish the JSP in 1988 to encourage human resources development in ADB's DMCs.</p> | <ul style="list-style-type: none"> • Overall, the program is <i>successful</i>. Of the 2,104 scholarships awarded since its inception until 2006, dropout rates have been low (4%), and 83% of candidates have completed their chosen fields of study. | <ul style="list-style-type: none"> • Delegate more autonomy to designated institutions that are relatively experienced in candidate selection by reducing the number of candidates on the short list prepared by these institutions from the current minimum of twice the number of slots to 1.5. |
| <p>The JSP aims to provide qualified citizens with opportunities for further studies at selected academic institutions known for their programs in economics, business and management, science and technology, or any other development-related field. Upon completion of their studies, the scholars are expected to return to their home countries to apply and disseminate their newly acquired knowledge and skills, thereby assisting in the socioeconomic development of their countries. The JSP is one of three Japanese grant funds administered by ADB through its Office of Cofinancing Operations.</p> | <ul style="list-style-type: none"> • The JSP is rated <i>highly relevant</i>. It focuses on human resources development, which ADB and the countries in the region consider a high priority. The fields of study it currently supports are relevant and consistent with ADB priorities. • The JSP is rated <i>effective</i>. The nature of employment and the increased scope of responsibilities of returning scholars indicate that contributions to the socioeconomic development of the scholars' countries appear positive. The acquisition of the necessary knowledge and skills to prepare them for challenging careers enhanced the development of the scholars. • The JSP has been <i>efficient</i>. JSP funds have been managed effectively and efficiently notwithstanding the complexity of the application process among different courses in the 20 designated institutions. This factor and its socioeconomic contributions are indicators that the sustainability of the program is <i>likely</i>. | <ul style="list-style-type: none"> • Extend the current 2-year limitation of the assistance to 3 years on a case-by-case basis. • Raise the age limit for candidates in short programs (less than 2 years), which are also appropriate for senior officials and managers, to 45 from 35 years. • Establish annual/regular payment schedules from ADB to designated institutions to facilitate better financial management in these institutions. • Add a provision in the implementing guidelines that will require scholarship recipients to work for the government of their home countries or work in a company based in their home countries for a specified duration. |
| <p>This evaluation discusses issues and challenges related to the JSP, including candidate selection, scholarship amount, contribution to capacity building of scholars, contribution to socioeconomic development, support to ADB priority areas, contribution to strengthening partnerships between Japan and developing countries in the Asia and Pacific region, and fund management and administrative issues. Overall, the JSP was rated as <i>successful</i>. It was judged as <i>highly relevant, efficient, effective, and likely</i> sustainable.</p> | <ul style="list-style-type: none"> • A few designated institutions could have managed their scholarships more efficiently with advance payments and promotions if they had a better understanding of the JSP implementing guidelines. The program supports scholarships in 20 designated institutions, a number that appears manageable and appropriate. | <ul style="list-style-type: none"> • Upload the JSP implementing guidelines to the JSP website to allow JSP coordinators in the designated institutions to access and refer to them easily. • Carefully consider the timing and choice of placing advertisements in local newspapers and other modalities of disseminating information for JSP applications, taking into account the preparation period and the different application deadlines of the designated institutions. • Encourage the alumni association to strengthen its networking function by establishing alumni chapters in all DMCs, with websites linked but operated independently from the JSP website administered by ADB. |

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| <p data-bbox="170 240 682 267">5. Evaluation of the Japan Fund for Poverty Reduction (JFPR) (ADB, August 2007)</p> <p data-bbox="170 284 682 365">The Japan Fund for Poverty Reduction was set up in May 2000 to provide grants for innovative poverty reduction activities in ADB's DMCs.</p> <p data-bbox="170 397 682 706">Grants from the Fund are not for TA but for direct relief that also builds capacity for self-help and income generation. They finance small investments linked to ADB loans to pilot-test approaches that can later be expanded into loan projects and incorporated into ADB's operations. ADB will thus gain opportunities to work more directly with communities as well as nongovernment organizations (NGOs) and civil society.</p> <p data-bbox="170 738 682 950">This report evaluated the extent to which the Fund has met its objectives, analyzed issues and constraints, and made recommendations and suggestions to assist in future implementation. Overall, the Fund was rated relevant, effective, efficient, and sustainable following the criteria used to evaluate public sector operations.</p> | <ul data-bbox="703 284 1333 1472" style="list-style-type: none"> <li data-bbox="703 284 1333 365">• The Fund aligns well with ADB's strategic objectives, while individual projects are in line with both country partnership and national poverty reduction strategies (NPRS). <li data-bbox="703 381 1333 495">• The Fund has generally met its specific objectives related to innovation and Japan's visibility. The original intention to expand projects into loan projects has been met, but overall at a lower level than expected. <li data-bbox="703 511 1333 657">• All ADB staff interviewed considered JFPR a valuable program that places ADB in a better position to deal in a practical way with poverty-related problems. They reported strong ongoing demand for JFPR projects, as reflected in the project pipeline. <li data-bbox="703 673 1333 836">• Overall, the JFPR is a success. Of the 17 completed projects evaluated, 23% were rated <i>highly successful</i>, 65% <i>successful</i>, and 12% <i>partly successful</i>. The proportion of projects rated successful or higher (88%) compares well with the success rate of the overall ADB loan program (65% of completed projects). <li data-bbox="703 852 1333 982">• Evidence of a sound design was not a strong point of many of the JFPR projects evaluated (i.e., they did not include design and monitoring frameworks), yet most projects achieved their intended outcomes, so presumably design was adequate. <li data-bbox="703 998 1333 1144">• The administration of JFPR projects does not follow standard ADB process. The projects require approval by the Japanese embassy at the concept stage and by the Government of Japan at the final design stage, in addition to the normal ADB approvals. <li data-bbox="703 1161 1333 1323">• The design template is based on that for the Japan Social Development Fund of the World Bank, which differs from ADB's standard templates. Project monitoring and completion reports also follow Japan Social Development Fund processes. They give little information about outcomes, and are not integrated with ADB's monitoring systems. <li data-bbox="703 1339 1333 1472">• Projects can be implemented in several ways, all of which are suitable under appropriate circumstances, but the contribution of NGOs is worthy of note, particularly the willingness of some international NGOs to fund temporary deficits from their own resources, adding flexibility to | <p data-bbox="1354 284 1919 430">ADB's Office of Cofinancing Operations is effective but understaffed. The unit would benefit from the addition of staff for technical and monitoring support. The appointment of focal points in ADB departments would also assist in program development and management.</p> |

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| | <p>implementation.</p> <ul style="list-style-type: none"> • The relative success of JFPR is due mainly to (i) the small scale and manageability of projects, (ii) the relevance of projects to the real needs of poor communities, (iii) close involvement and motivation of most project officers, (iv) implementation by NGOs that are highly motivated and close to their communities, and (v) the consequent reduction in rent seeking and bureaucratic inefficiency. | |
| <p>6. Asian Development Fund VIII and IX Operations (ADB, December 2007)</p> <p>Donors to ADB's Asian Development Fund (ADF) endorsed a program of \$5.6 billion over 2001–2004 (called ADF VIII) and \$7 billion over 2005–2008 (called ADF IX). The ADF is ADB's main instrument to help poorer countries in Asia and the Pacific. It does this by providing cheap concessional loans to governments for projects, and grants for technical assistance. Since 2005, the ADF also funds projects through grants.</p> <p>This study assesses how relevant and efficient the ADF is, and how effective and sustainable its outcomes are.</p> <p>The study has special attention for some novel features introduced over the period. Notably, these are (i) a special drive to target the poor in ADF's projects in 2001–2004, (ii) a drive to add a good governance dimension to ADF operations, (iii) the performance-based allocation mechanism introduced in 2001, (iv) the project grant mechanism introduced in 2005, and (v) more attention for aid coordination and harmonization.</p> <p>Special studies were done in Bangladesh, the Lao People's Democratic Republic, Nepal, Pakistan, and Viet Nam.</p> | <ul style="list-style-type: none"> • ADF VIII was assessed partly relevant but ADF IX highly relevant. DF VIII was driven by ADB's 1999 Poverty Reduction Strategy. ADF IX was based on the 2004 Enhanced Poverty Reduction Strategy. The first favored an approach directing all ADB's activity to targeting the poor disproportionately. The second redirected this by highlighting the need to address poverty reduction at a broader level. Poverty reduction was to be achieved by well-balanced country strategies and programs rather than by targeting the poor in each individual operation. • ADF VIII was assessed as likely less effective. It is too early to assess the outcomes of ADF IX, but there are some positive signs. Success rates of ADF operations overall have gone up over the decades since ADF's beginnings in 1973. They stood at 67% for operations approved in the 1990s. The case studies of 25 ongoing ADF operations initiated over 2001–2004 point to more complex project designs in a turbulent time in ADB. This has led to these projects experiencing more project delays and associated problems, and possibly lower success rates. The study expects that project complexity has been reduced under ADF IX. Progress is reported with a number of thematic priorities of the ADF agenda. For instance, there were more governance-oriented projects. There was also more involvement of civil society organizations in ADB projects, more aid harmonization, and better safeguards enforcement. Some challenges have remained in the areas of managing for development results, capacity development, and private sector development. • The administration of ADF VIII is assessed <i>less efficient</i>, and that of ADF IX, provisionally, as efficient. ADB went through a transition during 2002–2005. There was an internal | <p>Recommendations:</p> <ul style="list-style-type: none"> • Reduce goal congestion in ADB and individual operations. • Reflect on sector coverage at corporate level, but especially at country level. • Consider increasing ADB's operational staff if the purpose of ADF remains poverty reduction. <p>The study notes that most of the poor in Asia do not live in the countries currently under the ADF. ADF donors may wish to consider the implications for the credibility of the ADF in the long run. IED supports an expansion of the size of ADF. The study recommends ADB to fundamentally review the performance-based allocation policy for ADF, and to be cautious in moving to grants as a major funding mechanism for ADB's investment project operations.</p> |

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| | <p>reorganization and a shift in approach from sector to country-oriented management. These factors led to disruptions, a period of evolving country planning, and more inclusive project design. Over 2004–2006, there were many positive policy reforms and business process changes. Some still need time to be fully internalized. The study expects that the final period of ADF IX will bring more stability. The ADF IX approach is viewed as more likely to be sustainable than that of ADF VIII. This is due to the reorientation of the poverty reduction strategy, the reforms, and the process changes undertaken.</p> | |
| <p>7. ADB's Poverty Reduction Technical Assistance Trust Funds (ADB, July 2008)</p> <p>Two poverty reduction TA trust funds were established in 2001 and 2002 to help ADB serve 600 million of the world's poor. In 2008, an independent evaluation rated these funds a success. The closure of the two funds on 31 December 2007 opened a gap in support to poverty reduction initiatives that may need to be filled. For instance, ADB's Strategy 2020 envisions an increasing role for the private sector, yet public-private partnerships for poverty reduction are now underutilized. A strategy to enhance them may need to be worked out.</p> | <ul style="list-style-type: none"> • <i>Lessons:</i> (i) adequate analysis during design and consultations with executing and implementing agencies on the planned outcomes and the way these can be achieved are essential; (ii) ownership of TA projects by country and other relevant partners is a significant determinant of success; (iii) most TA projects with NGO involvement show strong outcomes, suggesting that these organizations can take on stronger roles in poverty reduction efforts; (iv) full delegation of project design and management to ADB by the donors was a major positive factor; (v) ADB must provide clearer, user-friendly operational guidance to executing agencies; and (vi) flexibility is needed in project implementation to deal with conditions that are beyond the control of project management. • <i>Issues:</i> (i) the two TA trust funds have made a significant contribution to policy and strategy development for poverty reduction, and their closure will leave a significant gap in ADB's assistance to poverty reduction initiatives; (ii) ADB's complex procedures, especially its financial arrangements, tend to delay implementation; (iii) public-private partnerships in support of economic growth and social development are underused; and (iv) ADB's primary focus on loan activities limits the institutional incentives for ADB staff to work on TA. • <i>Conclusions:</i> (i) the TA operations evaluated in the country case studies were successful; (ii) the two TA trust fund programs showed positive outcomes, with a majority of the TA projects demonstrating highly positive outcomes, particularly in policy and strategy formulation, improvement of | <ul style="list-style-type: none"> • The closure of the NPRS and PRF raises the question of whether a replacement fund is required. It is beyond the scope of this study to make a definitive recommendation. This would entail further analysis by ADB's Management and the Regional and Sustainable Development Department (RSDD), guided by ADB's Strategy 2020 and using the findings of the study. The analysis should be undertaken before the end of 2008. • Given the increasing role of the private sector in ADB's Strategy 2020 and the underutilized public-private partnerships in ADB's poverty reduction initiatives, ADB and its development partners must work more closely together to enhance partnership with the private sector in this area. Within ADB, the Private Sector Operations Department (PSOD), RSDD, and the various regional departments should work out a strategy for this purpose by 2009. |

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| | <p>monitoring and evaluation capacity, mainstreaming of gender into poverty reduction strategies, and environmental management; (iii) TA project management from ADB's resident missions has significant benefits but may overburden their limited number of staff unless ADB's financial arrangements and reporting systems are simplified; (iv) key areas for future support relate to the wider application of a number of policies and programs resulting from interventions under the two TA trust funds; (v) like most other TA and loan projects, those financed under the two TA trust funds often experienced time overruns, although the extensions are marginally shorter on average than those financed by the Japan Special Fund or TA Special Fund; and (vi) the new TA Disbursement Handbook will be a useful starting point for improvements in the efficiency of disbursements.</p> | |

8. Private Equity Fund Operations (ADB, July 2008)

ADB first invested in private equity funds (PEFs) in 1983, primarily to promote small and medium enterprises in developing countries. Between then and 31 December 2007, approved investments in PEFs totaled 75, with a combined value of \$900 million. Such investments are now a core activity of ADB's PSOD: as at 31 December 2007, it had 40 active funds with a total value of \$676.4 million.

Building on work done in 2002, IED conducted this special evaluation study to identify how PEF operations could contribute better to private sector development, focusing on investments administered by the PSOD in ADB's DMCs. The evaluation covers from the commencement of ADB's PEF operations in 1983 to 31 December 2007. The investment portfolio was evaluated in terms of (i) development impacts and outcomes, (ii) ADB investment profitability, (iii) ADB work quality, and (iv) ADB additionality.

- Development impacts and outcomes are evaluated in terms of (i) private sector development; (ii) business success; and (iii) environment, social, health, and safety performance. Overall rating for development impacts and outcomes was satisfactory.
- Private sector development was rated satisfactory due to generally positive beyond-company impacts of mobilizing funds and demonstrating the feasibility of the concept of PEFs in Asia; and evidence of positive direct company outcomes in areas such as strengthening corporate governance, technology transfers, and employment generation.
- Business success is less evident and rated partly satisfactory. Financial returns generated by ADB PEFs are significantly below comparators. ADB's average annual nominal return (net of management fees) in PEFs for 1986–2005 was 6.9% compared with the industry benchmark averages of 12.6% for Asia, 24.4% for Western Europe, and 20.4% globally (excluding the United States).
- Provisions for fund managers to establish safeguard management systems have worked effectively, although provisions to monitor safeguards postapproval should be strengthened, assigning a rating of satisfactory for
- Strengthen country programming arrangements for better coordination within ADB at the country and sector level when seeking to develop the nonbank financial sector for private sector development.
- Prepare an operational strategy for PEFs, setting out principles for managing the overall portfolio; and identifying targeted countries and subnational regions, sectors, stages of firm development, styles and sizes of funds, and desired development impacts, which is circulated to all regional departments.
- Upgrade PEF portfolio planning, management, and reporting systems to facilitate management of PEFs as a standalone portfolio and facilitate development impact monitoring.
- Strengthen the risk management systems for PEFs by putting in place capacity to independently monitor projects postapproval from a financial, social, and environmental perspective.
- Clarify organizational roles and responsibilities, with particular regard to making greater use of resident missions for PEF operations and the need to complement regional department operations.
- Allocate sufficient resources in the areas of budgeting

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| | <p>environmental, social, health, and safety issues.</p> <ul style="list-style-type: none"> • Although improving in recent years, overall ADB investment profitability has been poor, with a nominal financial rate of return for the PEF portfolio of 7.5%, only slightly more than half of ADB's required rate of return of 14.3% for PEFs. Overall, ADB investment profitability is rated unsatisfactory. • ADB work quality was evaluated in consideration of (i) screening, appraisal, and structuring; (ii) monitoring and supervision; and (iii) role and contribution to the project. The screening process has demonstrated a lack of strategic focus, and the identification of PEF investments has been primarily reactive in response to sponsors approaching ADB. • Appraisal and structuring had been satisfactory. The due diligence process is comprehensive by industry standards and had been reasonably successful in identifying low-risk PEFs; however, development impacts were not clear, and financial performance had been poor. Postinvestment approval, funds often departed significantly from approved investment concepts, and few mechanisms were available to the PSOD to mitigate this risk. • Monitoring and supervision had been weak, primarily due to disparity in the quality of reporting and weak information management systems. Lack of data and management reports make it difficult to assess ADB's role and contribution to developing PEFs. Once funding is committed, the department is largely dependent upon fund managers to achieve positive development and financial results by relying upon a combination of commercial incentives and a set of high-level investment restrictions that have little relationship with development objectives. Overall, ADB's work quality is rated partly satisfactory. • ADB additionality was evaluated based on whether (i) ADB finance was a necessary condition for the timely realization of PEF investments, and (ii) ADB's contribution and function improved development impact. The study indicated that ADB's past participation in PEFs provided additionality by catalyzing private investment in PEFs. However, this impact has been declining over time due to the continued focus on markets such as India and the People's Republic of China, where ADB's demonstration and risk mitigation impacts for PEFs have been declining in recent years, as demonstrated | <p>and staff to efficiently and effectively manage PEF operations.</p> |

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| | <p>by the rapid growth in private equity in these markets. Due to resource constraints, the PSOD had had limited ability to directly add value to PEF operations and strengthen their development impacts. ADB additionality is rated partly satisfactory.</p> <ul style="list-style-type: none"> As justified by the underlying ratings of development impact, investment profitability, work quality, and additionality, the overall rating for ADB's PEF operations is partly successful. | |
| 9. Special Evaluation Study on the Performance of ADB's Water Sector Policy and Operations (ADB, Ongoing) – Preliminary | | |
| <p>ADB's Water Policy, approved in 2001, covers seven main elements: (i) promoting national focus on water sector reform; (ii) fostering the integrated management of water resources; (iii) improving and expanding the delivery of water services; (iv) fostering water conservation and increasing system inefficiencies; (v) promoting regional cooperation; (vi) facilitating the exchange of water sector information; and (vii) improving governance.</p> <p>This special evaluation study (SES) is the first independent evaluation of the ADB Water Policy and operations. The objectives of the SES are to (i) assess the implementation of ADB's 2001 Water Policy and the performance of related operations, (ii) identify lessons and issues, and (iii) make recommendations to inform future decision making on water sector operations in its DMCs. Key evaluation questions are centered around relevance, consistency, and adequacy of the Water Policy; ADB's responsiveness as to how it has implemented the Policy; and results so far including effectiveness in achieving outputs and outcomes, process and project efficiency in resource use, and likelihood of sustainability of net benefits.</p> | <ul style="list-style-type: none"> Key Findings: (i) The Water Policy is rated <i>relevant</i>, as it is consistent with ADB's corporate strategy and DMC national priorities, and supports international consensus on integrated water resource management (IWRM) and water and sanitation-related MDGs. (ii) The water lending program has been <i>effective</i> in achieving intended objectives, based on successful or highly successful rating of completed water sector projects approved during 1992–2009; 92 completed projects generally achieved many of their intended objectives. (iii) Completed water sector projects have been rated (marginally) <i>efficient</i>, implying big room for improvement; half of ongoing water sector projects tend to suffer implementation delays. (iv) <i>Sustainability</i> is one of the weakest aspects of ADB's water sector lending; only around 44% of 92 completed projects approved since 1992 are rated likely or <i>most likely</i> sustainable. If supported by operational plans and adequate resource allocation, the Policy will be sustainable. Key Lessons: (i) At the strategic level, an effective policy needs to be firmly grounded in the core business of an enterprise. Successful policies need to be accompanied with clearly defined targets, required approach and resources, and a reliable monitoring mechanism with results indicators. (ii) To improve overall success rate in water sector operations, both design and implementation of ADB-financed projects will have to improve, requiring change in institutional mindset and adoption of good practices and state of the art techniques/technology. (iii) There is a substantial gap between what was planned and actually implemented in IWRM, which shows difficulties in implementation but at the same time indicates past experience and lessons not | <ul style="list-style-type: none"> Develop and implement an operational plan for further implementation of the water policy: (i) Develop an implementation plan for each key subsector in relation to DMC priorities and available ADB resources; (ii) Catalyze public and private sector finance for water supply through a mix of different assistance modalities including programs; (iii) Reconcile the 2001 Water Policy's strategic objectives with realistic, achievable, and monitorable targets; financial and human resources in the operational framework; and implementation plan currently being formulated; and (iv) Develop and implement a monitoring mechanism including monitorable indicators for inputs, outputs, and outcomes of the implementation plan. Build on success and assist DMCs to achieve water related national and international targets: (i) Formulate and implement innovative business models and operational plans to increase lending for key water subsectors, including urban and rural water supply and sanitation; (ii) Encourage and support DMC governments to improve implementation performance, enhance efficiency of water supply utilities, and ensure sustainability of net benefits, through country programming and policy dialogue; (iii) Promote a holistic approach to irrigation system rehabilitation and adopt, where opportunities arise, participatory management of primary and secondary systems; sustainable use of groundwater; and, where feasible, groundwater recharge activities; and (iv) Increase assistance for sanitation. Address more effectively the thematic and |

| Evaluation | Key Findings/Lessons | Recommendations |
|------------|---|---|
| | <p>influencing design of subsequent projects. (iv) Self-evaluation reports at completion of the implementation cite that capacity building, government commitment, community participation, monitoring, and good coordination are requisites of successful projects. (v) Real benefit to impoverished populations is realized when the water issues that affect them are resolved—when access to clean drinking water is secured, when floods are controlled, when crops can be reliably irrigated. While technical assistance grants help lay the foundation for realization of these benefits, it is the sustainable loan project that secures the benefit. (vi) Many DMCs have had less success on the ground (unlike the PRC) in forming basin organizations, expanding urban water and sewerage systems, and rehabilitating irrigation systems because of poor governance and the weak financial sustainability of implemented projects. (vii) More realistic business models are needed in DMCs that recognize that water resources management is intensely political and requires articulation of prioritized, sequenced, practical, and patient interventions that support reformers and pay explicit attention in design and implementation to political economy of reform. (viii) Regional cooperation has proved a difficult area for ADB to contribute much, though it has had some success in Central and Southeast Asia. The issues are multiplicity of competing or conflicting interests, which makes integrated management and rationale resource allocation difficult. (ix) The private sector plays a pivotal role in developing WSS systems in Asia/Pacific, but is limited mainly to construction contracts or concessions, with relatively low levels of direct investment, either foreign or local. (x) Government-owned and commercially run water agencies can be highly efficient in delivering services in the water sector; however, champions are needed in both managerial and political areas.</p> | <p><i>crosscutting issues of the Water Policy by reorienting assistance operations:</i> (i) Adopt a flexible, demand-driven, and long-term approach to integrated water resource management; (ii) Consider funding increased TA activity in relation to transboundary water issues and management depending on demand from the DMCs; (iii) Promote climate change adaptation and mitigation in water sector operations; (iv) Enhance staff skills in the water sector in line with current and future needs; (v) Bring communities of practice together to achieve better sector and theme level coordination and improve synergy in water-related operations in ADB.</p> |

ADB = Asian Development Bank, FPF = financing partnership facility, IED = Independent Evaluation Department, MDG = Millennium Development Goals, PRF = poverty reduction fund, SES = special evaluation study, WSS = water supply and sanitation.

Source: ADB, Water Sanitation and Program Council. 2004. *External Evaluation of the Water and Sanitation Program for the Period 1999 to 2003*.

ADB'S SECTOR AND THEMATIC POLICIES AND STRATEGIES

| Item | ADB Policy | | FPF Sector Objectives |
|--|---|---|--|
| | Strategic Focus/Principal Elements | Initiatives/Programs | |
| Water Policy: Water for All (2001) | <p>The Policy's seven principal elements:</p> <p>(i) Promoting a national focus on water sector reform - DMCs are supported to adopt effective national water policies, water laws, and sector coordination arrangements; improve institutional capacities and information management; and develop national action agenda for the water sector;</p> <p>(ii) Fostering the integrated management of water resources - integrated management is based on conducting comprehensive water resource assessments, and concentrating interlinked water investments in river basins;</p> <p>(iii) Improving and expanding the delivery of water services - focusing on water supply and sanitation (both rural and urban), irrigation and drainage, and other subsectors, support is provided for autonomous and accountable service providers, private sector participation, and public-private partnerships, emphasizing equity in access to water for the poor and underserved;</p> <p>(iv) Fostering the conservation of water and increasing system efficiencies - packages of assistance that combine water use and resource management charges to recover costs, improved regulation and increased public awareness are supported;</p> <p>(v) Promoting regional cooperation and increasing the mutually beneficial use of shared water resources within and between countries - focusing on exchanging information and experiences in water sector reform; support is provided to enhance awareness of the benefits of shared water resources, create sound hydrologic and socioenvironmental databases relevant to the management of transboundary water resources, and implement joint projects between riparian countries;</p> <p>(vi) Facilitating exchange of water sector information and experience - socially inclusive</p> | <p>(i) The Water Financing Program 2006–2010 (WFP) aims to double investments in the water sector directed toward reforms and capacity development programs in rural communities, cities, and river basins. The WFP committed to devote 25% of ADB's investment portfolio to water projects and set out to deliver the following specific outcomes:</p> <ul style="list-style-type: none"> • 200 million people with sustainable access to safe drinking water and improved sanitation • 100 million people with reduced risks from flooding • 40 million people with more productive and efficient irrigation and drainage services • 25 river basins introduced to integrated water resources management (IWRM) • Improved water governance through national water reforms and capacity development <p>Under the WFP, specific priorities and issues such as sanitation, climate change, disaster management, etc. will be given increased attention.</p> <p>(ii) The Cooperation Fund for the Water Sector was established in December 2001 to promote effective water management policies and practices at the regional, subregional, and country levels, and thereby catalyze the implementation of ADB's Water Policy in the Asia and Pacific region. The Fund is a multidonor umbrella facility that has financed a coherent program of activities as follows:</p> <ul style="list-style-type: none"> • Promotion and public awareness, which includes the implementation of a Water Awareness Program covering public and media relations, video production and distribution, and advocacy and promotion; • Knowledge base and capacity building through which major sector work is carried out such as comparative analysis of water sector reforms; analysis of water supply service delivery in Asian cities, including a study of small- | <p>The Water Financing Partnership Facility (WFPF) was established on 29 November 2006 to support the WFP.</p> <ul style="list-style-type: none"> • The WFPF aims to provide additional financial and knowledge resources from development partners for the implementation of ADB's water financing program to help achieve targeted outcomes. • The WFPF's resources will be directed at two investment windows, each with a specific set of activities: <ul style="list-style-type: none"> <i>(i) Project Support Window</i> Demonstration projects in urban, rural, and basin contexts will get 70% of WFPF resources. <i>(ii) Program Quality Support Window</i> - Activities that facilitate reforms and strengthen capacity will get 30% of WFPF resources. |

| Item | ADB Policy | | FPF Sector Objectives |
|------|--|--|-----------------------|
| | Strategic Focus/Principal Elements | Initiatives/Programs | |
| | <p>development principles are supported to promote stakeholder consultation and participation at all levels, increase access to basic water services by poor consumers, and enhance water investments in DMCs through public-private-community-NGO partnerships; and</p> <p>(vii) Improving governance - accomplished by promoting decentralization; building capacity; and strengthening monitoring, evaluation, research, and learning at all levels, particularly in public sector institutions.</p> | <p>scale water providers; development and application of tools to assist operations departments in policy dialogue, assessments, roadmaps, as well as in project preparation; capacity development for ADB and DMC staff, including the organization of the ADB Water Week and other knowledge networking platforms; knowledge product development and dissemination; and upstream work (pre-PPTA stage), including preparation of communication strategy for potentially contentious projects, and provision of incremental expertise, as needed, during project preparation and implementation;</p> <ul style="list-style-type: none"> • Pilot and Demonstration Activities, which involve testing of new ideas and validation of innovative development approaches that are highly replicable and adding value to ADB's water operations; • Water Partnerships, which have allowed ADB to forge strategic partnerships such as the Network of Asian River Basin Organizations (NARBO), the Water for Asian Cities, the Gender and Water Partnership, the Water Operators Partnerships Program, and the Asia Pacific Water Forum (under which the network of regional water knowledge hubs has been established); • Regional Events and Initiatives, which have facilitated ADB's organization of and participation in major water events such as the World Water Forum, Stockholm World Water Week, Singapore International Water Week, Southeast Asia Water Forum, World Toilet Summit, and International River Symposium; and • Program Coordination, Monitoring and Reporting, under which ADB carried out the interim review of ADB's water policy implementation in 2003, the independent evaluation of the Fund itself, and the 2005–2006 comprehensive review of ADB's Water Policy implementation by an external panel. <p>(iii) The Water Operators Partnerships (WOPs) Program is a collaboration between ADB and the Global Water Partnership to enable water utilities to improve service coverage and delivery, financial sustainability, and other aspects of their performance. It supports the</p> | |

| Item | ADB Policy | | FPF Sector Objectives |
|--|---|--|--|
| | Strategic Focus/Principal Elements | Initiatives/Programs | |
| | | following: <ul style="list-style-type: none"> • formation of water utilities networks, • continuous improvement and benchmarking, • twinning of water utilities, • training workshops, and • events and related activities. | |
| Clean Energy Policy: 2009 Energy Policy | <ul style="list-style-type: none"> • Support for energy efficiency improvements and renewable energy projects will be prioritized and broadened to reach as many sectors in as many ways as possible. • Efforts to provide energy services for inclusive economic growth will be wide ranging, and programs to extend energy services to communities and groups will be accelerated. • Effective regional cooperation in the energy sector will be promoted to strengthen energy security. • Energy sector reforms, capacity building, and governance will be emphasized to increase investment and efficient use of resources. • Private sector participation (and public-private partnerships) will be encouraged to enhance energy sector efficiency through competition, and to increase investable resources, but not as the end objective of reforms. • All energy sector investments will comply with ADB safeguard policies regarding the environment, involuntary resettlement, and indigenous peoples to ensure that affected persons are protected from impoverishment risks and that development programs for such vulnerable groups are incorporated and implemented. • ADB will not be involved in financing nuclear power generation. • Since coal and oil are internationally traded commodities with established commercial interests, ADB will not finance coal mine development except for captive use by thermal power plants, and oil field development except for marginal and already proven | <ul style="list-style-type: none"> (i) Renewable Energy, Energy Efficiency, and Climate Change (REACH) <ul style="list-style-type: none"> • ADB's technical assistance (TA) program on climate change includes capacity-building activities on generic climate change issues and clean development mechanism (CDM), with emphasis on clean energy and energy efficiency, carbon sequestration, and adaptation. • In 2001, the REACH program was launched through several trust fund initiatives provided by the governments of Canada, Denmark, Finland, and Netherlands. (ii) Energy for All Initiative - works to empower the region's poor by maximizing their access to clean, modern energy. (iii) Carbon Market Initiative (CMI) - works to harness the global carbon market to fund low-carbon development. (iv) Sustainable Transport Initiative - promotes investments in low-carbon, safe, and affordable transport systems and helps to develop inclusive, clean, and energy-efficient transport projects. (v) Cities Development Initiative for Asia - works with cities, development partners, and the private sector to implement needed investments for sustainable urban development, such as public transport, solid waste methane capture, energy efficiency in buildings, and alternate energy (vi) Energy Efficiency Initiative (completed) - successfully mainstreamed clean energy into ADB | Clean Energy Financing Partnership Facility (CEFPF) <ul style="list-style-type: none"> • The objective of the CEFPF is to improve energy security in DMCs and decrease the rate of climate change through increased use of clean energy. • The CEFPF is an umbrella operational arrangement to enhance administrative coordination and efficiency. • The CEFPF comprises the multidonor Clean Energy Fund (CEF) supported by the governments of Australia, Norway, Spain, and Sweden; an individual donor, the Asian Clean Energy Fund (ACEF), supported by the Government of Japan; and the newly established Carbon Capture and Storage Fund (CCSF) supported by the Global Carbon Capture and Storage Institute, an initiative of the Government of Australia. Overall target: \$250 million. <p>(i) The CEFPF promotes energy security and a transition to low-carbon economies through cost-effective investments, especially in technologies that result in greenhouse gas mitigation.</p> |

| Item | ADB Policy | | FPF Sector Objectives |
|---|---|--|--|
| | Strategic Focus/Principal Elements | Initiatives/Programs | |
| | <p>oil fields.</p> <ul style="list-style-type: none"> As a regional knowledge bank, ADB will promote superior knowledge management and dissemination of good practices and lessons learned. ADB will also support advocacy and assistance to DMCs in technology transfer and deployment. ADB will collaborate with a range of development partners, including international development agencies, multilateral and bilateral institutions, the private sector, nongovernment organizations, community-based organizations, and philanthropic foundations. Specific situations will be identified in each DMC for planning and designing interventions. Policy implementation will be monitored by a results framework. | <p>operations, and since evolved into ADB's Clean Energy Program</p> <p>(vii) Low-Carbon Initiatives</p> <ul style="list-style-type: none"> An exchange to transfer clean technologies to Asia and the Pacific Carbon Capture and Storage (CCS) Solar Energy Initiative Quantum Leap in Wind Small Wind Initiative Asia Clean Energy Venture Initiative Renewable Energy Certificate | <p>(ii) The facility's resources also finance policy and institutional reforms, as well as regulatory frameworks that encourage clean energy development.</p> |
| Regional Cooperation and Integration (RCI) Strategy (2006) | <p>Supports ADB's overarching goal of poverty reduction through regional collective actions that lead to greater physical connectivity; expansion of trade and investment; development of financial systems and macroeconomic and financial stability; and improved environmental, health, and social conditions.</p> <p>The RCI strategy aims to build and deepen integration in four interrelated pillars:</p> <ul style="list-style-type: none"> regional and subregional programs on cross-border infrastructure and related software, trade and investment, money and finance, and regional public goods such as prevention of communicable diseases and environmental degradation. <p>ADB's roles in supporting and promoting RCI:</p> <ul style="list-style-type: none"> as a money bank by providing financial resources for RCI projects, programs, and related TA and helping developing countries mobilize additional funding and technical assistance | <p>Regional Cooperation Strategies</p> <p>ADB prepares regional cooperation strategies (RCSs) to ensure coherence and strategic prioritization for the five subregions covered by its regional departments. On the basis of priorities established, ADB assists DMCs in financing regional cooperation through TA grants and projects loans to the</p> <ul style="list-style-type: none"> Central Asia Regional Economic Cooperation (CAREC), Greater Mekong Subregion (GMS), South Asia: Regional Cooperation Strategy, and Pacific Program. <p>Subregional Programs</p> <p>ADB helps develop cross-border infrastructure, advances trade and investment, promotes monetary and financial initiatives, encourages cooperation in regional public goods, and promotes and supports several subregional programs such as:</p> <ul style="list-style-type: none"> GMS Program CAREC) Indonesia, Malaysia, Thailand Growth Triangle (IMT-GT) | <p>Regional Cooperation and Integration Financing Partnership Facility (RCIFPF)</p> <ul style="list-style-type: none"> The objective of the RCIFPF is to enhance regional cooperation and integration in Asia and the Pacific by facilitating the pooling and provision of additional financial and knowledge resources to support RCI activities. RCIFPF aims to <ul style="list-style-type: none"> (i) improve cross-border physical connectivity; (ii) increase trade and investment flows in DMCs from regional and nonregional economies; (iii) preserve macroeconomic and financial stability in the region; and (iv) improve regional environmental, health, and social conditions. |

| Item | ADB Policy | | FPF Sector Objectives |
|------|---|---|-----------------------|
| | Strategic Focus/Principal Elements | Initiatives/Programs | |
| | <ul style="list-style-type: none"> • as a knowledge bank by creating, consolidating, and disseminating knowledge and information on RCI • as a capacity builder by helping countries and regional or subregional bodies build institutional capacity to manage RCI • as an honest broker by serving as a catalyst and coordinator of RCI for developing nations. | Brunei, Indonesia, Malaysia, Philippines East ASEAN Growth Area (BIMP-EAGA) | |

ADB = Asian Development Bank, DMC = developing member country, NGO = nongovernment organization.

Sources: ADB. 2001. *Water for All: The Water Policy of the Asian Development Bank*. Manila; ADB. 2009. *Energy Policy*. Manila; ADB. 2006. *Regional Cooperation and Integration Strategy*. Manila.

COMPLIANCE OF FPF OPERATIONS

| FPF/Project Name | Compliance with FPF Guidelines/Criteria | |
|---|---|--|
| | General Criteria | Specific Criteria/Priority |
| A. Water FPF | | |
| 1. G0171-PRC: Hebei Small Cities and Towns Development Demonstration Sector | <ul style="list-style-type: none"> Water supply and sanitation is a priority in the PRC's current CPS 2008–2010 For the strengthening of the management capacity of water and wastewater service providers, which is in line with the Water Policy element of improving governance and capacity building Indirectly supports WFPF target of providing safe water | <ul style="list-style-type: none"> Urban Water Supports project that addresses basic urban infrastructure including water supply and wastewater management, which will improve the environment and enhance tourism |
| 2. ADTA 7219-PRC: Enabling the Protection of Jiaozhou Bay Water Quality and Wetland Ecosystem | <ul style="list-style-type: none"> Consistent with WFPF thrust of improving governance and capacity building To contribute to "reduced flood risks" and integrated management of water resources (IWRM) Promotes sustainable economic development in line with the CPS's themes of "inclusive growth through balanced development, and environmental sustainability" | <ul style="list-style-type: none"> Rural Water Supports creation of an effective management mechanism for strategic environmental and planning process |
| 3. ADTA 7049-PRC: Implementing the National Flood Management Strategy | <ul style="list-style-type: none"> In line with the priorities of ADB's Water Policy in promoting a national focus on water sector reform and in fostering IWRM Contributes to "reduced flood risks" target Intended to strengthen environmental management in line with the CSP update (2007–2008) | <ul style="list-style-type: none"> Rural Water Expected to result in the implementation of a national flood management strategy at the provincial level |
| 4. ADTA 7127-PRC: River Basin Water Resources Allocation and Management | <ul style="list-style-type: none"> Supports policy of integrated water management Contributes to the WFPF target of introducing integrated water management In line with the ANR development goals of the CPS to (i) support environmental improvement; (ii) reverse natural resources degradation; (iii) address water resource depletion and livelihood improvement for people residing in threatened and sensitive areas; and (iv) promote river basin and ecosystem management and the efficient use of natural resources. | <ul style="list-style-type: none"> Basin Water Will help introduce new knowledge, innovative practices, and stronger governance for river basin water resources allocation and management |
| 5. PPTA 7122-PHI: Water District Development Sector (WDDS) | <ul style="list-style-type: none"> To prepare a project that is in line with the WFP to "improve and expand the delivery of water services" Project will contribute to the WFP target of "200 million people with safe drinking water and improved sanitation" In line with the 2005–2007 CSP | <ul style="list-style-type: none"> Urban Water Resulting project will develop water supply infrastructure in urban centers Supports the institutional development of the Local Water Utilities Administration (LWUA) and contribute to much needed sector reform The Philippines is one of six priority countries |
| 6. PPTA 7132-IND: Integrated Flood and River Erosion Risk Management (IFREM) | <ul style="list-style-type: none"> Water Policy emphasizes developing state water policies, supporting water management institutions, promoting participatory water management, and introducing innovative solutions with good replication potential. This TA is | <ul style="list-style-type: none"> Basin Water Resulting project is in line with the criterion for meeting flood and river erosion risks |

| FPF/Project Name | Compliance with FPF Guidelines/Criteria | |
|--|--|---|
| | General Criteria | Specific Criteria/Priority |
| - Assam (Phase 2) | <p>to prepare for a project which has these elements.</p> <ul style="list-style-type: none"> • TA contributes to "reduced flood risks" and "integrated water management" targets • India CPS 2008–2012 recognizes the role of the water sector in promoting equitable economic growth, poverty reduction, and environmental sustainability, focusing on enhancing intra- and intersector water resources management, and reducing flood and river erosion damage in states in the northeastern region through comprehensive risk management | |
| 7. PPTA 7367-PHI: Pasig River Catchment Sewerage Project | <ul style="list-style-type: none"> • Resulting project is in line with the WFP of "fostering the integrated management of water resources" • To contribute to "integrated water management" target • Priority projects identified in the Philippines 2005–2007 CSP and updated COBP are those relating to water supply, sanitation, and waste management | <ul style="list-style-type: none"> • Urban Water Resulting project is aimed at expanding wastewater treatment coverage and providing sanitation services |
| 8. TA 6484-REG: Mekong Water Supply and Sanitation | <ul style="list-style-type: none"> • In line with the policy of "promoting regional cooperation and increasing the mutually beneficial use of shared water resources within and between countries" • Resulting project will contribute to the WFP target of "200 million people with safe drinking water and improved sanitation" • Included in the regional COBP for the GMS for 2008–2010, and the COBPs 2008–2010 for Cambodia, the Lao PDR, and Viet Nam as a firm TA for 2008 | <ul style="list-style-type: none"> • Urban Water To design a project aimed at improved water supply and sanitation facilities, and safer hygiene practices for the urban population of nine secondary towns in the economic corridors in Cambodia, the Lao PDR, and Viet Nam |
| B. Clean Energy FPF | | |
| 1. G0142-PHI: Philippine Energy Efficiency (ACEF) | <ul style="list-style-type: none"> • PHI COBP 2009–2010, which is consistent with the extended CSP 2005–2007, covers infrastructure projects as priority areas of financing, which includes projects that promote energy efficiency • Energy efficiency and conservation thrust of project consistent with EEI objective (energy efficiency) • Introduction of light-emitting diodes (LEDs) and high quality CFLs across the country, and implementation of energy-efficient improvements in government buildings • Can easily be replicated in other parts of the country | <ul style="list-style-type: none"> • The Philippines is among the priority countries |
| 2. G109-PRC: Capacity Building for Energy Efficiency Implementation(CEF) | <ul style="list-style-type: none"> • Supports the PRC's priority of environmental sustainability (CPS 2008–2010), energy, urban development, and transport operations focusing on clean and efficient technologies to help conserve energy and reduce pollutants and greenhouse gases • Energy efficiency and conservation thrust of project consistent with EEI objective • Supports a project that can be scaled up and replicated in other high energy-consuming provinces | <ul style="list-style-type: none"> • The PRC is among initial priority countries |

| FPF/Project Name | Compliance with FPF Guidelines/Criteria | |
|---|--|--|
| | General Criteria | Specific Criteria/Priority |
| 3. TA 7171-PRC: Railway Sector Energy Efficiency Strategy (CEF) | <ul style="list-style-type: none"> The TA will lead to an energy efficiency strategy for the country's railway sector. Energy efficiency and conservation thrust of project consistent with EEI objective (energy efficiency) | <ul style="list-style-type: none"> The PRC is among initial priority countries |
| 4. TA 7011-SRI: Building the Capacity of Sustainable Energy Authority (CEF) | <ul style="list-style-type: none"> Sri Lanka's 2008 CSP addresses infrastructure gaps, especially in the power sector, including initiatives to reduce energy and water losses and to improve the efficiency of state-owned enterprises. The TA will strengthen the institutional capacity and technical capability of the Sustainable Energy Authority to facilitate and coordinate the government's efforts to promote the sustainable development of renewable energy sources. Supports the government's efforts to promote the sustainable development of renewable energy sources, which is consistent with EEI objective | |
| 5. TA 7286-PRC: Carbon Dioxide Capture and Storage Demonstration (CCSF) | <ul style="list-style-type: none"> Consistent with the CPS 2008–2010 thrust of environmental sustainability, the energy, urban development, and transport operations will focus on clean and efficient technologies to help conserve energy and reduce pollutants and greenhouse gases Energy efficiency and conservation thrust of project consistent with EEI objective (energy efficiency) | <ul style="list-style-type: none"> Consistent with the criterion: "Accelerate the demonstration of carbon capture and storage (CCS) technologies" (preference given to these project proposals) The TA is to formulate a draft strategy for CCS deployment in the country The PRC is among initial priority countries |
| 6. TA 7097-PHI: Pasuquin East Wind Farm Development (CEF) | <ul style="list-style-type: none"> COBP 2007–2008 extended CSP 2005–2007 with the same strategic focus but with a program to increase investment projects, especially for those related to the MDGs and for infrastructure in the power sector including renewable energy Energy efficiency and conservation thrust of project consistent with EEI objective of renewable energy | <ul style="list-style-type: none"> The Philippines is among priority countries |
| 7. TA 6485-REG: Promoting Energy Efficiency in the Pacific (CEF) | <ul style="list-style-type: none"> Consistent with EEI thrust of energy efficiency | |
| C. RCIFPF | | |
| 1. TA 7157-BHU: Promotion of Clean Power Export Development | <ul style="list-style-type: none"> Other Regional Public Goods Undertakes initiatives to promote clean energy (e.g., hydropower) including capacity building for DGPC and DOE key staff | |
| 2. TA 7290-REG: Achieving Urban Water Security for South Asia (ICFF) | <ul style="list-style-type: none"> Research and information dissemination of studies on water security, including vulnerability assessments | <ul style="list-style-type: none"> Requires collective efforts and actions of two or more countries to jointly respond to cross-border issues – South Asian urban areas in India, Nepal, and Sri Lanka Supports research and promotes knowledge generation and dissemination among DMCs in the area of RCI on water security, risks, and vulnerability |
| 3. TA 6433-REG: SASEC Regional ICT and Training | <ul style="list-style-type: none"> Cross-Border Infrastructure and Related Software TA is a (sub)regional cooperation in ICT for improved cross-border | |

| FPF/Project Name | Compliance with FPF Guidelines/Criteria | |
|---|---|----------------------------|
| | General Criteria | Specific Criteria/Priority |
| Network (RCIF) | <ul style="list-style-type: none"> connectivity, rural access to information, and human resource capacity Other Regional Public Goods Capacity and institutional development | |
| 4. TA 6262-REG: Enhancing the Development Effectiveness of the GMS Economic Cooperation Program (RCIF) | <ul style="list-style-type: none"> Cross-Border Infrastructure and Related Software TA will design, establish, and implement a formal quantitative impact evaluation framework for the GMS Other Regional Public Goods - capacity and institutional development TA to build coordination capacity of the eligible GMS national secretariats | |
| 5. TA 6441-REG: Efficiency Improvement and Connectivity Strengthening in Archipelagic Southeast Asia (RCIF) | <ul style="list-style-type: none"> Cross-Border Infrastructure and Related Software - (i) identification of subprojects in energy and transport sectors and completing prefeasibility studies for priority ones; (ii) developing a database for transport and energy stakeholders | |
| 6. TA 6484-REG: Mekong Water Supply and Sanitation | <ul style="list-style-type: none"> Cross-Border Infrastructure and Related Software (i) Agreement on the water supply services level for each town, supported by feasibility studies on treatment options, the financial implications, and human capacity requirements; (ii) agreed-upon overall investment project | |

ACEF = Asia Clean Energy Fund, ADB = Asian Development Bank, ADTA = advisory technical assistance, ANR = agriculture and natural resources, BHU = Bhutan, CCSF = Carbon Capture and Storage Fund, CEF = Clean Energy Fund, CFL = compact fluorescent lamp, COBP = country operations business plan, CPS = country partnership strategy, CSP = country strategy and program, DGPC = Druk Green Power Corporation, DMC = developing member country, DOE = Department of Energy, EEI = energy efficiency initiative, FPF = financing partnership facility, G = grant, GMS = Greater Mekong Subregion, ICT = information and communication technology, ICFF = Investment Climate Facilitation Fund, IND = India, Lao PDR = Lao People's Democratic Republic, MDG = Millennium Development Goals, PHI = Philippines, PRC = People's Republic of China, PPTA = project preparatory technical assistance, RCIF = Regional Cooperation and Integration Fund, RCIFPF = Regional Cooperation and Integration Financing Partnership Facility, REG = regional, SRI = Sri Lanka, TA = technical assistance, WFPF = Water Financing Partnership Facility.

Sources: Grant documents, TA reports, and sector policies.

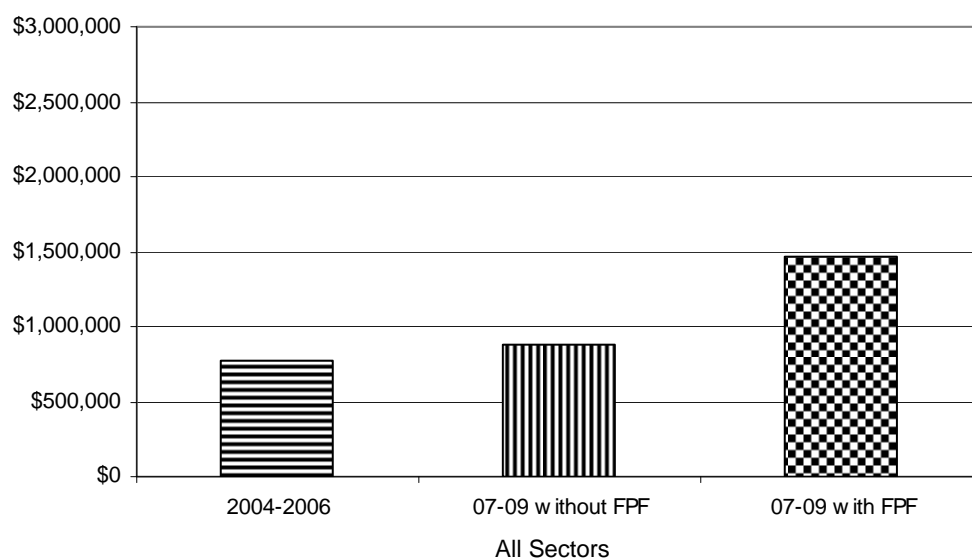
VALUE ADDITION OF FINANCING PARTNERSHIP FACILITIES

A. Assessment Against Counterfactuals

1. An assessment of value addition vis-à-vis two counterfactuals was undertaken to determine if the financing partnership facilities (FPFs) have led to a higher or lower average project size in each of the sector/thematic areas. The two counterfactuals used were (i) technical assistance (TA) approved before the advent of the FPFs in 2007 versus FPF-financed TA (before and after), and (ii) TA approved after the advent of the FPFs but without FPF cofinancing versus FPF-financed TA (with and without).

2. The average amount of TA approvals during 2004–2009 indicates that the FPF-financed projects were on average larger than either the pre-FPF projects or non-FPF financed projects. Figure A6.1 shows that the average value of an FPF-financed TA was more than \$1.3 million, which was approximately twice the size of comparable TAs before the advent of the FPFs and more than 50% larger than non-FPF-financed TAs approved in 2007–2009 (Tables A6.1 and A6.2). The difference between the FPF-financed projects and the two counterfactuals may be considered a broad measure of the value addition of the FPFs.

Figure A6.1: Average TA Size for FPF-Financed Projects vis-à-vis Two Counterfactuals^a



FPF = financing partnership facility, TA = technical assistance.

Note: See Tables A6.1 and A6.2.

^a Two counterfactuals: (1) TAs approved before the advent of the FPFs in 2007 versus the FPF-financed TAs (“before and after” comparison), and (2) TAs approved during the FPF period under review (2007–2009) but without FPF cofinancing versus the FPF-financed TAs (“with and without” comparison).

Sources: FPF secretariats and Asian Development Bank database of approved loans, grants, and technical assistance.

Table A6.1: Average Amount of Approved TAs for Water, Clean Energy, and Regional Cooperation and Integration, With and Without FPF Support, 2007–2009

| Item | With FPF | | | | Without FPF | | | |
|-------------------------|----------|--------|--------|-----------------|-------------|--------|--------|-----------------|
| | 2007 | 2008 | 2009 | Total (2007–09) | 2007 | 2008 | 2009 | Total (2007–09) |
| Water | | | | | | | | |
| No. | 2 | 18 | 9 | 29 | 21 | 22 | 22 | 65 |
| Amount (\$ million) | 1.220 | 28.684 | 9.305 | 39.209 | 23.478 | 18.526 | 13.734 | 55.738 |
| Average (\$ million)/TA | 0.610 | 1.594 | 1.034 | 1.352 | 1.118 | 0.842 | 0.624 | 0.858 |
| Clean Energy | | | | | | | | |
| No. | 1 | 5 | 8 | 14 | 9 | 8 | 14 | 31 |
| Amount (\$ million) | 0.600 | 5.200 | 6.873 | 12.673 | 4.445 | 6.11 | 15.335 | 25.890 |
| Average (\$ million)/TA | 0.600 | 1.040 | 0.859 | 0.905 | 0.494 | 0.764 | 1.095 | 0.835 |
| RCI | | | | | | | | |
| No. | 5 | 17 | 14 | 36 | 81 | 93 | 18 | 192 |
| Amount (\$ million) | 12.100 | 22.058 | 18.31 | 52.463 | 93.553 | 13.759 | 33.660 | 140.972 |
| Average (\$ million)/TA | 2.420 | 1.298 | 1.308 | 1.457 | 1.155 | 0.148 | 1.870 | 0.734 |
| Total | | | | | | | | |
| No. | 8 | 39 | 31 | 78 | 111 | 123 | 54 | 288 |
| Amount (\$ million) | 13.920 | 54.737 | 34.483 | 103.140 | 121.476 | 38.395 | 62.729 | 222.600 |
| Average (\$ million)/TA | 1.740 | 1.404 | 1.112 | 1.322 | 1.094 | 0.312 | 1.162 | 0.773 |

FPF = financing partnership facility, RCI = regional cooperation and integration, TA = technical assistance.

Source: Asian Development Bank database of approved loans, grants, and technical assistance.

Table A6.2: Average Amount of Approved TAs for Water, Clean Energy, and Regional Cooperation and Integration, Before FPF Period (2004–2006) and During FPF (2007–2009) by Number and Amount of Projects

| Item | Before FPF Period | | | | During FPF Period | | | |
|-------------------------|-------------------|--------|---------|-----------------|-------------------|--------|--------|-----------------|
| | 2004 | 2005 | 2006 | Total (2004–06) | 2007 | 2008 | 2009 | Total (2007–09) |
| Water | | | | | | | | |
| No. | 27 | 26 | 24 | 77 | 23 | 40 | 31 | 94 |
| Amount (\$ million) | 13.842 | 12.870 | 18.200 | 44.912 | 24.698 | 47.210 | 23.039 | 94.947 |
| Average (\$ million)/TA | 0.513 | 0.495 | 0.758 | 0.583 | 1.074 | 1.180 | 0.743 | 1.010 |
| Clean Energy | | | | | | | | |
| No. | 7 | 3 | 5 | 15 | 10 | 13 | 22 | 45 |
| Amount (\$ million) | 4.650 | 1.600 | 4.290 | 10.540 | 5.045 | 11.310 | 22.208 | 38.563 |
| Average (\$ million)/TA | 0.664 | 0.533 | 0.858 | 0.703 | 0.505 | 0.870 | 1.009 | 0.857 |
| RCI | | | | | | | | |
| No. | 75 | 85 | 91 | 251 | 86 | 110 | 32 | 228 |
| Amount (\$ million) | 42.321 | 69.706 | 102.24 | 214.268 | 105.653 | 35.817 | 51.965 | 193.435 |
| Average (\$ million)/TA | 0.564 | 0.820 | 1.124 | 0.854 | 1.229 | 0.326 | 1.624 | 0.848 |
| Total | | | | | | | | |
| No. | 109 | 114 | 120 | 343 | 119 | 162 | 85 | 366 |
| Amount (\$ million) | 60.812 | 84.176 | 124.732 | 269.720 | 135.396 | 93.132 | 97.212 | 325.740 |
| Average (\$ million)/TA | 0.558 | 0.738 | 1.039 | 0.786 | 1.138 | 0.575 | 1.144 | 0.890 |

FPF = financing partnership facility, TA = technical assistance.

Source: Asian Development Bank database of approved loans, grants, and technical assistance.

3. **Water sector.** Figure A6.2 illustrates the same "before-and-after" and "with-and-without" analyses for the WFPF-financed TAs vis-à-vis non-WFPF-financed TAs broken down by TA modality. It is apparent that, in terms of total funding, the WFPF-financed TAs are larger on

average than the other scenarios, with the exception of the capacity development TA modality (Table A6.3).

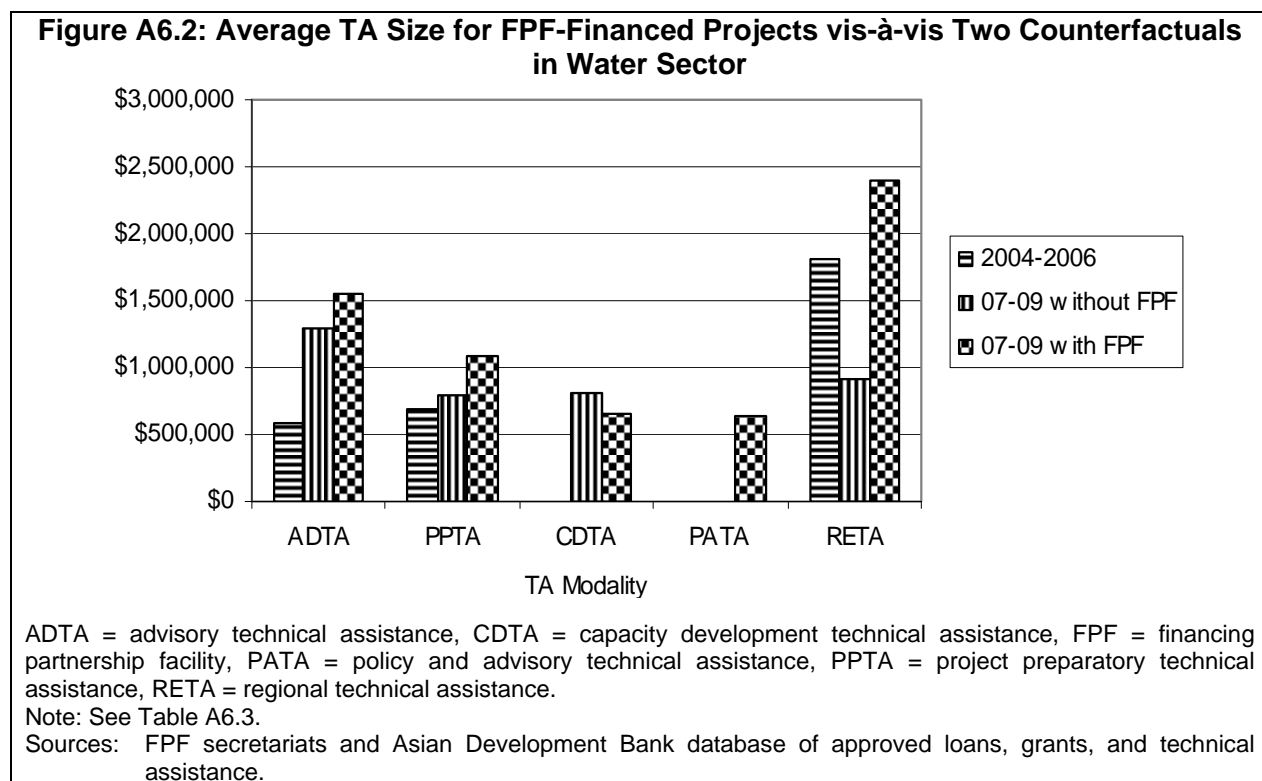


Table A6.3: Average Amount of Approved TAs for Water, Clean Energy, and Regional Cooperation and Integration, Before FPF Period (2004–2006) and During FPF (2007–2009) by Modality of Projects

| Sector/TA Type | 2004–2006 (Before FPF Period) | | | 2007–2009 (During FPF Period) | | | | | | | | |
|------------------------|----------------------------------|----------------|--------------|-------------------------------|---------------|--------------|-------------|----------------|--------------|---|----------------|--------------|
| | No. | \$M | Ave \$M/TA | With FPF Support | | | Without FPF | | | Total TAs, 2007–2009 (During FPF Period) | | |
| | No. | \$M | Ave \$M/TA | No. | \$M | Ave \$M/TA | No. | \$M | Ave \$M/TA | No. | \$M | Ave \$M/TA |
| A. Water | | | | | | | | | | | | |
| ADTA | 20 | 11.310 | 0.566 | 10 | 15.450 | 1.545 | 9 | 11.675 | 1.297 | 19 | 27.125 | 1.428 |
| PPTA | 46 | 25.720 | 0.559 | 14 | 15.281 | 1.091 | 38 | 23.558 | 0.620 | 52 | 38.839 | 0.747 |
| CDTA | | | | 1 | 0.650 | 0.650 | 7 | 5.828 | 0.833 | 8 | 6.478 | 0.810 |
| PATA | | | | 1 | 0.630 | 0.630 | | | | 1 | 0.630 | 0.630 |
| RGTA | 11 | 7.882 | 0.717 | 3 | 7.198 | 2.399 | 11 | 14.677 | 1.334 | 14 | 21.875 | 1.563 |
| Subtotal | 77 | 44.912 | 0.583 | 29 | 39.209 | 1.352 | 65 | 55.738 | 0.858 | 94 | 94.947 | 1.010 |
| B. Clean Energy | | | | | | | | | | | | |
| ADTA | 7 | 4.900 | 0.700 | 3 | 2.400 | 0.800 | 10 | 8.085 | 0.809 | 13 | 10.485 | 0.807 |
| PPTA | 7 | 4.800 | 0.686 | 3 | 0.520 | 0.173 | 8 | 4.595 | 0.574 | 11 | 5.115 | 0.465 |
| CDTA | | | | 4 | 4.703 | 1.176 | 5 | 4.940 | 0.988 | 9 | 9.643 | 1.071 |
| PATA | | | | 1 | 0.500 | 0.500 | 3 | 2.500 | 0.833 | 4 | 3.000 | 0.750 |
| RETA | 1 | 0.840 | 0.840 | 3 | 4.550 | 1.517 | 5 | 5.770 | 1.154 | 8 | 10.320 | 1.290 |
| Subtotal | 15 | 10.540 | 0.703 | 14 | 12.673 | 0.905 | 31 | 25.890 | 0.835 | 45 | 38.563 | 0.857 |
| C. RCI | 251 | 214.268 | 0.854 | 36 | 52.463 | 1.457 | 192 | 140.972 | 0.734 | 228 | 193.435 | 0.848 |
| All FPFs | | | | | | | | | | | | |
| ADTA | 27 | 16.210 | 0.600 | 13 | 17.850 | 1.373 | 19 | 19.760 | 1.040 | 32 | 37.610 | 1.175 |

| Sector/TA Type | 2004–2006 (Before FPF Period) | | | 2007–2009 (During FPF Period) | | | | | | | | |
|----------------|----------------------------------|----------------|--------------|-------------------------------|----------------|--------------|-------------|----------------|--------------|---|----------------|--------------|
| | No. | \$M | Ave \$/TA | With FPF Support | | | Without FPF | | | Total TAs, 2007–2009 (During FPF Period) | | |
| | | | | No. | \$M | Ave \$/TA | No. | \$M | Ave \$/TA | No. | \$M | Ave \$/TA |
| PPTA | 53 | 30.520 | 0.576 | 17 | 15.801 | 0.929 | 46 | 28.153 | 0.612 | 63 | 43.954 | 0.698 |
| CDTA | | | | 5 | 5.353 | 1.071 | 12 | 10.768 | 0.897 | 17 | 16.121 | 0.948 |
| PATA | | | | 2 | 1.130 | 0.565 | 3 | 2.500 | 0.833 | 5 | 3.630 | 0.726 |
| RETA | 263 | 222.990 | 0.848 | 42 | 64.211 | 1.529 | 208 | 161.419 | 0.776 | 250 | 225.630 | 0.903 |
| Total | 343 | 269.720 | 0.786 | 79 | 104.345 | 1.322 | 288 | 222.600 | 0.773 | 367 | 326.945 | 0.890 |

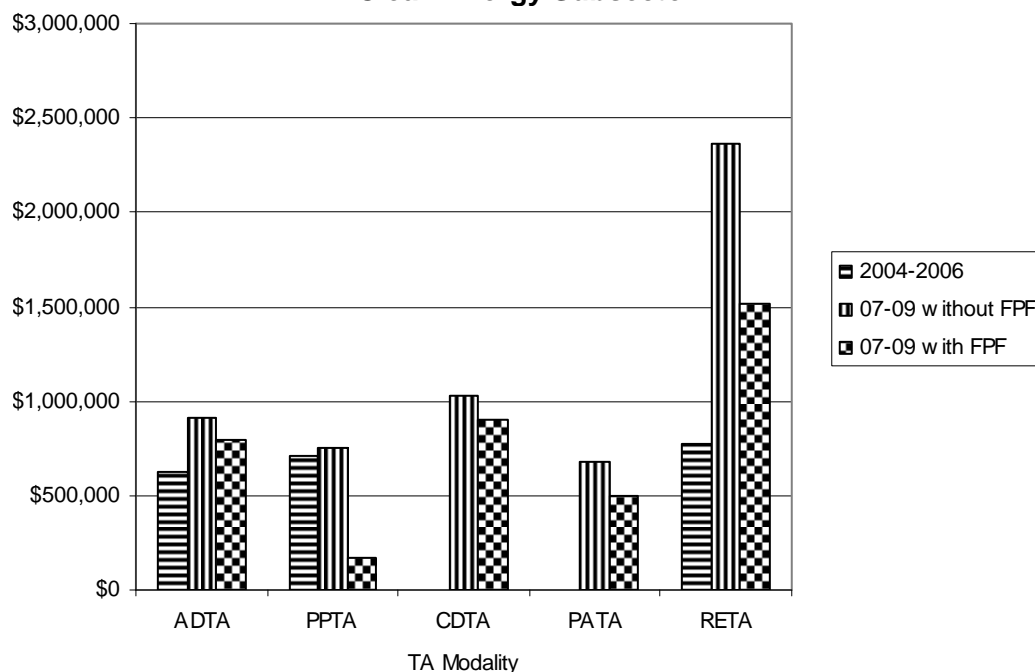
ADTA = advisory and operational technical assistance, CDTA = capacity development technical assistance, PATA = policy and advisory technical assistance, PPTA = project preparatory technical assistance, RCI = regional cooperation and integration, RETA = regional technical assistance, TA = technical assistance.

^a The sum of the number and amount of TAs do not tally with the total for all FPF TAs since one TA is financed by both WFPF and RCIFPF, and was counted only as one in the total for all FPFs.

Sources: FPF secretariats and Asian Development Bank database of approved loans, grants, and technical assistance.

4. **Clean energy subsector.** Figure A6.3 illustrates the same “before-and-after” and “with-and-without” analyses for the CEFPPF-financed TAs vis-à-vis non-CEFPF-financed TAs broken down by TA modality (Table A6.3). In this case, it would appear that the effect of the CEFPPF depends on the type of TA although CEFPPF-assisted TAs are in general slightly bigger. Specifically, the CEFPPF-financed regional TAs and capacity development TAs are on average higher in value than the comparable non-CEFPF-financed TAs. The opposite is true in the case of project preparatory TAs and advisory TAs (ADTAs and PATAs), wherein the non-CEFPF TAs are on average bigger.

Figure A6.3: Average TA Size for FPF-Financed Projects vis-à-vis Two Counterfactuals in Clean Energy Subsector



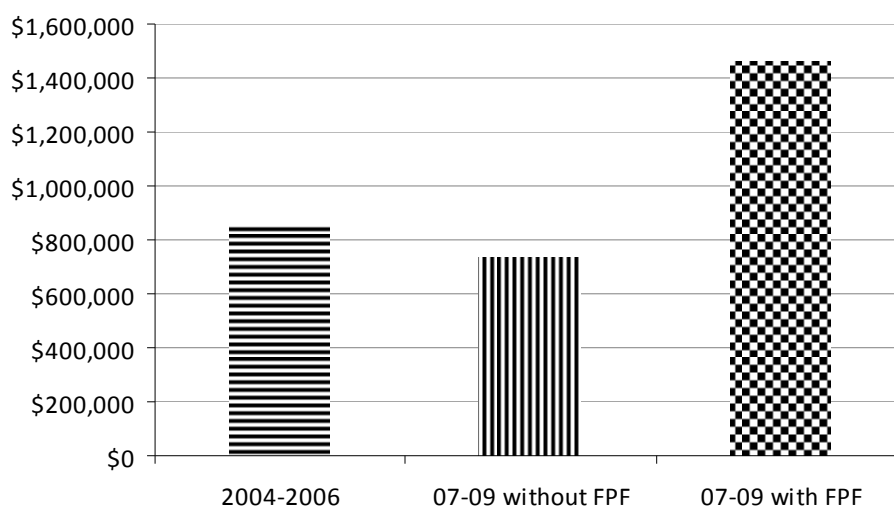
ADTA = advisory technical assistance, CDTA = capacity development technical assistance, FPF = financing partnership facility, PATA = policy and advisory technical assistance, PPTA = project preparatory technical assistance, RETA = regional technical assistance, TA = technical assistance.

Note: See Table A6.3.

Sources: FPF secretariats and Asian Development Bank database of approved loans, grants, and technical assistance.

5. **Regional cooperation and integration.** Figure A6.4 illustrates the same “before and after” and “with and without” analyses for the RCIFPF-financed TAs vis-à-vis non-RCIFPF-financed TAs broken down by TA modality. Similar to the WFPF, it would appear that there is evidence that the RCIFPF-financed TAs are on average larger than the non-RCIFPF-financed TAs (Table A6.4).

Figure A6.4: Average TA Size for FPF-Financed Projects vis-à-vis Two Counterfactuals in Regional Cooperation and Integration



FPF = financing partnership facility, TA = technical assistance.

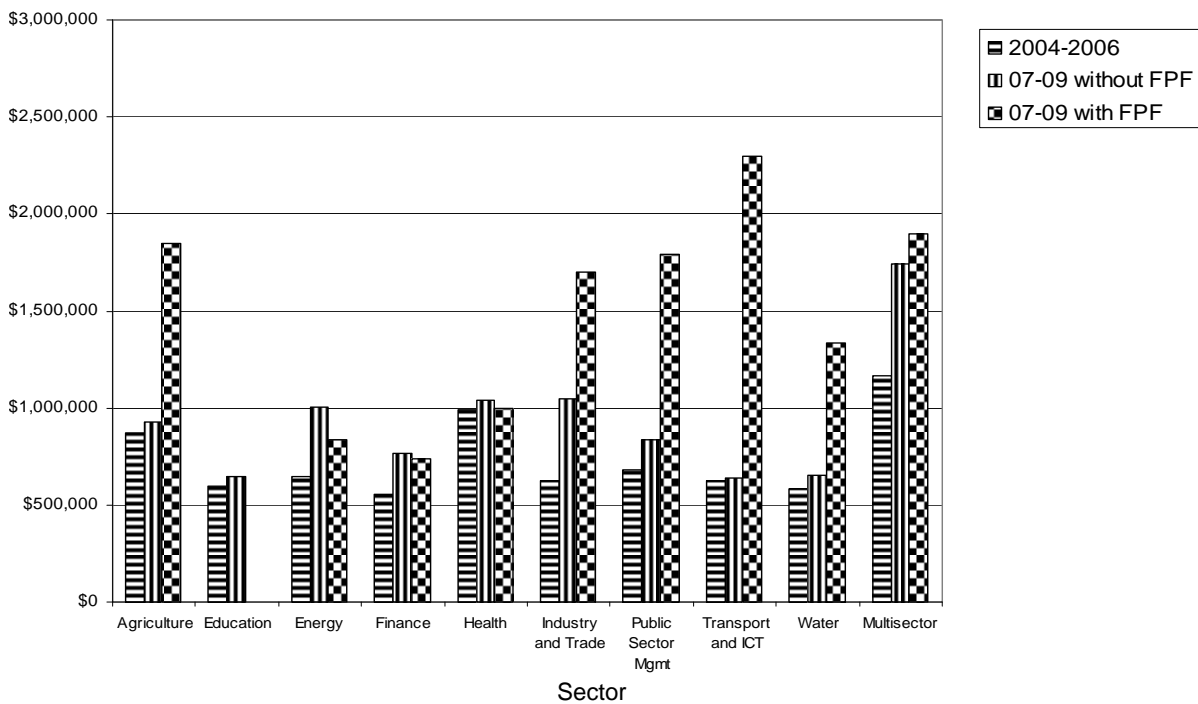
Note: Includes all regional technical assistance, see Table A6.3.

Sources: FPF secretariats and Asian Development Bank database of approved loans, grants, and technical assistance.

6. **Across major sectors.** Figure A6.5 illustrates the same “before-and-after” and “with-and-without” analyses for the FPF-financed TAs vis-à-vis non-FPF-financed TAs across the major ADB sectors (Table A6.4). The graph shows that in all but three sectors (energy, finance, and health and social protection), the FPF-financed TAs are on average larger than the non-FPF-financed TAs.¹

¹ One important caveat to this analysis relates to the fact that there is not a clear alignment between the FPF “sectors/areas” and how ADB defines sectors/themes in its classification system. For example, a project may be classified by the CEFPP as a clean energy project, but in ADB’s definition may be classified as an industry and trade project.

Figure A6.5: Average TA Size for FPF-Financed Projects vis-à-vis Two Counterfactuals in Across the Major ADB Sectors



ADB = Asian Development Bank, FPF = financing partnership facility, ICT = information and communication technology, TA = technical assistance.

Note: Energy sector TAs include not only clean energy TAs but all energy-related TAs. See Table A6.5 for specific values.

Sources: FPF secretariats and Asian Development Bank database of approved loans, grants, and technical assistance.

7. The Independent Evaluation Department concludes from the above assessment that FPFs have generally added value to ADB operations in terms of increasing the average size of projects in FPF sector/thematic areas, as well as through increasing the overall size of the aggregate portfolio of FPF-financed and non-FPF-financed projects in these same areas.

Table A6.4: Number and Amount of Approved TAs by Sector: Before FPF Period (2004–2006) and During FPF Period (2007–2009), With and Without FPF Assistance

| Sector | 2004–2006 (Before FPF Period) | | | | 2007–2009 (During FPF Period) | | | | | | | | | | | |
|---|-------------------------------|--------------|------------|--------------|-------------------------------|-------------|------------|--------------|-------------|--------------|------------|--------------|--|--------------|------------|--------------|
| | | | | | With FPF Support | | | | Without FPF | | | | Total TAs, 2007–2009 (During FPF Period) | | | |
| | No. | \$M | % | Ave \$M/TA | No. | \$M | % | Ave \$M/TA | No. | \$M | % | Ave \$M/TA | No. | \$M | % | Ave \$M/TA |
| Agriculture and Natural Resources | 137 | 119.7 | 19 | 0.874 | 5 | 6.0 | 11 | 1.200 | 102 | 95.0 | 13 | 0.931 | 107 | 101.0 | 12 | 0.944 |
| Education | 45 | 26.9 | 4 | 0.597 | | | | | 24 | 15.5 | 2 | | 24 | 15.5 | 2 | 0.646 |
| Energy | 78 | 50.3 | 8 | 0.645 | 2 | 1.8 | 3 | 0.894 | 104 | 101.8 | 13 | 0.979 | 106 | 103.6 | 13 | 0.977 |
| Finance | 83 | 45.8 | 7 | 0.551 | 7 | 6.4 | 12 | 0.913 | 55 | 41.1 | 5 | 0.747 | 62 | 47.5 | 6 | 0.766 |
| Health and Social Protection | 42 | 41.6 | 7 | 0.991 | 2 | 2.0 | 4 | 1.000 | 35 | 36.4 | 5 | 1.041 | 37 | 38.4 | 5 | 1.039 |
| Industry and Trade | 37 | 23.1 | 4 | 0.624 | 4 | 5.3 | 10 | 1.325 | 20 | 20.3 | 3 | 1.014 | 24 | 25.6 | 3 | 1.065 |
| Public Sector Management | 249 | 169.4 | 27 | 0.680 | 3 | 3.0 | 6 | 0.983 | 241 | 211.2 | 28 | 0.876 | 244 | 214.1 | 26 | 0.877 |
| Transport and ICT | 109 | 67.8 | 11 | 0.622 | 3 | 7.4 | 14 | 2.467 | 125 | 80.7 | 11 | 0.646 | 128 | 88.1 | 11 | 0.689 |
| Water and Other Municipal Infrastructure and Services | 77 | 44.9 | 7 | 0.583 | 2 | 2.1 | 4 | 1.025 | 73 | 67.8 | 9 | 0.929 | 75 | 69.9 | 9 | 0.932 |
| Multisector | 34 | 39.7 | 6 | 1.168 | 8 | 18.6 | 35 | 2.323 | 52 | 86.3 | 11 | 1.659 | 60 | 104.9 | 13 | 1.748 |
| Total | 891 | 629.1 | 100 | 0.706 | 36 | 52.5 | 100 | 1.457 | 831 | 756.1 | 100 | 0.910 | 867 | 808.6 | 100 | 0.933 |

Ave = average, FPF = financing partnership facility, ICT = information and communication technology, TA = technical assistance.

Note: Energy sector TAs include not only clean energy TAs but all energy-related TAs.

Sources: Asian Development Bank database of approved loans, grants, and technical assistance.

B. Anecdotal Evidence of Value Addition in FPF-Financed Projects

8. At the project level, value addition is regarded as any component that is incremental to what the project would typically be. The value addition may include (i) increase in scope, (ii) inclusion of additional monitoring and evaluation, (iii) financial guarantees, (iv) risk sharing, (v) greater consultation or inclusion of the beneficiaries, (vi) additional effort to ensure sustainability, and/or (vii) mitigation of risks. Not all of these added value components are featured within the FPF-financed projects; however, a number of projects do demonstrate added value.

9. The provision of a financial guarantee or a contingency fund to cover specific risks is a good example of added value (Box A6.1).

Box A6.1: The Case of the Solar Power Project in Thailand

CEFPF assistance is playing a catalytic role in demonstrating the feasibility of a large-scale private sector solar farm, a model that can then be replicated by other private sector investors in Thailand and other DMCs and eventually have a transformational impact on the energy sector and the development of a green industry using advanced technology.

The CEFPF-financed Solar Power Project is developing a new 55 MW photovoltaic (PV) solar power plant in Lopburi Province in Central Thailand. The development will sell its generated power to the Electricity Generating Authority of Thailand, the national power utility of the country. The project will be the first large, utility-scale solar power generating facility in the country and the largest PV solar power plant in the world. Power projects need contingency funds to cover risks that are directly related to total project capital expenditure. These risks have to be covered by contingency funds in order to provide comfort to private sector investors and lenders. The incremental costs show that a solar power project would cost \$18.3 million more than an equivalent-capacity conventional gas-fired power project. The CEFPF will support the implementation of the project, which will be the first to demonstrate the capacity of a large scale-solar project to satisfy the power needs in Thailand, and prove the feasibility of thin-film PV technology for utility-scale power generation. Specifically, the CEFPF financing will provide cover (via a grant component of investment) of up to \$2 million of the contingency in the unlikely case that the project has to draw down contingency funds. Therefore, the CEFPF funds will help to overcome the gap and significantly reduce an inherent risk of introducing new thin-film PV technology on a large scale.

CEFPF = Clean Energy Financing Partnership Facility, DMC = developing member country, MW = megawatt.

Sources: Thailand Solar Power Project concept review paper, Thailand Solar Power Project application to access, and CEFPF Secretariat.

10. Capacity building to assist in the implementation of a bigger investment project is another example of added value. In the case in Box A6.2, the implementing agency required assistance to improve its capability to carry out strategic planning and then to complete engineering drawings suitable for contract negotiations.

Box A6.2: Development of a Wastewater Management Planning Method for Khairpur, Sindh Province, Pakistan

This activity was funded by the Water Financing Partnership Facility in support of the \$300 million multitranche financing facility (MFF) loan for the Sindh Cities Improvement Investment Program. It was to (i) develop a practical model for sound wastewater management planning and investment preparation, and (ii) expedite contracting of civil works under tranche 1 of the MFF loan. Expeditious contracting was considered essential to maintain political and community support for the major institutional reforms planned in water supply and sanitation. Specific activities included (i) development of a method for wastewater management strategic planning, (ii) preparation of the associated Khairpur Wastewater Management Strategic Plan and Priority Investment Program, (iii) preparation of detailed engineering designs and contract documentation for selected priority investments, (iv) review and evaluation of bids submitted by the contractor for selected priority works, and (v) organization and delivery of an educational workshop to present the methodology and provide a practical illustration of the method. The activity deliverables were launched by the Chief Minister, Sindh, highlighting the strengthened institutional capacity.

The investment project involves (i) providing efficient sewerage disposal for 24,000 households and 150,000 citizens through rehabilitation of 13 sewerage disposal stations; (ii) installing a new and efficient piped sewer system of 2,316 meters (m) for wastewater and storm water collection for 8,000 households or 50,000 people with 59 new manholes; (iii) connecting city sewerage to the wastewater treatment system to be constructed through 1,372 m of unplasticized polyvinyl chloride; (iv) removing two disposal stations that are not required, saving 500 citizens from foul odor in the neighborhood; (v) providing standby operational capability for two disposal stations by way of two standby generators; and (vi) improving flood control for 8,000 households.

Sources: Project concept review paper and application to access, Water Financing Partnership Facility Secretariat.

11. An assessment of the institutional capacity of an implementing agency is an example of added value, particularly where the implementing agency is the same for a likely investment project (Box A6.3). Not all agencies have the capability to plan and implement investment projects, yet their capacity is vital for project implementation and sustainability.

Box A6.3: Institutional and Policy Assessment for Small Towns Water Supply and Sanitation in Nepal

A strong need for conducting a comprehensive institutional and policy assessment to facilitate the design of institutional strengthening in the sector surfaced during the preparation of the feasibility study for water supply and sanitation in small towns of Nepal. This was to ensure alignment with the decentralization and devolution goals. The Water Financing Partnership Facility funded this activity to define (i) a vision for the sector, supported by the required institutional framework and roadmap; (ii) the roles and responsibilities of the Department of Water Supply and Sewerage within a devolved scheme; and (iii) the organizational structure and institutional mandates. This activity has successfully facilitated a \$45.1 million investment project (Second Small Towns Water Supply and Sanitation Project), approved in September 2009.

Sources: Nepal's Small Towns Water Supply and Sanitation concept review paper and application to access, Water Financing Partnership Facility Secretariat.

12. A new investment project in infrastructure does not necessarily lead to economical, efficient, and sustained service. The ongoing mode of operation of the infrastructure and policies on tariffs to provide sufficient finance also play a significant role in achieving efficient and sustainable service (Box A6.4).

Box A6.4: Capacity Building for Sukhandarya Water Supply and Sanitation Project in Uzbekistan

In October 2008, a \$30.0 million loan was approved by the Asian Development Bank for the development of water supply and sanitation services that will benefit some 340,000 people in Uzbekistan. This investment project provides for (i) the development of boreholes at identified groundwater sources, (ii) water transmission facilities, (iii) service reservoirs, (iv) chlorination facilities, (v) distribution networks, (vi) individual metered service connections, (vii) structural improvements in office buildings, (viii) provision of safe drinking water in all schools in 10 Termez City districts, and (ix) provision of complementary investments in toilet blocks for a selected number of schools and hygiene promotion activities in all schools in the project areas.

The Water Financing Partnership Facility (WFPF) support was required to significantly strengthen the institutional development component of the project to further ensure sustainability of project investments through (i) improved capacity of institutions at the national level in developing and implementing a long-term sector roadmap for Uzbekistan, and (ii) increased efficiency of water supply and sanitation enterprises in delivering water supply and sanitation services to cities and small towns. Specifically, the WFPF funding was used to finance (i) the development and improvement of sector strategies and roadmaps and link these to a country-wide sector investment program and investment planning process; (ii) the implementation of reforms and capacity development programs covering corporate governance, business planning, financial management and accounting, tariff setting, billing and collection, operation and maintenance, customer relationship management, and performance measurement and benchmarking; and (iii) the preparation of a public-private-partnership framework for the water supply and sanitation sector, including developing a roadmap for encouraging private sector participation.

Sources: Project concept review paper and application to access, Water Financing Partnership Facility Secretariat.

13. Increasing the scope of an investment project, above what the developing member country may have originally envisaged, facilitates a more rapid take-up of new and emerging technologies. Deployment of a new technology that the developing member country would otherwise have been reluctant to pursue is an example of value addition (Box A6.5).

Box A6.5: Demonstration of Compact Fluorescent Lighting and Solar-Powered Street Lighting in Nepal

The Three-Year Interim Plan of Nepal (2007/08–2010/11) identified the development of the electricity sector as one of the highest priorities. One of the main policy objectives was expanding low-cost and reliable electricity coverage in rural areas. Further, the Asian Development Bank country strategy and program (i) identified expansion of access to rural electricity by extending the integrated grid, (ii) strengthening the distribution network, and (iii) developing renewable energy as priority areas. To alleviate the supply constraint in the short and medium term, demand-side management (DSM) was identified as an option. Two available DSM interventions were (i) energy efficient lighting, and (ii) standalone renewable energy production. Energy-based street-lighting will contribute to a significant reduction in the lighting-load on the system in terms of both energy consumption and peak-load. The Nepal Electricity Authority (NEA) is now embarking on an energy efficient lighting program based on compact fluorescent lamps (CFLs) in two districts with some seed money provided from the government.

The Clean Energy Financing Partnership Facility (CEFPF)/Climate Change Fund will provide an additional \$4.5 million to expand this program to three additional districts. The funds will also assist NEA to create and maintain a revolving fund that will facilitate future replication of the CFL program across Nepal. The additional components cover (i) energy efficiency in lighting, and (ii) renewable energy for street-lighting. Being a new untested technology in Nepal, NEA would have found it difficult to justify a wider investment; therefore, considering both the global and local benefits of the proposed activities and the opportunity for replication later, support from CEFPF/Climate Change Fund will overcome the financial barrier. The proposed piloting of the CFL program will introduce 1,000,000 CFLs in selected districts over a period of 2 years. Once fully implemented, the direct efficiency improvement in lighting will amount to a saving of approximately 23 gigawatt-hours per year. Since the funding provided will be partly used as a revolving fund, the impact of the program will be substantially higher in the long term.

Sources: Project concept review paper and application to access, CEFPF Secretariat.

14. The FPFs have on a number of occasions provided “seed” money to support the cost of up-front feasibility studies or the early initial investments required to develop new technologies.

The feasibility of a wind farm depends upon a thorough assessment of wind energy at a potential site, which involves erecting towers and monitoring equipment. Lowering the financial risk for the potential investor encourages activity in the sector and is an example of value addition (Box A6.6).

Box A6.6: Lamthakong, Thailand Wind Farm, Monitoring of Wind Resources

The Lamthakong wind power project may be developed in Northeastern Thailand by a consortium led by the Eurus Energy Group. Thailand's total wind power generation capacity is only 1.04 megawatts (MW) as of June 2009. The high up-front cost of detailed analysis of potential sites including the extensive on-site monitoring of wind resources has hindered large-scale development by the private sector.

Funds from the Clean Energy Financing Partnership Facility (CEFPF)/Climate Change Fund will support the feasibility study for a large-scale (90 MW) wind farm in Lamthakong, supplying power to the Electricity Generating Authority of Thailand (EGAT) under EGAT's commitment to purchase renewable energy. Given that no large-scale wind farms currently exist in Thailand, this activity should have a significant catalytic effect by funding the assessment of a technical feasibility study, and based upon the results, will hopefully encourage private sector investment in wind energy. The Eurus Energy Group has expressed interest to work actively with the Asian Development Bank including this activity and possibly debt financing of the project. The estimated carbon dioxide reduction for the full implementation of the Lamthakong wind farm is approximately 90,000 tons per annum. Full feasibility and preliminary project development work is ongoing and is expected to be completed by mid- to end-2010.

Sources: Project concept review paper and application to access, CEFPF Secretariat.

KEY INFORMANT PERCEPTIONS ON THE FINANCING PARTNERSHIP FACILITIES

A. Survey Objectives, Scope, and Methodology

1. As part of the special evaluation study (SES) on financing partnership facilities for water, clean energy, and regional cooperation and integration (RCI), a perceptions survey was conducted to seek the views of financing partnership facility (FPF) financing partners and project team leaders (PTLs) on the performance of the Water Financing Partnership Facility (WFPF), Clean Energy Financing Partnership Facility (CEFPF), and Regional Cooperation and Integration Financing Partnership Facility (RCIFPF) in terms of relevance, effectiveness, efficiency, and sustainability. The survey results were intended to complement findings from the review of related studies and available FPF reports, analysis of quantitative data, and key informant interviews.

2. The survey used two types of structured questionnaires: one set was intended for the FPF financing partners or donor agency staff, and another for the Asian Development Bank (ADB) staff who are team leaders of FPF-financed projects (see Supplementary Appendix A for the survey questionnaires). The names of the representative staff of financing partners were obtained from the ADB Office of Cofinancing Operations (OCO). Meanwhile, a list of PTLs was prepared based on the records of FPF-financed projects obtained from the respective secretariats of the WFPF, CEFPF, and RCIFPF. The survey was administered by email¹ and responses were collected in June–July 2010. Several reminders were sent to target respondents to achieve the highest possible response rate within the survey period.

B. Respondents

3. **Response rates.** Of the total 14 staff of the FPF financing partners representing eight donor agencies, 10 staff of six financing partners² responded to the survey, showing a 71% response rate. Among PTLs, 32% of the 81 target respondents accomplished the survey questionnaire. Overall, the survey attained a 38% response rate. The breakdown of the responses by FPF is shown in Table A7.1.

Table A7.1: Perceptions Survey Response Rates

| Item | Targeted (no.) | Responded (no.) | Response Rate (%) | Sampling Error (%) ^a |
|-----------------------------|-----------------------|-----------------|-------------------|---------------------------------|
| Donor Agency Staff | 14^b | 10 | 71 | 17 |
| Water FPF | 6 | 5 | 83 | |
| Clean Energy FPF | 8 | 4 | 50 | |
| RCI FPF | 1 | 1 | 100 | |
| Project Team Leaders | 81 | 26 | 32 | 16 |
| Water FPF | 38 | 14 | 37 | |
| Clean Energy FPF | 13 | 4 | 31 | |
| RCI FPF | 30 | 8 | 27 | |
| Total | 95 | 36 | 38 | 13 |

FPF = financing partnership facility, RCI = regional cooperation and integration.

^a Computed sampling error at 95% reliability.

^b One donor responded twice.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

4. **Participation and involvement in the FPF.** As of the survey period, donor agency staff who responded to the survey had been participating in the FPF ranging from roughly 4 months

¹ The Survey Monkey (www.surveymonkey.com), an online survey tool, was used to administer the survey.

² Namely, Ministry of Finance of Austria, Spanish Ministry of Economy, Australian Agency for International Development, Ministry of Foreign Affairs of Norway, Japan Ministry of Finance, and Global Carbon Capture and Storage Institute.

to 3 years, or an average of 1.6 years or 19 months (Table A7.2). The respondents were asked about the nature of their involvement in key FPF activities, whether they are mainly responsible, participating, or not at all involved, and their responses are shown in Table A7.3. More than half (60%) of the respondent partners are responsible for receiving and evaluating requests from ADB for FPF support, but only a few are responsible for their approval. Most of them (80%) participate in the annual consultation meetings and are responsible for receiving/commenting on the annual work program and/or annual/semiannual progress reports. About half have worked with the ADB staff in formulating the FPF implementation guidelines, reporting templates, and/or the design and monitoring framework (DMF). It can also be noted from Table A7.3 that no one among the respondents worked with ADB in developing the FPF establishment paper.

Table A7.2: Number of Years of Involvement in ADB FPFs

| Item | Years of Involvement (no.) | | |
|-----------------------------|-------------------------------|----------|------------|
| | Minimum | Maximum | Average |
| Donor Agency Staff | 0.3 | 3 | 1.6 |
| Water FPF | 0.3 | 3 | 1.9 |
| Clean Energy FPF | 0.5 | 2 | 1.3 |
| RCI FPF | 1.5 | 1.5 | 1.5 |
| Project Team Leaders | 0.2 | 3 | 2.1 |
| Water FPF | 0.2 | 3 | 2.4 |
| Clean Energy FPF | 1 | 3 | 1.5 |
| RCI FPF | 1 | 3 | 2 |
| Total | 0.2 | 3 | 1.9 |

ADB = Asian Development Bank, FPF = financing partnership facility, No. = number, RCI = regional cooperation and integration.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

Table A7.3: Financing Partners' Nature of Involvement with Each FPF Activity
(% of responses)

| Item | Responsible | Participating | No Involvement |
|---|-----------------|-----------------|-----------------|
| Receiving requests from ADB to support an FPF | 60 | 20 | 20 |
| Evaluating ADB's request for FPF support | 60 | 20 | 20 |
| Approving the FPF support and the amount of funding | 20 | 70 | 10 |
| Working with ADB in the development of the Board/establishment paper | 0 | 0 | 100 |
| Working with ADB on the FPF's implementation guidelines, reporting templates, and the design and monitoring framework (DMF) | 10 | 40 | 50 |
| Deciding on the remittance schedule for contributions | 20 | 30 | 50 |
| Approving of funding allocation under the RCIFPF-ICFF or the CEFPP-ACEF | 0 | 50 ^a | 50 ^b |
| Approving of projects for RCIFPF-ICFF or CEFPP-ACEF funding | 50 ^b | 50 ^a | 0 |
| Participating in the Annual Consultation Meeting of financing partners | 80 | 10 | 10 |
| Receiving the FPF annual work program and/or annual/semi-annual progress reports | 70 | 30 | 0 |
| Commenting on FPF annual progress reports | 90 | 10 | 0 |

ADB = Asian Development Bank, ACEF = Asian Clean Energy Fund, CEFPP = Clean Energy Financing Partnership Facility, FPF = financing partnership facility, ICFF = Investment Climate Facilitation Fund, RCIFPF = Regional Cooperation and Integration Financing Partnership Facility

^a Under the RCIFPF, the lone respondent is a "participant" to funding allocation and project approval for the ICFF.

^b The lone respondent is "not involved" in approving of funding allocation and "responsible" for project approvals under the CEFPP-ACEF.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

5. The respondent PTLs meanwhile have been handling a project for an average of 2.1 years. The longest period of involvement of some PTLs in implementing an FPF-financed project is 3 years, while the shortest is only less than 3 months as of the survey period (Table A7.2).

6. **Interaction with the FPF team.** In 2009, most partners had interacted through meetings, email, or telephone calls with the FPF team 1–5 times (Table A7.4). They had interacted or communicated with members of the Steering Committee or the Community of Practice (CoP) in the case of RCIFPF, the sector committees, the secretariat including the facility manager, and concerned staff of OCO and the Controller's Department. A partner commented that there is a need to have more capacity in terms of number of ADB staff (in OCO) to handle RCI, and to strengthen coordination between the FPF Secretariat (Office of Regional Economic Integration [OREI]) and donors.

Table A7.4: Partners' Frequency of Interaction with the FPF Team, 2008–2009
(% of responses)

| Item | 2008 | | | 2009 | | |
|----------------------------------|------|-----------|-------------|------|-----------|-------------|
| | 0 | 1–5 times | More than 5 | 0 | 1–5 times | More than 5 |
| Steering Committee/RCIFPF CoP | 20 | 80 | | 13 | 75 | 13 |
| Sector Committee | 75 | 25 | | 60 | 40 | |
| Facility Manager | 20 | 60 | 20 | | 88 | 13 |
| FPF Secretariat | | 100 | | | 88 | 13 |
| Office of Cofinancing Operations | | 60 | 40 | | 88 | 13 |
| Controller's Department | 100 | | | 86 | 14 | |

CoP = Community of Practice, FPF = financing partnership facility, RCIFPF = Regional Cooperation and Integration Financing Partnership Facility.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

7. In the past 3 years of the FPF, a number of PTLs have had the chance to interact not only with the FPF facility manager and secretariat but also with the Steering Committee or the RCI CoP with regard to funding requests for their projects. At the same time, there were also PTLs who had no interaction with the FPF team except with the working committee (Table A7.5). It was clarified by way of a comment that the fund allocation has to be approved by the Steering Committee, which is usually on a no-objection basis, so there seems to be no need for PTLs in the Steering Committee meetings. But PTLs have to attend working group meetings when projects requesting funding are discussed.

Table A7.5: PTLs' Frequency of Interaction with the FPF Team, 2007–2009
(% of responses)

| Item | 2007 | | | | 2008 | | | | 2009 | | | |
|----------------------------|------|-----------|------------|--------------|------|-----------|------------|--------------|------|-----------|------------|--------------|
| | 0 | 1–5 Times | 6–10 Times | More than 10 | 0 | 1–5 Times | 6–10 Times | More than 10 | 0 | 1–5 Times | 6–10 Times | More than 10 |
| Steering Committee/RCI CoP | 33 | 58 | | 8 | 31 | 46 | 8 | 15 | 41 | 35 | 18 | 6 |
| Sector Committee | | 67 | 17 | 17 | | 67 | 17 | 17 | | 56 | 11 | 33 |
| Facility Manager | 23 | 54 | 8 | 15 | 27 | 53 | | 20 | 35 | 41 | 12 | 12 |
| FPF Secretariat | 19 | 50 | 6 | 25 | 28 | 39 | 6 | 28 | 22 | 43 | 4 | 30 |

CoP = community of practice, FPF = financing partnership facility, PTL = project team leader.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

8. Overall, 88% of PTLs affirmed that the FPF managers and secretariat were highly capable and that their interaction with them is of high quality (Table A7.6). In particular, PTLs found the FPF team (i) respectful and accommodating, (ii) with good communication skills, (iii) able to deliver on commitments and carry out promises, (iv) knowledgeable about the sector, and (v) able to provide valuable guidance in respect of the FPF funding and eligibility criteria. A PTL even remarked that the CEFPPF team/secretariat had provided him/her “excellent support” and that he/she was “fully satisfied” with the assistance. Similarly, the WFPF team was cited as being “very supportive and responsive to the priorities and needs of the developing member country (DMC) a PTL had worked with. Another PTL noted that the WFPF team was a “very responsive unit, saving

time of a project officer.” Very few PTLs in fact disagreed, and only in the case of RCI FPF. In particular, one project officer disagreed with the statements that the RCI FPF manager and secretariat knew his/her sector very well and that they provided valuable guidance, since the RCIFPF had limited interest in the PTL’s sector, agriculture and natural resources, as it is a noncore area of Strategy 2020.

Table A7.6: PTLs' Rating of the Capability and Quality of their Interaction with the FPF Facility Manager and Secretariat (% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|--|----------------------|----------|----------------------------|
| The Facility Manager and Secretariat know my sector very well. | 88 | 8 | 4 |
| They provide valuable guidance in respect of the FPF funding and eligibility criteria. | 83 | 13 | 4 |
| They have good communication skills. | 92 | 8 | 0 |
| They are respectful and accommodating. | 92 | 4 | 4 |
| They deliver on commitments and carry out promises. | 88 | 13 | 0 |
| Overall | 88 | 9 | 3 |

FPF = financing partnership facility, PTL = project team leader.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

C. Relevance

9. **Relevance with regard to effective aid management.** Most financing partners (90%) confirmed that “the FPFs have very clear top-level statement of purpose that will remain relevant for a sufficient period of time.” However, not as many partners (30% only) agreed with the statement that his/her agency is “committed to supporting the FPF in the longer term” (Table A7.7). One reason given by a WFPF partner was that although the current agreement is valid for 3 years, the annual support is dependent upon annual approval of the budget by his/her government. He/she further clarified that beyond the 3-year agreement, further commitment would be based on the FPF’s performance.

Table A7.7: Relevance of FPF and ADB as Lead Agency with Regard to Effective Aid Management (% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|--|----------------------|-----------|----------------------------|
| The FPF has a very clear top level statement of purpose that will remain relevant for a sufficient period of time. | 90 | 10 | 0 |
| My agency is committed to supporting the FPF in the longer term and accepting aid effectiveness is satisfactory, that other short term pressures will not compromise our capacity to make predictable and regular contributions. | 30 | 40 | 30 |
| The results reported to the FPF partners through the semi-annual report, annual report, and the annual consultation meeting of financing partners will satisfy our domestic obligations to measure and communicate development results to our parliament and citizens. | 20 | 30 | 50 |
| The FPF is headed by a sufficiently senior and accountable ADB officer with clear responsibility at the political level inside ADB and sufficient to attract respect and influence with our partners’ governments. | 60 | 30 | 10 |
| ADB promotes greater coherence between multilateral aid agencies. | 20 | 70 | 10 |
| ADB has a continuous improvement culture and can demonstrate its capacity to continuously deliver aid more economically, efficiently, and effectively. | 30 | 60 | 10 |
| Overall | 42 | 40 | 18 |

ADB = Asian Development Bank, FPF = financing partnership facility

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

10. Half of the respondent partners disagreed with the statement that the “FPF results reported to partners through the annual/semiannual reports and the annual consultation meetings will satisfy domestic obligations to measure and communicate development results to their parliament and citizens.” A partner remarked that while the RCIFPF matched the strategy of his/her government, current reports did not sufficiently explain the effectiveness and importance of cooperation of the facility. In the case of WFPF, a partner revealed that they had agreed to use the reports provided for their agency’s reporting obligations but they had difficulty meeting all the requirements. Meanwhile, it was also acknowledged by some partners that the preparation of annual reports and the conduct of annual consultation meetings were very important formal reporting mechanisms, especially for the CEFPF. However, in addition, there should also be impact evaluations. More details are needed with regard to specific projects that have been supported particularly by the Carbon Capture and Storage Fund (CCSF) and their outcomes. While such details may not be appropriate to be reported in the annual report, as the CCSF respondent partner admitted, these should be accessible to partners. In order to get detailed information that they need, this partner further disclosed that they had been directly emailing CEFPF contacts, who had usually been very responsive to their information requests.

11. To improve and show the FPF’s relevance in delivering aid, partners recommended the following: (i) deliver results at the country level and communicate them; (ii) use shorter, adapted versions of FPF reports to communicate with external audiences (e.g., parliament/government and citizens); (iii) strengthen cooperation as well as staff and knowledge exchange with other related programs and organizations (such as the Water and Sanitation Program of the World Bank, the African Water Facility in the case of WFPF); (iv) communicate results and ADB’s added value clearly and effectively; (v) improve ADB coordination efforts in a holistic manner, both with other agencies and internally in each country; (vi) enhance the technical assistance (TA) system and address the long project review process within ADB and appointing consultant/s to deliver/implement the project, etc; and (vii) improve knowledge dissemination.

12. **Relevance of FPF to the Paris Declaration and the ACCRA Agenda.** Table A7.8 shows how partners view statements relating the FPF with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. At least half of the partner respondents affirmed that (i) all FPF-financed projects and activities are clearly linked to one or more of the United Nations Millennium Development Goals (70%); (ii) the FPF-committed contributions facilitate more predictable and multi-year aid flows (60%); (iii) by supporting the FPF, this reduces the number of separate and duplicative missions to the field (60%); and (iv) the FPF and projects it funds eliminate duplication of effort and assists in rationalizing donor activities (50%). No partners disagreed with these statements except with statement (iii). A partner disagreed and explained, “The WFPF is a financing partnership and therefore there is no elimination of duplications of missions or other partnerships; it has purely a financing role and there is no cooperation on the implementation side yet.” Another partner clarified that “...support to ADB for the FPF is in addition to and not necessarily substituting their bilateral engagement.”

Table A7.8: Relevance of FPF to the Paris Declaration and the ACCRA Agenda
(% of responses)

| Item | Strongly Agree/ Agree | Neutral | Disagree/ Strongly Disagree |
|--|-----------------------|-----------|-----------------------------|
| FPF initiative is clearly an outcome of one of ADB's responses to UN Millennium Goal 8: "Develop a global partnership for development" | 30 | 70 | 0 |
| All projects, technical assistance, events, and grants financed by the FPF are clearly linked to one or more of the UN Millennium Development Goals. | 70 | 30 | 0 |
| The FPF and the projects it funds will improve my agency's development effectiveness. | 40 | 30 | 30 |
| The FPF and the projects it funds clearly harmonize and align aid delivery. | 33 | 44 | 22 |
| The FPF and projects it funds eliminate duplication of effort and assist in rationalizing donor activities. | 50 | 20 | 30 |
| The FPF-committed contributions facilitate more predictable and multiyear aid flows. | 60 | 40 | 0 |
| FPF-financed projects disburse aid in a timely and predictable fashion. | 20 | 50 | 30 |
| By supporting the FPF, this reduces the number of separate and duplicative missions to the field. | 60 | 20 | 20 |
| We believe ADB's FPF facilitates development actors working together in a more inclusive partnership. | 44 | 44 | 11 |
| Reports, work programs, and results provided by the FPF Secretariat adequately service our obligations to report our effectiveness to our parliament and citizens. | 30 | 40 | 30 |
| The FPF annual work program and DMF adequately informs our developing country partners of our plans for the next 3–5 years in respect of implementation and forward expenditures. | 20 | 50 | 30 |
| ADB's management and implementation approach clearly focus upon achieving desired results and use information to improve decision making and project effectiveness. | 33 | 67 | 0 |
| ADB's approach to implementing technical assistance is accounted for and reported by the developing country partner as part of its public financial budget and management practices. | 11 | 89 | 0 |
| FPF-financed technical assistance and grants are channeled through the developing country partner's own procurement system. | 11 | 78 | 11 |
| FPF-financed projects have a strong focus on collecting data and using statistics for monitoring performance and making decisions. | 30 | 70 | 0 |
| FPF-financed projects have a clear focus of building sustainable capacity within our developing country partners. | 44 | 56 | 0 |
| Overall | 37 | 49 | 14 |

ADB = Asian Development Bank, DMF = design and monitoring framework, FPF = financing partnership facility, UN = United Nations.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

13. It can be further noted from Table A7.8 that a significant proportion of respondent partners are "neutral" to a number of statements. This could be explained by comments/clarifications raised. For an RCIFPF partner, compliance with the Paris Declaration and the Accra Agenda does not seem to be thought of highly in drafting the financing proposals by ADB staff, and those relevance-related aspects are not shown to donors. A CEFPF partner reasoned that, since donors are exposed to few details of the project selection and implementation processes, it is difficult to determine their alignment with the Paris Declaration and the Accra Agenda, particularly with regard to in-country harmonization, alignment with government policies, reporting to partner governments, and the use of partner government systems.

14. **Relevance of FPF to financing partners' development goals.** Overall, partners perceive the FPFs as highly relevant to their agency/government's development goals (Table A7.9). All respondents (100%) confirmed that the FPF-financed projects are in accordance with the sectors and themes they are most interested in supporting. Most (88%) partners also agreed that the FPF development objectives as expressed in the FPF DMF are consistent with the development goals and aid focus of their respective agencies. A good proportion of partners

(75%) also believed that the FPF is an excellent channel for aid deployment with which they can increase their share of aid volume through multilateral organizations. Moreover, many of them (71%) agreed that their agency's specific aid focus on country, sector, or theme is adequately documented in the water FPF implementation guidelines.

Table A7.9: Relevance of FPF to Financing Partners' Development Goals (% of responses)

| Item | Strongly Agree/ Agree | Neutral | Disagree/ Strongly Disagree |
|---|--------------------------|-----------|--------------------------------|
| The FPF development objectives as expressed in the FPF DMF are consistent with the development goals and aid focus of my agency. | 88 | 13 | 0 |
| The FPF-financed projects are in accordance with the sectors and themes we are most interested in supporting. | 100 | 0 | 0 |
| My agency is happy to accept that aid outcomes cannot be specifically attributable to or shared by a specific partner. | 57 | 0 | 43 |
| My agency believes the delegation to ADB for deciding project approval and funding allocation is an effective way of improving efficiency in aid management. | 60 | 40 | 0 |
| My agency's specific aid focus on country, sector, or theme is adequately documented in the water FPF implementation guidelines. | 71 | 29 | 0 |
| The FPF has reinforced our strategic focus on poverty reduction and achievement of the UN Millennium Development Goals. | 50 | 50 | 0 |
| The FPF is an excellent channel for aid deployment with which we can rapidly increase our aid volume in a well-managed and responsible manner. | 63 | 38 | 0 |
| The FPF is an excellent channel for aid deployment with which we can increase our share of aid volume through multilateral organizations. | 75 | 25 | 0 |
| The FPF facilitates aid focus and concentration of energy. | 67 | 33 | 0 |
| ADB as the lead agency will utilize its stronger position within multilateral organizations to maintain attention on Asia and countries we are most interested in supporting. | 60 | 20 | 20 |
| Overall | 69 | 24 | 7 |

ADB = Asian Development Bank, DMF = design and monitoring framework, FPF = financing partnership facility, UN = United Nations.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

15. While half of the partners are “happy to accept that aid outcomes cannot be specifically attributable to or shared by a specific partner,” a significant proportion (43%) felt otherwise, stressing that “aid outcomes and evaluation are getting more and more important to be shown in their country.” Also, a partner does not agree that ADB is a lead agency. A CEFPP partner likewise is not happy about ADB not sufficiently promoting their agency contribution as specified in the memorandum of understanding and given that they have a dedicated fund, the CCSF. It was observed by this partner that “even in the annual reports, while their contribution is acknowledged, it is not highlighted.”

16. **Adherence to the FPF establishment paper and instrument of contribution.** The rationale for establishing the FPF (such as increased donor harmonization, efficiency gains, joint impact, and improved transparency) remains relevant in 2010 according to 90% of financing partners. They also claimed that they have adhered to the objectives, scope, and implementation arrangements outlined in the FPF Board and establishment papers (Table A7.10). Likewise, almost all of them noted that ADB as lead agency has adhered to the objectives, scope, and implementation arrangements of the FPF. Furthermore, 67% of respondents concurred that “the benefits from partnering in the FPF have outweighed the costs of participation and implementation effort.”

Table A7.10: Partners' Adherence to the FPF Establishment Paper and Instrument of Contribution (% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|---|----------------------|-----------|----------------------------|
| The rationale for establishing the FPF, being increased donor harmonization, efficiency gains, joint impact, and improved transparency remains relevant in 2010. | 90 | 10 | 0 |
| ADB as lead agency has adhered to the objectives, scope, and implementation arrangements outlined in the Board paper, establishment paper, and implementation guidelines. | 80 | 20 | 0 |
| The partners have adhered to the objectives, scope, and implementation arrangements outlined in the Board paper and establishment paper. | 89 | 11 | 0 |
| The partners have supported the FPF in more than financial terms and display genuine confidence and enthusiasm for the FPF. | 67 | 33 | 0 |
| The partners have adhered to their instrument of contribution. | 67 | 33 | 0 |
| The benefits from partnering in the FPF have outweighed the costs of participation and implementation effort. | 75 | 25 | 0 |
| Overall | 78 | 22 | 0 |

ADB = Asian Development Bank, FPF = financing partnership facility.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

17. Financing partners suggested a number of ways that ADB can make the FPF more relevant, as follows: (i) more frequent direct communication regarding the utilization of funds, especially since circumstances surrounding the fund may have changed dramatically, such as in the case of the Investment Climate Facilitation Fund (ICFF) in the past year, which should be fully understood by ADB; (ii) offer more cooperation other than financing; (iii) more push from ADB to bring FPF activities to partners' attention rather than relying on them to simply visit the website to help partners get the most benefit out of the program or engage strongly in the activities; (iv) clearly demonstrate the ADB FPF's added value compared with other multilateral agencies and compared with channeling the aid bilaterally; (v) more active engagement on projects, which varies between projects (for example, in India this could mean joint missions between ADB and the agency/institute to talk to the Indian Government regarding how to engage them on carbon capture and storage; between ADB and the donor agency, there might be an opportunity for a worthwhile project with the Indian Government that does not duplicate work that has already been done); (vi) a continued and increasing focus on energy efficiency activities in the program and the establishment of networks that will allow donors to partner in downstream investments where appropriate; and (vii) improved reporting on project outcomes, particularly regarding the poverty and gender impacts of projects.

18. **Partners' participation in FPF activities.** A high proportion of respondents (averaging 77%) indicated that their participation in the FPF had been adequate and their views were fairly considered (Table A7.11). In particular, they (75%) had been invited to participate in all key developments of the FPF design. Most of them (88%) affirmed that their participation had been well received by ADB and their views had been fairly considered. Further, these views had significantly influenced the development and design of the FPF framework, the implementation guidelines, the DMF, and reporting design. A lower proportion but still more than half (57%) acknowledged that ADB had expressed its gratitude for their early involvement in the FPF development process, and they felt their participation had been well recognized.

Table A7.11: Financing Partners' Opinion on their Participation in the FPF
(% of respondents)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|--|----------------------|-----------|----------------------------|
| My agency has been invited to participate in all key developments of the FPF design. | 75 | 25 | 0 |
| My participation has been well received by ADB, and my views have been fairly considered. | 88 | 0 | 13 ^a |
| The views of the FPF partners did materially affect the development and design of the FPF framework, the implementation guidelines, the DMF, and the reporting design. | 88 | 13 | 0 |
| ADB has expressed its gratitude for our early involvement in the FPF development process, and we feel our participation has been well recognized. | 57 | 43 | 0 |
| Overall | 77 | 19 | 3^a |

ADB = Asian Development Bank, CCS = carbon capture and storage, FPF = financing partnership facility.

^a The Global CCS Institute's contribution was made in June 2009, so they were not able to participate in the establishment of the Facility.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

19. All of the respondent FPF partners signified that their participation in the annual consultation meeting was important, and roughly half (44%) even thought that it was the most important (Table A7.12). For the RCIFPF partner, direct interaction with OREI is quite important during annual consultation meetings. Likewise for a CEFPF partner, it is important to participate in the annual consultation meetings and be engaged at a "high level." But a partner representative of the Global CCS Institute advised that it is more important for them to engage with ADB on the projects that will be financed particularly from the CCSF, which relates to the development of the annual work program. They are even keener to be engaged with ADB on how the rest of the fund will be spent, particularly on which projects and where. Meanwhile, for a WFPF partner, the most important participation so far was in the development of the facility documentation and guidelines, which allowed them to influence how the FPF would operate. It was noted that the forums were well organized and covered the most relevant issues but could still be improved by (i) showing a broad picture of the FPF initiative and the expected role of donors/partners, particularly at the annual consultation meetings, to be followed by interactive discussions; (ii) preparation of agenda on specific topics that would require donors' inputs including issues relating to their respective contributions and identify concrete suggestions/plans for going ahead; (iii) presence of all key staff in the consultation meetings; and (iv) balancing the discussions between the strategic and operational levels through the use of a number of case studies of individual projects as was done in the most recent annual meetings.

Table A7.12: Partners' View on the Degree of Importance of Various FPF Forums
(% of responses)

| Item | Most Important | Important | Neutral | Less Important |
|--|----------------|-----------|-----------|----------------|
| Participating in the development of the FPF framework, the FPF DMF, reporting templates, and implementation guidelines | 13 | 25 | 50 | 13 |
| Participating in the development of the annual work program | 11 | 44 | 33 | 11 |
| Participating in the annual consultation meeting of financing partners | 44 | 56 | 0 | 0 |
| Overall | 23 | 42 | 27 | 8 |

DMF = design and monitoring framework, FPF = financing partnership facility.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

20. A number of partners also offered suggestions on how to enhance partners' participation in FPF activities. A CEFPF partner remarked that, if this is a desired goal of ADB, it should also be considered whether the participation is to be improved at the headquarters level or in the countries. The recommendations include the following: (i) improve knowledge sharing not only

among ADB FPF activity managers but also among sector specialists in other agencies by increasing the size of the CoP and facilitate engagement of agencies with technical expertise and/or interest in engaging more closely; (ii) more active collaboration of ADB with partners, particularly at the project level; (iii) streamlining of paperwork for the annual meetings to make it more accessible; (iv) quarterly email updates with a list of activities would be a good trigger for partners to look at the website for activities of interest; and (v) collectively address the need to make better connection between FPF activities and partners' posts in the recipient countries.

D. Effectiveness

21. **Effectiveness of FPF-financed projects.** It seems that partners do not have sufficient information on the projects financed by the FPF to be able to tell whether these are effective or not in achieving the FPF's development objectives. This is indicated by a high proportion of partners who had no opinion (or neutral) about the statements relating to the FPF-financed projects and target outcomes and outputs (Table A7.13). Nonetheless, the majority (60%) of the partners agreed that the FPF DMF as shown in the annual work program was of high quality. Also, most (90%) of the partners affirmed that the annual work program of the FPF was consistent with the objectives. For the FPF-financed projects to become more effective in achieving development objectives, one partner suggested more active engagement of partners in identifying relevant projects and refining their scope to avoid duplication of work already being undertaken in the country. Another recommendation specifically for CEFPPF-financed projects was to have continued focus on projects that target both supply- and demand-side energy efficiency. There was also a comment that the relevance of the proposed projects with the expected effectiveness should be shown more clearly in the proposal papers.

Table A7.13: Partners' Perception on the Effectiveness of FPF-Financed Projects
(% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|--|----------------------|-----------|----------------------------|
| The annual work program of the FPF is consistent with the objectives of the FPF. | 90 | 10 | 0 |
| The (DMF of the FPF shown in the annual work program is of high quality. | 60 | 40 | 0 |
| The DMF of the FPF is consistent with my agency's objectives in terms of outcomes. | 44 | 44 | 11 |
| The projects that have been financed by the FPF were selected carefully to achieve DMF targeted outcomes. | 29 | 71 | 0 |
| The projects that have been financed by the FPF have achieved/likely to achieve the DMF target outputs and outcomes. | 50 | 50 | 0 |
| Overall | 57 | 41 | 2 |

DMF = design and monitoring framework, FPF = financing partnership facility.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

22. Meanwhile, most of the PTLs (90%) confirmed that the FPF-financed projects were effective in that they had achieved or were likely to achieve the DMF target outputs and outcomes (Table A7.14). Many of the respondents (85%) also affirmed that the risk factors to the project's achievement of outputs and outcomes had been properly addressed. PTLs in general were also affirmative that the projects were designed in conformity with ADB's social and environmental safeguards, and these were complied with. At least 72% of the PTLs believed that the DMF included in the project concept was of high quality, and the project's performance data were being captured in accordance with the DMF.

Table A7.14: ADB PTLs' Perceptions of the Effectiveness of FPF-Financed Projects
(% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|--|----------------------|-----------|----------------------------|
| The DMF included in the project concept meets ADB standard and is of high quality. | 76 | 24 | 0 |
| The project's performance data is being captured in accordance with the DMF. | 72 | 29 | 0 |
| The project's performance is being reported to senior management in accordance with the DMF. | 65 | 30 | 5 |
| The project's design is consistent with ADB's social and environmental safeguards. | 85 | 14 | 0 |
| The project complies with ADB's social and environmental safeguard requirements. | 90 | 10 | 0 |
| Risk factors that affect achievement of outputs and outcomes of the project are properly addressed. | 85 | 16 | 0 |
| The project that has been financed by the FPF has achieved or likely to achieve the DMF target outputs and outcomes. | 90 | 10 | 0 |
| Overall | 80 | 19 | 1 |

ADB = Asian Development Bank, DMF = design and monitoring framework, FPF = financing partnership facility.
Source: Special Evaluation Study of Financing Partnership Facilities survey results.

23. Some PTLs thought that the main constraints to the effectiveness of the FPF in achieving its intended outcomes and impacts were (i) ADB's approval and disbursement systems, which had resulted in "extremely long periods between applications and disbursement;" (ii) low disbursements; (iii) the extent to which partner governments could progress in supporting necessary sector reforms; (iv) mismatch in the type of funding (and modalities) with the needs of clean energy projects to mitigate specific risks; and (iv) underfunded FPF (particularly WFPF).

24. **Effectiveness of the FPF facility manager and secretariat.** The FPF facility managers and secretariats were found to be generally effective in the performance of their functions as affirmed by 91% of PTLs responding to the survey (Table A7.15). Most PTLs (87%) agreed with the statement that the facility manager and secretariat provided effective support/guidance to project proponents on how to apply for FPF funding and approval. A number of PTLs commented that the facility manager and secretariat (particularly of the WFPF) were efficient, very open to ideas, and helpful in providing inputs to applications. PTLs were, therefore, satisfied with the FPF teams' performance. According to an RCIFPF PTL, the FPF managers and secretariats could be more effective by (i) being more proactive in initiating TA proposals to promote intrasubregional cooperation; and (ii) improving their knowledge of technical issues related to regional public goods in food security, climate change, and the natural resource sector. Moreover, a WFPF PTL commented that it would be nice if he could easily access a list of past approved applications including accomplished application forms to learn which activities are likely to be financed and how to complete an application form.

Table A7.15: ADB PTLs' Perceptions of the Effectiveness of the FPF Facility Manager and Secretariat in the Performance of their Functions (% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|---|----------------------|-----------|----------------------------|
| The FPF manager and secretariat effectively markets and promotes the FPF to all team leaders dealing with the sector. | 79 | 17 | 4 |
| They provide effective support/guidance to project proponents on how to apply for FPF funding and approval. | 87 | 8 | 4 |
| They adequately consider the realities, development issues, and priorities for the sector. | 75 | 21 | 4 |
| They rank and prioritize applications in a fair and equitable manner. | 72 | 27 | 0 |
| They are aware of ADB pipeline projects for my sector. | 63 | 29 | 8 |
| They incorporate relevant experience in funding/approval of funding previous programs and projects. | 64 | 36 | 0 |
| They adequately justify and explain all applications that are rejected. | 59 | 41 | 0 |
| They are generally effective in the performance of their functions. | 91 | 9 | 0 |
| Overall | 74 | 23 | 3 |

ADB = Asian Development Bank, FPF = financing partnership facility, PTL = project team leader.
Source: Special Evaluation Study of Financing Partnership Facilities survey results.

E. Value Addition of the FPFs

25. **FPF's value added to the sector.** Three of every four PTLs of FPF-financed projects thought that the FPFs had added value to the sector (Table A7.16). In particular, 77% of PTLs agreed/strongly agreed with the survey statements that the FPFs (i) enabled projects to expand or add a new activity/component; (ii) enabled the implementation of projects that did not have approved funding from ADB regular funding channels; (iii) provided nonfinancial services such as technical advice, information materials, and other knowledge resource; and (iv) contributed to increased investments for water, clean energy, or RCI. Many (68%) of them also believe that the FPF enabled the full implementation of projects that had only partial funding from regular ADB funding. A PTL highlighted that the FPF is used for project preparation, which means that the FPF has somehow facilitated additional investments for the sector.

Table A7.16: ADB PTLs' Perceptions on How the FPF has Added Value to the Sector (% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|--|----------------------|-----------|----------------------------|
| The FPF enabled projects to expand or add a new activity/component. | 78 | 23 | 0 |
| The FPF enabled the implementation of projects that did not have approved funding from ADB regular funding channels. | 78 | 18 | 5 |
| The FPF enabled the full implementation of projects that had only partial funding from regular ADB funding. | 68 | 32 | 0 |
| The FPF provided nonfinancial services such as technical advice, information materials, and other knowledge resources. | 77 | 14 | 9 |
| The FPF contributed to increased investments for regional cooperation and integration. | 87 | 14 | 0 |
| Overall | 77 | 20 | 3 |

ADB = Asian Development Bank, FPF = financing partnership facility, PTL = project team leader.
Source: Special Evaluation Study of Financing Partnership Facilities survey results.

26. Meanwhile, two of five WFPF donor partners cited the following as important benefits the FPF is expected or is able to bring to the development of the sector: (i) improving the quality of the designs and the monitoring and evaluation of the programs; and (ii) ability to leverage

significant amounts of ADB resources with a clear focus, which has facilitated achieving outcomes.

27. **FPF's value added to ADB's operations.** The majority (72%) of the PTLs agreed that the FPFs had added value to ADB's operations (Table A7.17). Two of every three respondents (64%) strongly believed that the direct charge to project costs modality of the FPF has added value to ADB operations. One PTL remarked that the direct charge modality had been extremely important in responding quickly to project design needs. He cited for instance that he used this modality to carry out a diagnostic study of water utility performance in Uzbekistan, which in turn was used to design a much larger grant component from the FPF and the loan project design. Another PTL cited that the WFPF direct change had helped address key bottlenecks in the sector (e.g., support for small-scale sector work and capacity development activities). It was also being used to explore new initiatives. The FPF thus had added value in terms of improving project design as confirmed by at least half (i.e., 52% strongly agree) of the respondent PTLs.

Table A7.17: ADB PTLs' Perceptions on How the FPF has Added Value to ADB's Operations (% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|---|----------------------|-----------|----------------------------|
| The FPF has resulted in time and resource savings. | 72 | 19 | 10 |
| The FPF has added value in terms of improved project design. | 66 | 29 | 5 |
| The FPF has added value in terms of improved financing terms. | 68 | 27 | 5 |
| The FPF has increased the flow of financing for ADB-supported projects or programs from governments and other development partners. | 77 | 23 | 0 |
| The direct charge to project costs modality of the FPF has added value to ADB operations. | 78 | 14 | 7 |
| Overall | 72 | 23 | 5 |

ADB = Asian Development Bank, FPF = financing partnership facility, PTL = project team leader.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

28. A number of PTLs identified the following as important benefits (in a way, value addition) of the RCIFPF to their operations: The RCIFPF is a key source of financing for TA and had helped to respond in a timely manner to DMC requests for TA in areas of capacity building for RCI. It helped particularly in formulating RCI-related strategies in the People's Republic of China (PRC) and Mongolia. Some of the studies in fact had led to investment opportunities. The RCIFPF supports various discussions and activities under ASEAN, the PRC, Japan, and the Republic of Korea (ASEAN+3). Without such support, regional commitments such as the Credit Guarantee and Investment Facility and establishment of the ASEAN+3 Bond Mark Forum would not have materialized.

F. Efficiency

29. **Efficiency of the administration and management of the FPF.** Most financing partners (90%) were confident that the agreed-upon FPF implementing guidelines were being followed and that the FPF secretariat was performing its functions efficiently and effectively (Table A7.18). Many (at least 80%) agreed that the annual work program as well as the semiannual and annual reports are of high quality and are provided in a timely manner. However, a significant proportion of respondents (60%) did not agree that these reports met their/the partners' needs for communication and knowledge about the FPF operations. It was brought up by a CEFPP partner that "improved project level outcome reporting beyond the aggregate level reporting of the annual report is useful to communicate benefits of funding for

the CEFPP. The Clean Energy in Asia report provides a good example of this type of project level reporting.” For improved efficiency, partners raised the following comments/suggestions: (i) ADB staff to fully understand the objective and strategic direction of the RCIFPF and ICFF funds as there seems to be an impression that the implementation guidelines are not fully understood nor thought highly of by ADB staff; (ii) a responsible coordinator is strongly expected to handle the coordination between ADB and the partners; (iii) most of the efficiency issues are not the fault or responsibility of the secretariat but are larger issues about ADB's approval, contracting, and disbursement policies and procedures; and (iv) partners are interested to engage ADB management on how the funds will be spent, and on the quality and timeliness of the projects being delivered under the partner's fund (CCSF).

Table A7.18: Partners' Perception on the Efficiency of the Administration and Management of the FPF (% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|---|----------------------|-----------|----------------------------|
| Deliverables sent to the FPF partners such as the semiannual and annual reports and annual work program are provided in a timely manner. | 90 | 10 | |
| Deliverables sent to the FPF partners such as the semiannual and annual reports and annual work program are of a high quality. | 80 | 20 | |
| For the annual consultation meeting of financing partners, meeting materials are provided in a timely manner and are of a high quality. | 67 | 22 | 11 |
| From the annual consultation meeting of financing partners, key discussions and decisions are documented comprehensively and accurately. | 78 | 22 | |
| Documented minutes of the annual consultation meeting of financing partners are distributed to the partners in a timely manner. | 67 | 33 | |
| We are confident the agreed-upon FPF implementing guidelines are being followed. | 90 | | 10 |
| We are confident the FPF Secretariat is performing its functions efficiently and effectively. | 90 | | 10 |
| The current deliverables being the semi-annual and annual reports and the annual work program meet our needs for communication and knowledge about the FPF's operation. | 40 | 50 | 10 |
| ADB senior management's role and oversight improves the efficiency of the administration and management of the FPF. | 43 | 43 | 14 |
| We are satisfied with ADB senior management's role and involvement in the establishment and operation of the FPF. | 75 | 13 | 13 |
| Overall | 73 | 21 | 7 |

ADB = Asian Development Bank, FPF = financing partnership facility.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

30. Efficiency of the FPF in funding projects. A significant number of partners seemed to be not satisfied with the speed of disbursement of the FPF projects, as it did not meet their expectations (Table A7.19). Although it was recognized that it takes time to develop projects, partners would like to see higher disbursement rates. How then can the disbursement efficiency of the FPFs be improved? Some ideas raised include the following: (i) increase the speed between application, approval (allocation), and disbursement; (ii) closer coordination with user departments; and (iii) streamlining project approvals will help to improve disbursement efficiency, and direct charge payments have already proven effective in this regard.

Table A7.19: Partners' Perception on the Efficiency of the FPF in Funding Projects
(% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|---|----------------------|-----------|----------------------------|
| The schedule for partner's committed contribution to the FPF matches my agency's funding program cycle. | 60 | 40 | 0 |
| The speed of allocating the FPF funds to projects meets our expectations. | 30 | 40 | 30 |
| The speed of disbursements of the FPF to projects meets our expectations. | 0 | 40 | 60 |
| Implementation guidelines for the FPF are flexible enough to respond to changing circumstances. | 50 | 50 | 0 |
| The resources (human, institutional, and financial) of ADB are appropriate and sufficient to carry out the implementation of the FPF. | 43 | 43 | 14 |
| The FPF has resulted in time and resource savings for partners. | 63 | 25 | 13 |
| The implementation of FPF-financed projects incurs less resources than the implementation of similar projects by my agency. | 29 | 71 | 0 |
| Overall | 39 | 44 | 18 |

ADB = Asian Development Bank, FPF = financing partnership facility.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

G. Sustainability

31. **Sustainability of the FPFs.** There seems to be no strong indication that FPFs are likely to be sustainable in terms of future funding by donor agencies as suggested by most (90%) financing partners who disagreed or were not certain about their agency's plan and consistency of budget to support the FPFs over the next 3–5 years (Table A7.20). To clarify, some respondents cited the following: (i) the agency does not have a rolling plan for the next 3–5 years, and its budget is certain only for the next year; (ii) the national budget situation limits the agency's ability to make commitments in the short to medium term, as budgets and work plans for such periods are being revised and renegotiated; (iii) possible future commitments are uncertain, especially since the funds (i.e., \$5 million in the WFPF) the agency has committed and allocated have not been used; and (iv) further support to the FPF depends on the outcome of (this) evaluation, assessment of results, and internal assessment against the country/agency's political priorities. One CEFPF partner noted that a key objective of the FPF is to facilitate and "kick start" demand from DMCs and thereby increase ADB's portfolio for the sector; as such, it is not necessarily that donors need to continue to support a trust fund for investments in clean energy, since it is increasingly becoming a core business of ADB and of other agencies.

Table A7.20: Financing Partners' Perceptions on the Sustainability of the FPFs
(% of respondents)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|---|----------------------|---------|----------------------------|
| My agency is satisfied with how the FPF is managed. | 78 | 11 | 11 |
| My agency's contribution to the FPF is duly recognized by ADB, the developing partner countries, and the FPF partnership. | 70 | 20 | 10 |
| Accepting satisfactory project development effectiveness, my agency is likely to continue supporting the FPF over the next 5 years. | 50 | 30 | 20 |
| My agency has a rolling plan for the next 3–5 years that includes financial support for the FPF. | 10 | 40 | 50 |
| Accepting satisfactory project development effectiveness, my agency's budget to support the FPF is reasonably consistent over the next 3–5 years. | 10 | 60 | 30 |
| In my opinion, ADB is actively and effectively pursuing additional financing partners. | 40 | 50 | 10 |

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|---|----------------------|-----------|----------------------------|
| My agency's staff has an excellent relationship with the staff of ADB. | 70 | 30 | 0 |
| The FPF annual/semiannual reports and annual work program have sufficient detail that helps us justify contributions to the FPF including future requests for additional funding. | 30 | 60 | 10 |
| My agency believes the FPF will be facilitated by ADB over the longer term. | 70 | 20 | 10 |
| Overall | 47 | 36 | 17 |

ADB = Asian Development Bank, FPF = financing partnership facility.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

32. Meanwhile, other (nonfunding) aspects of the FPF that contribute to the likely sustainability of FPF operations, such as its management performance, donors' relationship with the FPF staff, and recognition are perceived by financing partners as generally satisfactory. The majority (78%) of the partners indicated that they are satisfied with how the FPF is managed. Many of the respondents (70%) also noted the excellent relationship their agency has with the ADB-FPF staff (Table A7.20). Most of them also acknowledged that their agency's contribution to the FPF is duly recognized. The importance of recognizing a partner's contribution cannot be overemphasized, especially for a new organization such as the Global Carbon Capture Storage Institute (GCCSI). The GCCSI pointed out that it is important to them that their contribution to activities of the CEFPP gets recognized to "raise its profile and the agency be known as a CCS knowledge broker."

33. **On improving the sustainability of the FPF.** Suggestions to improve the sustainability of the FPF were solicited from the partners, and the following were raised: (i) other donors should join the initiative; (ii) strategic direction of the FPFs should be discussed; and (iii) FPF funds need to be disbursed as early as possible; otherwise, donors will be reluctant to provide replenishment. Meanwhile, a number of partners pointed out that what is more important (than sustaining funding for the facility) is the sustainability of the FPF's activities and outcomes. A partner commented that, "the facility itself may have a finite lifetime and that may be appropriate; the nature of the facility should be contributing to the sustainability of FPF activities." Another respondent opined that the FPF is a tool to influence the overall policies of ADB and give certain focus to an important area; and as soon as these policies and focus areas are shifted, there is no need for the FPF anymore and donors would be happy to support ADB with more core funding.

34. **Sustainability of FPF-financed projects.** The project officers or PTLs of projects financed by the FPFs were asked their views regarding the capabilities and resources of the recipient countries, which would indicate the sustainability or likely sustainability of the projects' outcomes and activities. As shown in Table A7.21, the majority of the PTLs affirmed that there was adequate absorptive capacity in the recipient countries and there were genuine efforts of the governments to develop in-country capabilities in a comprehensive and systematic manner. However, a PTL remarked that in-country capacity for RCI needed further strengthening. More than half (58%) of the PTLs also agreed that the governments were financing recurrent costs of the FPF projects. On the other hand, a significant number of PTLs seemed not sure, while a few disagreed, that the governments had set up mechanisms to cover and sustain recurrent costs of the projects. Nonetheless, most PTLs (74%) believed that the results of the capacity building initiatives of FPF-financed projects are likely to be maintained and that there were sufficient in-country resources to sustain the outcomes of FPF TA.

Table A7.21: ADB Project Team Leaders' Perceptions on the Sustainability of FPF-Financed Projects (% of responses)

| Item | Strongly Agree/Agree | Neutral | Disagree/Strongly Disagree |
|--|----------------------|-----------|----------------------------|
| There is adequate absorptive capacity in the recipient country. | 85 | 10 | 5 |
| The recipient-country's approach to capacity building is being done on a planned, comprehensive, and systematic basis. | 74 | 16 | 11 |
| There are genuine efforts in the government to develop in-country capabilities. | 85 | 10 | 5 |
| Capacity development components of FPF-financed projects are being given their due importance. | 80 | 15 | 5 |
| The government finances recurrent costs of the FPF project. | 58 | 32 | 10 |
| The government sets up cost-recovery mechanism to cover and sustain recurrent costs of the FPF project. | 43 | 42 | 16 |
| It is likely that the results of capacity building initiatives supported by the FPF-financed project will be maintained. | 74 | 21 | 5 |
| The country's human, institutional, and financial resources are sufficient to sustain the outcomes of the FPF-financed TA project. | 74 | 26 | 0 |
| Overall | 72 | 21 | 7 |

ADB = Asian Development Bank, FPF = financing partnership facility.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

35. Tables A7.22–A7.23 provide additional survey result details.

Table A7.22: ADB PTLs' Perceptions of the Efficiency of the FPF Process (% of responses)

| Item | Strongly Agree/Agree | Disagree/Strongly Disagree | Neutral |
|---|----------------------|----------------------------|-----------|
| The cycle of the FPF application and funding allocation does not inhibit project implementation. | 84 | 16 | 0 |
| The cycle of the FPF application and allocation encourages more timely submission of applications. | 79 | 11 | 11 |
| The requirements and procedure from the project concept stage to the project approval stage for FPF projects is simpler compared to other ADB projects. | 58 | 0 | 42 |
| FPF-financed projects have been implemented with fewer resources (e.g., staff resources, administrative budget, time, etc.) than other ADB projects. | 32 | 11 | 58 |
| Overall | 63 | 9 | 28 |

ADB = Asian Development Bank, FPF = financing partnership facility, PTL = project team leader.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

Table A7.23: ADB PTLs' Perceptions on the Efficiency of the FPF Secretariat (% of responses)

| Item | Strongly Agree/Agree | Disagree/Strongly Disagree | Neutral |
|---|----------------------|----------------------------|-----------|
| The FPF Secretariat provides timely response to inquiries. | 84 | 16 | 0 |
| The FPF Secretariat provides timely approval recommendations to the Sector Committee. | 79 | 11 | 11 |
| The FPF Secretariat provides timely advice on whether the applications have been approved / rejected. | 58 | 0 | 42 |
| The FPF Secretariat has improved their interactions by learning from experience. | 31 | 11 | 58 |
| Overall | 63 | 9 | 28 |

ADB = Asian Development Bank, FPF = financing partnership facility, PTL = project team leader.

Source: Special Evaluation Study of Financing Partnership Facilities survey results.

PROJECTS SUPPORTED BY THE FINANCING PARTNERSHIP FACILITIES

Table A8.1: Number and Amount of ADB-Approved Projects with FPF Assistance, by FPF and Modality, 2007–2009

| FPF/Modality | No. | Approved Project Funding (\$ million) | | | Total | % of FPF Subtotal |
|--|-----------------|---------------------------------------|--------------|---------------------|---------------|-------------------|
| | | ADB Special Funds ^a | FPF | Others ^b | | |
| A. Water FPF | | | | | | |
| Grants | 7 | 23.22 | 6.75 | | 29.97 | 41.1 |
| Technical Assistance | 29 | 10.40 | 19.91 | 8.90 | 39.21 | 53.8 |
| Direct Charges | 46 | | 3.74 | | 3.74 | 5.1 |
| Subtotal | 82 | 33.62 | 30.40 | 8.90 | 72.92 | 100.0 |
| % | | 46.10 | 41.70 | 12.20 | 100.00 | |
| B. Clean Energy FPF | | | | | | |
| Grants | 3 | 25.28 | 6.70 | 0.30 | 32.28 | 70.1 |
| Technical Assistance | 14 | 0.25 | 11.22 | 1.20 | 12.67 | 27.5 |
| Direct Charges | 14 | | 1.10 | | 1.10 | 2.4 |
| Subtotal | 31 | 25.53 | 19.03 | 1.50 | 46.06 | 100.0 |
| % | | 55.40 | 41.30 | 3.30 | 100.00 | |
| C. Regional Cooperation and Integration FPF | | | | | | |
| Technical Assistance | 36 | 10.01 | 35.58 | 6.88 | 52.46 | 100.0 |
| % | | 19.10 | 67.80 | 13.10 | 100.00 | |
| All FPFs | | | | | | |
| Grants | 10 | 48.50 | 13.45 | 0.30 | 62.25 | 36.6 |
| Technical Assistance ^c | 78 ^c | 20.26 | 66.71 | 16.18 | 103.14 | 60.6 |
| Direct Charges | 60 | | 4.84 | | 4.84 | 2.8 |
| Total | 148 | 68.76 | 85.00 | 16.48 | 170.24 | 100.0 |
| % | | 40.40 | 49.90 | 9.70 | 100.00 | |

ADB = Asian Development Bank, FPF = financing partnership facility.

^a Includes Asian Development Fund for grants; and technical assistance (TA) support fund and Japan Support Fund (JSF) for technical assistance.

^b Other funding sources are the governments of Australia, France, Netherlands, People's Republic of China, and United Kingdom; Regional Poverty Reduction Fund; Global Environment Facility; e-Asia and Knowledge Partnership Fund; and Climate Change Fund

^c The sums of the number and amount of TAs do not tally with the total for all FPF TAs, since one TA is financed by both the Water Financing Partnership Facility (WFPPF) and Regional Cooperation and Integration Financing Partnership Facility (RCIFPF). This is TA 6484: Mekong Water Supply and Sanitation with approved funding of \$0.4 million from JSF, \$0.5 million from WFPPF, and \$0.3 million from RCIFPF for a total of \$1.2 million.

Sources: ADB database of approved loans, grants, and technical assistance and project documents.

Table A8.2: Number and Amount of FPF Assistance, by Fund, 2007–2009

| Fund/Modality | No. | Approved Project Funding (\$ million) | | | Total (\$ million) |
|--------------------------|------------|---------------------------------------|--------------|--------------|-----------------------|
| | | ADB Special Funds | FPF | Others | |
| A. MDTF (WFPF) | | | | | |
| Grants | 6 | | 4.75 | | 4.75 |
| Technical Assistance | 22 | 8.00 | 16.48 | 8.4 | 32.88 |
| Direct Charges | 33 | | 2.58 | | 2.58 |
| Subtotal | 61 | 8.00 | 23.81 | 8.4 | 40.21 |
| B. NTF (WFPF) | | | | | |
| Grants | 2 | 23.22 | 4.00 | | 27.22 |
| Technical Assistance | 8 | 2.40 | 6.93 | 2.00 | 11.33 |
| Direct Charges | 13 | | 1.16 | | 1.16 |
| Subtotal | 23 | 25.62 | 12.09 | 2.00 | 39.71 |
| C. CEF (CEFPF) | | | | | |
| Grants | 1 | | 4.20 | 0.30 | 4.50 |
| Technical Assistance | 9 | | 9.05 | 1.20 | 10.25 |
| Direct Charges | 14 | | 1.10 | | 1.10 |
| Subtotal | 24 | 0.00 | 14.36 | 1.50 | 15.86 |
| D. ACEF (CEFPF) | | | | | |
| Grants | 2 | 25.28 | 2.50 | | 27.78 |
| Technical Assistance | 3 | | 0.82 | | 0.82 |
| Direct Charges | | | | | |
| Subtotal | 5 | 25.28 | 3.32 | 0.00 | 28.60 |
| E. CCSF (CEFPF) | | | | | |
| Grants | | | | | |
| Technical Assistance | 2 | 0.25 | 1.35 | | 1.60 |
| Direct Charges | | | | | |
| Subtotal | 2 | 0.25 | 1.35 | 0.00 | 1.60 |
| F. RCIF (RCIFPF) | | | | | |
| Technical Assistance | 29 | 9.45 | 30.46 | 5.45 | 45.36 |
| Subtotal | 29 | 9.45 | 30.46 | 5.45 | 45.36 |
| G. ICFF (RCIFPF) | | | | | |
| Technical Assistance | 7 | 0.56 | 5.12 | 1.43 | 7.11 |
| Subtotal | 7 | 0.56 | 5.12 | 1.43 | 7.11 |
| All FPFs | | | | | |
| Grants | 10 | 48.50 | 13.45 | 0.30 | 62.25 |
| Technical Assistance | 78 | 20.26 | 66.71 | 16.18 | 103.14 |
| Direct Charges | 60 | | 4.84 | | 4.84 |
| Total^a | 148 | 68.76 | 85.00 | 16.48 | 170.24 |

ACEF = Asian Clean Energy Fund, ADB = Asian Development Bank, CCSF = Carbon Capture and Storage Fund, CEF = Clean Energy Fund, CEFPF = Clean Energy Financing Partnership Facility, FPF = financing partnership facility, ICFF = Investment Climate and Facilitation Fund, MDTF = Multidonor Trust Fund, NTF = Netherlands Trust Fund, RCIF = Regional Cooperation and Integration Fund, RCIFPF = Regional Cooperation and Integration Financing Partnership Facility, TA = technical assistance, WFPF = Water Financing Partnership Facility.

^a Totals for grants and TA do not tally with the sums of fund component grants and TAs because of projects that are financed by more than one fund.

Sources: ADB database of approved loans, grants, and TA; project documents, and WFPF and CEFPF secretariats.

Table A8.3: Disbursements under FPF-Supported Projects Approved in 2007–2009

| FPF/Modality | No. Approved | Total Approvals (\$ million) | Disbursements as of 30 June 2010 | | | |
|--|--------------|------------------------------|----------------------------------|-------------------------------|--------------------------|----------------------|
| | | | No. | Amount Disbursed (\$ million) | % of Total Disbursements | % of Total Approvals |
| A. Water FPF | | | | | | |
| Grants | 7 | 29.97 | 2 | 1.35 | 3.0 | 4.5 |
| Technical Assistance | 29 | 39.21 | 26 | 15.42 | 34.0 | 39.3 |
| Direct Charges | 46 | 3.74 | 45 | 2.69 | 5.9 | 71.9 |
| Subtotal | 82 | 72.92 | 73 | 19.46 | 42.9 | 26.7 |
| B. Clean Energy FPF | | | | | | |
| Grants | 3 | 32.28 | 1 | 6.20 | 13.7 | 19.2 |
| Technical Assistance | 14 | 12.67 | 6 | 1.77 | 3.9 | 14.0 |
| Direct Charges | 14 | 1.1 | 13 | 0.69 | 1.5 | 62.7 |
| Subtotal | 31 | 46.05 | 20 | 8.66 | 19.1 | 18.8 |
| C. Regional Cooperation and Integration FPF | | | | | | |
| Grants | | | | | | |
| Technical Assistance | 36 | 52.46 | 29 | 17.27 | 38.0 | 32.8 |
| Direct Charges | | | | | | |
| Subtotal | 36 | 52.46 | 29 | 17.21 | 38.0 | 32.8 |
| All FPFs | | | | | | |
| Grants | 10 | 62.25 | 3 | 7.55 | 17.0 | 12.5 |
| Technical Assistance ^a | 78 | 103.14 | 61 | 33.53 | 75.4 | 32.5 |
| Direct Charges | 60 | 4.84 | 58 | 3.38 | 7.6 | 69.8 |
| Total | 148 | 170.24 | 121 | 44.45 | 100.0 | 26.1 |

FPF = financing partnership facility, TA = technical assistance.

^a The sum of the number and amount of TAs do not tally with the total for all FPF TAs since one TA is financed by both WFPF and RCIFPF, and was counted only as one in the total for all FPFs.

Source: Asian Development Bank database of approved loans, grants, and technical assistance; performance reports; and project documents from the WFPF and CEFPP secretariats.

Table A8.4: WFPF-Financed Projects Approved During 2007–2009

| No. | Country | Project Name | Approval Date | Funding (\$ million), by Source | | | | | Total Approved Funding (\$ million) | |
|---|-----------|--------------|---|---------------------------------|--------------|-------------|---------------|-------------|-------------------------------------|--------------|
| | | | | ADB Special Funds | MDTF | NTF | Subtotal WFPF | Others | | |
| A. Grant Components of Investment Projects | | | | | | | | | | |
| 1 | G0130 | SRI | Dry Zone Urban Water and Sanitation | 28-Nov-08 | 23.22 | | 2.00 | 2.00 | 25.22 | |
| 2 | G0131 | UZB | Surkhandarya Water Supply and Sanitation | 3-Nov-08 | | 1.50 | | 1.50 | 1.50 | |
| 3 | G0147 | VIE | Thanh Hoa City Comprehensive Socioeconomic Development | 5-Mar-09 | | 1.20 | 0.80 | 2.00 | 2.00 | |
| 4 | G0159 | PRC | Liaoning Small Cities and Towns Development Demonstration Sector | 18-Sep-09 | | 0.25 | | 0.25 | 0.25 | |
| 5 | G0171 | PRC | Hebei Small Cities and Towns Development Demonstration Sector | 6-Nov-09 | | 0.25 | | 0.25 | 0.25 | |
| 6 | G0188 | PRC | Climate Change Adaptation Through Ground Water Management (component of Shanxi Integrated Agricultural Development) | 16-Dec-09 | | 0.50 | | 0.50 | 0.50 | |
| 7 | G0190 | PRC | Shanxi Small Cities and Towns Development Demonstration Sector | 18-Dec-09 | | 0.25 | | 0.25 | 0.25 | |
| | | | Subtotal (Grants) | | 23.22 | 3.95 | 2.80 | 6.75 | 0.00 | 29.97 |
| B. Technical Assistance | | | | | | | | | | |
| (i) Accompanying Loans | | | | | | | | | | |
| 1 | ADTA 7131 | IND | Institutional Development of Integrated Water Resources Management in Orissa (L2444) | 18-Sep-08 | | 0.25 | | 0.25 | 0.25 | |
| 2 | ADTA 7189 | INO | Institutional Strengthening for Integrated Water Resources Management in the 6 CIS River Basin Territory (MF0027, L2500, and L2501) | 4-Dec-08 | 1.00 | 2.00 | | 2.00 | 5.00 | 8.00 |
| 3 | ADTA 7219 | PRC | Enabling the Protection of Jiaozhou Bay Water Quality and Wetland Ecosystem (L2414) | 17-Dec-08 | 0.35 | 0.40 | | 0.40 | | 0.75 |
| 4 | ADTA 4813 | PRC | Strengthening Flood Management Sustainability in Hunan Province (L2244) | 26-Jan-09 | 0.50 | | 0.06 | 0.06 | | 0.56 |
| 5 | ADTA 4573 | IND | Water Users' Association Empowerment for Improved Irrigation Management In Chhattisgarh (L2159) | 7-Aug-09 | | 0.55 | | 0.55 | 1.90 | 2.45 |
| (ii) Standalone TA | | | | | | | | | | |
| 6 | ADTA 7049 | PRC | Implementing the National Flood Management Strategy | 20-Dec-07 | 0.20 | | 0.30 | 0.30 | | 0.50 |
| 7 | ADTA 4689 | VIE | Developing Benefit Sharing Mechanisms for People Adversely Affected by Power Generation (Supplementary) | 22-May-08 | 0.15 | 0.24 | | 0.24 | | 0.39 |
| 8 | ADTA 7083 | PRC | Urban Wastewater Reuse and Sludge Utilization Policy Study | 26-May-08 | 0.70 | 0.30 | | 0.30 | | 1.00 |
| 9 | ADTA 7127 | PRC | River Basin Water Resources Allocation and Management Policy | 2-Sep-08 | 0.50 | 0.25 | | 0.25 | | 0.75 |
| 10 | ADTA 7217 | PRC | Preparing National Guidelines for Eco-Compensation in River Basins and a Framework for Soil Pollution Management | 8-Dec-08 | 0.40 | 0.40 | | 0.40 | | 0.80 |
| 11 | CDTA 7320 | SRI | Supporting Capacity Development for Wastewater Management Services in Colombo | 28-Jul-09 | 0.50 | 0.15 | | 0.15 | | 0.65 |

| No. | Country | Project Name | Approval Date | Funding (\$ million) , by Source | | | | | Total Approved Funding (\$ million) | |
|--------------------------|-------------|--------------|---|----------------------------------|--------------|--------------|---------------|--------------|-------------------------------------|--------------|
| | | | | ADB Special Funds | MDTF | NTF | Subtotal WFPF | Others | | |
| 12 | PATA 7261 | PRC | Strategy for Drought Management | 26-Mar-09 | 0.40 | 0.23 | | 0.23 | | 0.63 |
| 13 | PPTA 4972 | NEP | Improved Water Quality, Sanitation, and Service Delivery in Emerging Towns Sector Development Program | 28-Sep-07 | 0.60 | | 0.12 | 0.12 | | 0.72 |
| 14 | PPTA 4763 | INO | Metropolitan Sanitation Management and Health (Supplementary) | 12-Mar-08 | 1.20 | 0.50 | | 0.50 | | 1.70 |
| 15 | PPTA 7089 | VIE | Hue Water Supply | 13-Jun-08 | 0.00 | | 1.50 | 1.50 | | 1.50 |
| 16 | PPTA 7122 | PHI | Water District Development Sector | 10-Sep-08 | 0.00 | 1.20 | | 1.20 | | 1.20 |
| 17 | PPTA 7132 | IND | Integrated Flood and River Erosion Management-Arunachal Pradesh | 11-Sep-08 | 0.15 | 0.75 | | 0.75 | | 0.90 |
| 18 | PPTA 7136 | IND | Integrated Flood and River Erosion Risk Management-Assam (Phase 2): Processing and Institutional Strengthening | 26-Sep-08 | 0.15 | 0.75 | | 0.75 | | 0.90 |
| 19 | PPTA 7144 | VIE | Da Nang Water Supply | 1-Oct-08 | 0.00 | 1.50 | | 1.50 | | 1.50 |
| 20 | PPTA 7151 | VIE | Hai Phong Water Supply | 20-Oct-08 | 0.00 | | 1.00 | 1.00 | | 1.00 |
| 21 | PPTA 7182 | NEP | Secondary Towns Integrated Urban Environmental Improvement | 2-Dec-08 | 0.70 | | 0.15 | 0.15 | | 0.85 |
| 22 | PPTA 7228 | KGZ | Issyk-Kul Sustainable Development | 20-Jan-09 | 0.10 | 0.70 | | 0.70 | | 0.80 |
| 23 | PPTA 7240 | UZB | Water Supply and Sanitation Services | 20-Feb-09 | 0.50 | 0.85 | | 0.85 | | 1.35 |
| 24 | PPTA 7321 | PAK | Punjab Cities Improvement Investment Program | 29-Jul-09 | 1.00 | 0.40 | | 0.40 | | 1.40 |
| 25 | PPTA 7367 | PHI | Pasig River Catchment Sewerage Project | 26-Oct-09 | 0.00 | 0.30 | | 0.30 | | 0.30 |
| 26 | PPTA 7432 | BAN | Chittagong Hill Tracts Rural Development Project II | 7-Dec-09 | 0.90 | 0.27 | | 0.27 | | 1.17 |
| 27 | RETA 6484 | REG | Mekong Water Supply and Sanitation | 8-Sep-08 | 0.40 | | 0.30 | 0.30 | 0.50 | 1.20 |
| 28 | RETA 6486 | REG | Improved Management. of Water Resources in Central Asia | 12-Sep-08 | | 1.00 | | 1.00 | | 1.00 |
| 29 | RETA 6498 | REG | Knowledge and Innovation Support for ADB's Water Financing Program | 3-Nov-08 | | 2.40 | 1.10 | 3.50 | 1.50 | 5.00 |
| Subtotal (TAs) | | | | | 10.40 | 15.38 | 4.53 | 19.91 | 8.90 | 39.21 |
| C. Direct Charges | | | | | | | | | | |
| 1 | WFMFDC00001 | CAM | Long Term Capacity Development Support to Ministry of Rural Development on Rural Water Supply and Sanitation | 28-Jan-08 | | 0.14 | | 0.14 | | 0.14 |
| 2 | WFMFDC00002 | UZB | Capacity and Performance Diagnosis of Water Supply and Sanitation Enterprises | 1-Feb-08 | | 0.05 | | 0.05 | | 0.05 |
| 3 | WFMFDC00006 | IND | Water Expert Services Pool: Engagement of Disaster Risk Management Specialist (Institutional Study for Integrating Flood Risk Management into Disaster Risk Management) | 5-Mar-08 | | 0.05 | | 0.05 | | 0.05 |
| 4 | WFMFDC00008 | PHI | Water Expert Services Pool: Engagement of Water Supply Engineer and Institutional/Financial Analyst (Initial Assessment of the Metro Cebu Kotkot Dam Project) | 13-May-08 | | 0.06 | | 0.06 | | 0.06 |
| 5 | WFMFDC00009 | REG | Singapore International Water Week | 16-May-08 | | 0.04 | | 0.04 | | 0.04 |

| No. | Country | Project Name | Approval Date | Funding (\$ million) , by Source | | | | Total Approved Funding (\$ million) | |
|-----|-------------|--------------|---|----------------------------------|------|------|----------------------|-------------------------------------|------|
| | | | | ADB Special Funds | MDTF | NTF | Subtotal WFPF Others | | |
| 6 | WFMFDC00010 | PRC | Workshop on Lakes and Wetlands Restoration and Sustainable Alternative Livelihood | 27-May-08 | | 0.02 | | 0.02 | 0.02 |
| 7 | WFMFDC00011 | Pacific | Pacific Water Conference 2008 | 9-Jun-08 | | 0.04 | | 0.04 | 0.04 |
| 8 | WFMFDC00012 | PAK | Increasing Public Awareness and Support for Improved Urban Services: Campaign to Support Sindh Cities Improvement Investment Program | 3-Jul-08 | | 0.03 | | 0.03 | 0.03 |
| 9 | WFMFDC00013 | PAK | Water Expert Services Pool: Engagement of Contract and Procurement Expert (Developing Design-Build-Performance-Based Arrangement for Water Supply Improvements) | 2-Jul-08 | | 0.02 | | 0.02 | 0.02 |
| 10 | WFMFDC00014 | BAN/NEP | Sharing Best Practices in Water Supply and Wastewater Management | 25-Jun-08 | | 0.03 | | 0.03 | 0.03 |
| 11 | WFMFDC00015 | NEP | Capacity Building Support to Kathmandu Valley Water Supply Utility | 25-Jun-08 | | 0.15 | | 0.15 | 0.15 |
| 12 | WFMFDC00017 | REG | Support to WFPF Operationalization: Engagement of Facility Account Analyst | 24-Jul-08 | | 0.01 | | 0.01 | 0.01 |
| 13 | WFMFDC00018 | REG | Providing for Secretariat Support to Established Asia Water Utilities Network under the Water Operators Partnerships (WOPs) Program | 6-Aug-08 | | 0.09 | | 0.09 | 0.09 |
| 14 | WFMFDC00019 | IND | Water Expert Services Pool: Engagement of Irrigation Management Specialist and Water Users Association Specialists (Support to India Orissa Integrated Agriculture and Water Management Investment Program) | 5-Aug-08 | | 0.06 | | 0.06 | 0.06 |
| 15 | WFMFDC00020 | LAO | Water Expert Services Pool: Engagement of Water Supply Expert (Support to Northern and Central Water and Central Water Supply and Sanitation Sector Project) | 12-Aug-08 | | 0.11 | | 0.11 | 0.11 |
| 16 | WFMFDC00021 | REG | Developing Knowledge Product on Community-Driven Development in Water Supply and Sanitation: Case Studies of ADB Projects in Indonesia, Nepal and Sri Lanka | 15-Aug-08 | | 0.04 | | 0.04 | 0.04 |
| 17 | WFMFDC00022 | INO | Increasing Awareness and Support for Participatory Irrigation Development Through Multimedia: Production of Water Awareness Video on Participatory Approaches in Irrigation Scheme Reconstruction and Rehabilitation - Lessons from Nanggroe Aceh Darussalam, Indonesia | 22-Aug-08 | | 0.06 | | 0.06 | 0.06 |
| 18 | WFMFDC00023 | PRC | Capacity Building of 2nd and 3rd Tier Cities for Preparing Nonsovereign Urban Infrastructure Projects in PRC | 29-Aug-08 | | 0.15 | | 0.15 | 0.15 |
| 19 | WFMFDC00026 | REG | Good Practices for Urban Water Management in Asia | 15-Sep-08 | | 0.15 | | 0.15 | 0.15 |
| 20 | WFMFDC00027 | KGZ | Water Expert Services Pool: Engagement of Environment Specialist for Kyrgyz Sanitation | 25-Sep-08 | | 0.06 | | 0.06 | 0.06 |

| No. | Country | Project Name | Approval Date | Funding (\$ million) , by Source | | | | Total Approved Funding (\$ million) |
|-----|---------|---|---------------|----------------------------------|------|------|----------------------|-------------------------------------|
| | | | | ADB Special Funds | MDTF | NTF | Subtotal WFPF Others | |
| 21 | PAK | Preparation of Larkana Sanitation, Drainage and Wastewater Management Strategic Action Plan and Priority Investment Program | 3-Oct-08 | | 0.09 | | 0.09 | 0.09 |
| 22 | REG | Regional Workshop on Developing Partnerships for Water and Climate Change Adaptation | 10-Nov-08 | | 0.07 | | 0.07 | 0.07 |
| 23 | NEP | Water Expert Services Pool: Engagement of Development Communication Expert to support ADTA on Strengthening Capacity for Managing Climate Change | 5-Dec-08 | | 0.13 | | 0.13 | 0.13 |
| 24 | IND | Legal Review of Project Documents for PPP in Water Projects in India | 5-Dec-08 | | 0.15 | | 0.15 | 0.15 |
| 25 | PAK | Preparation of Khairpur Wastewater Management Planning Methodology, Strategic Plan, and Priority Investment Program | 25-Mar-09 | | 0.12 | | 0.12 | 0.12 |
| 26 | IND | Scoping Study for CDTA on Integrated Water Resources Management in Karnataka | 8-Jun-09 | | 0.06 | | 0.06 | 0.06 |
| 27 | PRC | Preliminary Survey and Assessment for Initiating Interventions on Zhangye Wetlands Protection and Rehabilitation in Hei River Basin | 8-Jun-09 | | 0.15 | | 0.15 | 0.15 |
| 28 | Pacific | Pacific Water Conference and Expo 2009 | 8-Jun-09 | | 0.02 | | 0.02 | 0.02 |
| 29 | INO | Support to Indonesia's Preparation of National Medium-Term Plan 2010–2014 (Water Supply and Sanitation Sector) | 27-Jul-09 | | 0.15 | | 0.15 | 0.15 |
| 30 | VIE | Water Expert Pool: Engagement of International Urban Water Supply and Sanitation Specialist to Support Portfolio Development in Viet Nam | 14-Sep-09 | | 0.15 | | 0.15 | 0.15 |
| 31 | VIE | Water Expert Pool: Engagement of National Water Supply and Sanitation Specialist to Support Portfolio Development in Viet Nam | 14-Sep-09 | | 0.04 | | 0.04 | 0.04 |
| 32 | IND | Development of Flood Management Infrastructure Asset Management Information System | 17-Sep-09 | | 0.05 | | 0.05 | 0.05 |
| 33 | MON | Market Sounding with Potential Private Investors and Operators and Further Refinement of Enabling Environment for PSP in Water and Sanitation Service Provision in Mongolia's Urban Areas | 18-Sep-09 | | 0.05 | | 0.05 | 0.05 |
| 34 | SRI/NEP | Increasing Awareness and Support for Rural Water Supply Through Production of Video on South Asia Rural Water Supply and Sanitation Experience | 24-Mar-08 | | | 0.08 | 0.08 | 0.08 |
| 35 | MON | Sector Review and Assessment for Improved Water and Sanitation Service Provision in Urban Areas | 3-Apr-08 | | | 0.20 | 0.20 | 0.20 |
| 36 | REG | Training Workshop on New Concepts in Integrated Management of Urban Water Cycle | 30-Apr-08 | | | 0.05 | 0.05 | 0.05 |

| No. | Country | Project Name | Approval Date | Funding (\$ million) , by Source | | | | | Total Approved Funding (\$ million) | |
|----------------------------------|-------------|--------------|--|----------------------------------|--------------|--------------|---------------|--------------|-------------------------------------|--------------|
| | | | | ADB Special Funds | MDTF | NTF | Subtotal WFPF | Others | | |
| 37 | WFSFDC00004 | INO | Pilot and Demonstration Activity: Demonstrating Application of Vetiver System for Slope Stabilization and Erosion Control in Citarum Riparian Communities | 16-Apr-08 | | | 0.05 | 0.05 | 0.05 | |
| 38 | WFSFDC00005 | PRC | Pilot and Demonstration Activity: Learning from Agriculture-Developing and Demonstrating Sustainable Wetlands Planning and Management in Jiangsu Yancheng Wetlands | 26-Feb-08 | | | 0.05 | 0.05 | 0.05 | |
| 39 | WFSFDC00006 | PRC | Developing Sustainable Water Monitoring and Ecological Payment System | 13-May-08 | | | 0.20 | 0.20 | 0.20 | |
| 40 | WFSFDC00007 | BAN | Water Expert Services Pool: Engagement of Small-Scale Water Resources Specialist and Sociologist (O&M Study of Small-Scale Water Resources Project) | 13-May-08 | | | 0.05 | 0.05 | 0.05 | |
| 41 | WFSFDC00009 | LAO | Developing a Plan for Corporatizing Provincial Nam Papis in Lao PDR | 9-Jun-08 | | | 0.07 | 0.07 | 0.07 | |
| 42 | WFSFDC00010 | INO | Catalyzing Performance Benchmarking of River Basin Organizations in Indonesia | 16-Jun-08 | | | 0.06 | 0.06 | 0.06 | |
| 43 | WFSFDC00011 | PAK | Support for Start-up of North Sindh Urban Services Corporation Operations | 16-Dec-08 | | | 0.13 | 0.13 | 0.13 | |
| 44 | WFSFDC00012 | PRC | Qinghai Pasture Conservation Using Solar Photovoltaic (PV)-Driven Irrigation | 6-Jan-09 | | | 0.09 | 0.09 | 0.09 | |
| 45 | WFSFDC00013 | REG | Support to WFPF Operationalization: Engagement of Facility Account Analyst (Supplemental) | 28-Jul-09 | | | 0.02 | 0.02 | 0.02 | |
| 46 | WFSFDC00014 | VIE | Water Expert Pool: Engagement of International Rural Water Supply and Sanitation Specialist to Support Portfolio Development in Viet Nam | 14-Sep-09 | | | 0.11 | 0.11 | 0.11 | |
| Subtotal (Direct Charges) | | | | | | | | | | |
| Total | | | | | | | | | | |
| | | | | | 0.0 | 2.6 | 1.2 | 3.74 | 0.00 | 3.74 |
| | | | | | 33.62 | 21.91 | 8.49 | 30.40 | 8.90 | 72.92 |

ADB = Asian Development Bank, ADTA = advisory and operational technical assistance, BAN = Bangladesh, CAM = Cambodia, CDTA = capacity development technical assistance, CIS = Communal Irrigation System, G = grant, IND = India, INO = Indonesia, KGZ = Kyrgyz Republic, L = loan, LAO = Lao People's Democratic Republic, MDTF = Multidonor Trust Fund, MON = Mongolia, NEP = Nepal, NTF = Netherlands Trust Fund, PAK = Pakistan, PHI = Philippines, PATA = policy and advisory technical assistance, PPTA = project preparatory technical assistance, PRC = People's Republic of China, REG = regional, RETA = regional technical assistance, SRI = Sri Lanka, TA = technical assistance, UZB = Uzbekistan, VIE = Viet Nam, WFPF = Water Financing Partnership Facility, WFMFDC = Water Financing Partnership Facility-Multidonor Fund-Direct Charge, WFSFDC = Water Financing Partnership Facility-Single Donor Fund-Direct Charge.

^a ADB Special Funds include Asian Development Fund for grants; TA Support Fund, Japan Support Fund, and Poverty Reduction Fund for technical assistance.

^b Other funding sources for TA are the governments of Netherlands and United Kingdom and the RCI Fund.

Sources: ADB database of approved loans, grants, and technical assistance; project documents; and WFPF secretariat.

Table A8.5: CEFPPF-Financed Projects Approved During 2007–2009

| No. | Country | Project Name | Approval Date | Funding (\$ million), by Source | | | | | Total Approved Funding (\$ million) | | |
|---|-----------|--------------|---|---------------------------------|--------------|-------------|-------------|-----------------|-------------------------------------|--------------------|--------------|
| | | | | ADB Special Funds ^a | CEF | ACEF | CCSF | Subtotal CEFPPF | | Other ^b | |
| A. Grant Components of Investment Projects | | | | | | | | | | | |
| 1 | G119/141 | BHU | Bhutan Green Power Development Project-Sustainable Solar Technology Application for Clean Rural Electrification | 29-Oct-08 | 25.28 | | 1.00 | | 1.00 | 26.28 | |
| 2 | G182/183 | NEP | Energy Access and Efficiency Improvement Project (Compact Fluorescent Lighting and Solar Powered Street Lighting) | 27-Nov-09 | | 4.20 | | | 4.20 | 0.30 | 4.50 |
| 3 | G142 | PHI | Philippine Energy Efficiency | 29-Jan-09 | | | 1.50 | | 1.50 | | 1.50 |
| | | | Subtotal | | 25.28 | 4.20 | 2.50 | 0.00 | 6.70 | 0.30 | 32.28 |
| B. Technical Assistance | | | | | | | | | | | |
| (i) Accompanying loans | | | | | | | | | | | |
| 1 | ADTA 7171 | PRC | Railway Sector Energy Efficiency Strategy (TA component of PRC Loan for Lanzhou Chongqing Railway Development Project) | 18-Nov-08 | | 0.80 | | | 0.80 | | 0.80 |
| 2 | CDTA 7267 | SRI | Clean Energy and Access Improvement Project - TA Grant Component: Demand Side Management for Municipal Street Lighting | 14-Apr-09 | | 0.80 | | | 0.80 | | 0.80 |
| 3 | CDTA 7294 | PRC | Municipal Waste to Energy Project | 4-Jun-09 | | 0.65 | | | 0.65 | | 0.65 |
| 4 | G0109 | PRC | Capacity Building for Energy and Efficiency Implementation ^c | 4-Jun-08 | | 0.80 | | | 0.80 | 1.20 | 2.00 |
| (ii) Standalone TA | | | | | | | | | | | |
| 5 | ADTA 7011 | SRI | Building the Capacity of Sustainable Energy Authority | 12-Dec-07 | | 0.60 | | | 0.60 | | 0.60 |
| 6 | ADTA 7194 | THA | Mainstreaming Energy Efficiency Measures for Thai Municipalities | 8-Dec-08 | | 1.00 | | | 1.00 | | 1.00 |
| 7 | CDTA 7286 | PRC | Carbon Dioxide Capture and Storage (CCS) Demonstration - Strategic Analysis and Capacity Strengthening | 23-May-09 | 0.25 | | | 1.00 | 1.00 | | 1.25 |
| 8 | PATA 7462 | MON | Ulaanbaatar Clean Air | 14-Dec-09 | | | 0.50 | | 0.50 | | 0.50 |
| 9 | PPTA 7097 | PHI | Pasuquin East Wind Farm Development | 11-Jun-08 | | 0.20 | | | 0.20 | | 0.20 |
| 10 | PPTA 7444 | THA | Lamthakong Wind Farm Development | 8-Dec-09 | | | 0.16 | | 0.16 | | 0.16 |
| 11 | PPTA 7445 | THA | Chaiyapun Wind Farm Development | 8-Dec-09 | | | 0.16 | | 0.16 | | 0.16 |
| 12 | RETA 7329 | REG | Promoting Access to Renewable Energy in the Pacific | 11-Aug-09 | | 3.00 | | | 3.00 | | 3.00 |
| 13 | RETA 7278 | REG | Carbon Dioxide Capture and Storage (CCS) Demonstration in Developing Countries—Analysis of Key Issues and Barriers ^d | 7-May-09 | | | | 0.35 | 0.35 | | 0.35 |

| No. | Country | Project Name | Approval Date | Funding (\$ million), by Source | | | | | | Total Approved Funding (\$ million) | |
|----------------------------------|-------------|--------------|--|---------------------------------|--------------|--------------|-------------|----------------|--------------------|-------------------------------------|--------------|
| | | | | ADB Special Funds ^a | CEF | ACEF | CCSF | Subtotal CEFPF | Other ^b | | |
| 14 | RETA 6485 | REG | Promoting Energy Efficiency in the Pacific | 12-Sep-08 | | 1.20 | | | 1.20 | | 1.20 |
| Subtotal (TAs) | | | | | 0.25 | 9.05 | 0.82 | 1.35 | 11.22 | 1.2 | 12.67 |
| C. Direct Charges | | | | | | | | | | | |
| 1 | CEFPDC00004 | IND | Initial ADB Loan for Due Diligence Preparatory Work for Solar Thermal Power Plant Project in Rajasthan | 5-Jun-08 | | 0.08 | | | 0.08 | | 0.08 |
| 2 | CEFPDC00016 | MON | CDM Baseline Study for Thermo Technical Rehabilitation of Precast Panel Buildings in Ulaanbaatar | 10-Sep-09 | | 0.08 | | | 0.08 | | 0.08 |
| 3 | CEFPDC00011 | NEP | Compact Fluorescent Lighting and Solar-Powered Street-Lighting | 9-Feb-09 | | 0.08 | | | 0.08 | | 0.08 |
| 4 | CEFPDC00006 | PRC | Zhangbei Wind Power Project | 25-Aug-08 | | 0.04 | | | 0.04 | | 0.04 |
| 5 | CEFPDC00010 | PRC | Qinghai Pasture Conservation Using Solar Photovoltaic (PV)-Driven Irrigation | 19-Jan-09 | | 0.08 | | | 0.08 | | 0.08 |
| 6 | CEFPDC00013 | PRC | Workshop in PRC-ADB Cooperation in Clean Energy Project Financing | 31-Mar-09 | | 0.03 | | | 0.03 | | 0.03 |
| 7 | CEFPDC00003 | VIE | Preparation of Renewable Energy for Remote Island and Mountain Communes | 29-May-08 | | 0.08 | | | 0.08 | | 0.08 |
| 8 | CEFPDC00001 | REG | Asia Clean Energy Forum 2008 | 2-Apr-08 | | 0.05 | | | 0.05 | | 0.05 |
| 9 | CEFPDC00005 | REG | Recruitment of Clean Energy Expert | 25-Aug-08 | | 0.18 | | | 0.18 | | 0.18 |
| 10 | CEFPDC00002 | REG | Transport and Climate Change "The Missing Link: How Should Transport Address Its Emissions and Energy Use" | 25-Aug-08 | | 0.07 | | | 0.07 | | 0.07 |
| 11 | CEFPDC00012 | REG | 4th Asia Clean Energy Forum 2009 | 16-Mar-09 | | 0.10 | | | 0.10 | | 0.10 |
| 12 | CEFPDC00014 | REG | Clean Energy Expo China Conference 2009 | 30-Jun-09 | | 0.06 | | | 0.06 | | 0.06 |
| 13 | CEFPDC00015 | REG | South Asia Regional Climate Change Conference | 29-Jul-09 | | 0.05 | | | 0.05 | | 0.05 |
| 14 | CCFCDC00009 | REG | Carbon Forum Asia 2009 | 15-Sep-09 | | 0.15 | | | 0.15 | | 0.15 |
| Subtotal (Direct Charges) | | | | | 0.00 | 1.10 | 0.00 | 0.00 | 1.10 | 0.00 | 1.10 |
| Total | | | | | 25.53 | 14.36 | 3.32 | 1.35 | 19.03 | 1.50 | 46.06 |

ACEF = Asian Clean Energy Fund, ADB = Asian Development Bank, ADTA = advisory technical assistance, BHU = Bhutan, CEFPDC = Clean Energy Financing Project Direct Charge, CCFCDC = Carbon Capture and Storage Direct Charge, CCSF = Carbon Capture and Storage Fund, CDTA = capacity development technical assistance, CEF = Clean Energy Fund, FPF = financing partnership facility, G = grant, IND = India, MON = Mongolia, NEP = Nepal, PHI = Philippines, PPTA = project preparatory technical assistance, PRC = People's Republic of China, REG = regional, RETA = regional technical assistance, SRI = Sri Lanka, TA = technical assistance, THA = Thailand, VIE = Viet Nam.

^a ADB Special Funds are Asian Development Fund for grants and Technical Assistance Support Fund for technical assistance.

^b Other funding source is Climate Change Fund.

^c This project was originally submitted as a grant component of an investment project and given a grant number. The project was subsequently approved as TA, but retained the grant number.

^d Funding for this TA (TA 7278) was originally from the Climate Change Fund, but it was subsequently charged to the Carbon Capture and Storage Fund.

Sources: ADB database of approved loans, grants, and TA; project documents; and CEFPF Secretariat.

Table A8.6: RCIFPF-Financed Projects Approved During 2007–2009

| No. | Country | Project Name | Approval Date | Funding (\$ million), by Source | | | | | Total Approved Funding (\$ million) |
|-----|---------|--------------|---|---------------------------------|------|------|-----------------|---------------------|-------------------------------------|
| | | | | ADB Special Funds ^a | RCIF | ICFF | Subtotal RCIFPF | Others ^b | |
| 1 | 4645 | CAM | Restructuring of the Railway in Cambodia (Supplementary) | 21-Nov-08 | 0.25 | 0.60 | 0.60 | 1.50 | 2.35 |
| 2 | 4985 | NEP | West Seti Hydroelectric | 5-Nov-07 | | 0.30 | 0.30 | | 0.30 |
| 3 | 6262 | REG | Enhancing the Development Effectiveness of the GMS | 18-Sep-07 | 2.50 | 1.40 | 1.40 | | 3.90 |
| 3 | 6262 | REG | Enhancing the Development Effectiveness of the GMS Economic Cooperation Program (Supplementary) | 3-Apr-09 | | | 0.00 | | 0.00 |
| 4 | 6390 | REG | Transboundary Animal Disease Control for Poverty Reduction in the Greater Mekong Subregion (Supplementary) | 27-Feb-09 | 0.45 | 1.00 | 1.00 | 0.20 | 1.65 |
| 5 | 6424 | REG | Enhancing Effective Regulation of Water and Energy Infrastructure and Utility Services (Supplementary) | 28-Aug-09 | 0.56 | | 0.40 | 0.93 | 1.89 |
| 6 | 6432 | REG | Private Sector-Led Integration and Free Trade Agreements in South Asia | 11-Dec-07 | | 0.75 | 0.75 | | 0.75 |
| 7 | 6433 | REG | South Asia Subregional Economic Cooperation Regional Information and Communication Technology Research and Training Network | 17-Dec-07 | | 4.40 | 4.40 | | 4.40 |
| 8 | 6441 | REG | Efficiency Improvement and Connectivity Strengthening in Archipelagic Southeast Asia Project | 19-Dec-07 | 1.25 | 1.50 | 1.50 | | 2.75 |
| 9 | 6448 | REG | Integrating Human Trafficking and Safe Migration Concerns for Women and Children into Regional Cooperation | 17-Mar-08 | | 1.00 | 1.00 | | 1.00 |
| 10 | 6450 | REG | Enhancing Transport and Trade Facilitation in the Greater Mekong Subregion | 28-Mar-08 | | 1.00 | 1.00 | 0.75 | 1.75 |
| 11 | 6453 | REG | Capacity Building for Bond Market Development in ASEAN+3 | 28-Mar-08 | | 0.50 | 0.50 | | 0.50 |
| 12 | 6454 | REG | Supporting Regional Capacities for Financial Asset and Liability and Risk Management | 27-Mar-08 | | 0.62 | 0.62 | | 0.62 |
| 13 | 6454 | REG | Supporting Regional Capacities for Financial Asset and Liability and Risk Management (Supplementary) | 11-Nov-09 | | | 0.00 | | 0.00 |
| 14 | 6472 | REG | Strategic Partnerships for Policy Development and Action to Foster Regional Cooperation in South Asia | 25-Jul-08 | | 0.70 | 0.70 | | 0.70 |
| 15 | 6473 | REG | Strengthening Southeast Asian Financial Markets | 5-Aug-08 | | 0.65 | 0.65 | | 0.65 |
| 16 | 6476 | REG | South Asian Regional Cooperation in 2030: the Potential Role of India and Pakistan | 11-Aug-08 | | 0.75 | 0.75 | | 0.75 |

| No. | Country | Project Name | Approval Date | Funding (\$ million), by Source | | | | | Total Approved Funding (\$ million) | |
|-----|---------|--------------|---|---------------------------------|------|------|-----------------|---------------------|-------------------------------------|------|
| | | | | ADB Special Funds ^a | RCIF | ICFF | Subtotal RCIFPF | Others ^b | | |
| 17 | 6484 | REG | Mekong Water Supply and Sanitation (PPTA) | 8-Sep-08 | 0.40 | 0.50 | | 0.50 | 0.30 | 1.20 |
| 18 | 6488 | REG | Central Asia Regional Economic Cooperation Institute, 2009–2012 | 24-Sep-08 | 4.00 | 0.50 | | 0.50 | 0.50 | 5.00 |
| 19 | 6496 | REG | Regional Partnerships for Climate Change Adaptation and Disaster Preparedness | 27-Oct-08 | | 1.00 | | 1.00 | | 1.00 |
| 20 | 6504 | REG | Improving Connectivity and Destination Management of Cultural and Natural Resources in the South Asia Subregion | 8-Dec-08 | | 2.00 | | 2.00 | | 2.00 |
| 21 | 6505 | REG | Enhancing Financial Disclosure Standards in Armenia, Azerbaijan, and Georgia | 10-Dec-08 | | | 0.60 | 0.60 | | 0.60 |
| 22 | 6509 | REG | Minimizing Foreign Exchange Settlement Risk in the ASEAN + 3 Region: Support for Group of Experts | 16-Dec-08 | | | 0.85 | 0.85 | | 0.85 |
| 23 | 6514 | REG | Harmonization of Bond Standards in ASEAN + 3 | 16-Dec-08 | | | 0.45 | 0.45 | 0.50 | 0.95 |
| 24 | 7080 | TAJ | CAREC Transport Corridor III (Dushanbe-Uzbekistan Border Road) | 14-May-08 | | 0.65 | | 0.65 | | 0.65 |
| 25 | 7157 | BHU | Promotion of Clean Power Export Development | 29-Oct-08 | 0.60 | 0.89 | | 0.89 | | 1.49 |
| 26 | 7248 | REG | South Asia Strategic Framework for AID for Trade Road Map | 10-Mar-09 | | | 0.60 | 0.60 | | 0.60 |
| 27 | 7249 | REG | Strengthening the Capacity of the ASEAN Secretariat in Regional Economic Integration and Policy Dialogue-Phase 2 | 9-Mar-09 | | 1.20 | | 1.20 | | 1.20 |
| 28 | 7268 | REG | Regional Public Goods for Health Combating Dengue in ASEAN | 7-Apr-09 | | 1.00 | | 1.00 | | 1.00 |
| 29 | 7275 | REG | Implementing the GMS Human Resource Development Strategic Framework and Action Plan | 29-Apr-09 | | 0.75 | | 0.75 | 0.50 | 1.25 |
| 30 | 7284 | REG | Institutions for Regionalism: Enhancing Economic Cooperation and Integration in Asia and the Pacific | 22-May-09 | | 1.50 | | 1.50 | | 1.50 |
| 31 | 7290 | REG | Achieving Urban Water Security for South Asia | 1-Jun-09 | | | 0.85 | 0.85 | | 0.85 |
| 32 | 7307 | REG | Regional Cooperation on Knowledge, Management, Policy, and Institutional Support to the Coral Triangle Initiative | 8-Jul-09 | | 0.50 | | 0.50 | 1.20 | 1.70 |
| 33 | 7353 | REG | CAREC: Working with the Private Sector for Trade Facilitation | 25-Sep-09 | | 1.50 | | 1.50 | 0.50 | 2.00 |
| 34 | 7356 | REG | Developing Cross-Border Economic Zone Between the PRC and Viet Nam | 30-Sep-09 | | 0.80 | | 0.80 | | 0.80 |

| | No. | Country | Project Name | Approval Date | Funding (\$ million), by Source | | | | Total Approved Funding (\$ million) | | |
|--------------|------|---------|---|---------------|---------------------------------|--------------|--------------|-----------------|-------------------------------------|---------------------|--------------|
| | | | | | ADB Special Funds ^a | RCIF | ICFF | Subtotal RCIFPF | | Others ^b | |
| 35 | 7380 | REG | Enhancing Border Trade and Services and Rules for SMEs | 18-Nov-09 | | 1.50 | | 1.50 | 1.50 | | |
| 36 | 7459 | REG | GMS Biodiversity Conservation Corridors | 17-Dec-09 | | 1.00 | | 1.00 | 1.00 | | |
| 37 | 7477 | REG | ASEAN+3 Regional Guarantee and Investment Mechanism (Phase 3) | 21-Dec-09 | | | 1.37 | 1.37 | 1.37 | | |
| Total | | | | | | 10.01 | 30.46 | 5.12 | 35.58 | 6.88 | 52.46 |

ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations, BHU = Bhutan, CAM = Cambodia, CAREC = Central Asia Regional Economic Cooperation, ICFF = Investment Climate and Facilitation Fund, NEP = Nepal, PPTA = project preparatory technical assistance, PRC = People's Republic of China, REG = regional, RCIF = Regional Cooperation and Integration Fund, RCIFPF = Regional Cooperation and Integration Financing Partnership Facility, SME = small and medium enterprise, TAJ = Tajikistan.

^a ADB Special Funds include Technical Assistance Support Fund and Japan Support Fund.

^b Other funding sources are the governments of Australia, France, and Netherlands; the PRC's Poverty Reduction Fund; Global Environment Facility; Republic of Korea's e-Asia; and Knowledge Partnership Fund.

Sources: ADB database of approved loans, grants, and technical assistance; project documents; and Water Financing Partnership Facility Secretariat.

Table A8.7: Status and Performance Ratings of FPF-Financed Grants as of 30 June 2010

| Grant(G) No. | Country | Project Name | Approval Date | Amount Approved (\$ million) | Completion Date | Status | Project Progress | PPR Rating | | Disbursements | | |
|----------------------------|-----------------|--------------|---|------------------------------------|--------------------|-----------|---------------------|------------|----|---------------|------------------|-------------|
| | | | | | | | | IO | IP | \$ Million | % of Approval | |
| A. Water FPF | | | | | | | | | | | | |
| 1 | G0130 | SRI | Dry Zone Urban Water and Sanitation Project | 28-Nov-08 | 25.22 | 1-Dec-13 | Active | 7% | S | S | 1.317 | 5.2 |
| 2 | G0131 | UZB | Surkhandarya Water Supply and Sanitation Project | 3-Nov-08 | 1.50 | 30-Sep-14 | Active | 17% | S | S | 0.032 | 2.1 |
| 3 | G0147 | VIE | Thanh Hoa City Comprehensive Socioeconomic Development Project | 5-Mar-09 | 2.00 | 30-Jun-14 | Active | 0% | S | S | 0.000 | 0.0 |
| 4 | G0159 | PRC | Liaoning Small Cities and Towns Development Demonstration Sector | 18-Sep-09 | 0.25 | 30-Sep-15 | Active | a | HS | S | 0.000 | 0.0 |
| 5 | G0171 | PRC | Hebei Small Cities and Towns Development Demonstration Sector | 6-Nov-09 | 0.25 | 31-Dec-15 | Active | 8% | S | S | 0.000 | 0.0 |
| 6 | G0188 | PRC | Climate Change Adaptation Through Ground Water Management | 16-Dec-09 | 0.50 | 30-Jun-12 | Active | a | S | S | 0.000 | 0.0 |
| 7 | G0190 | PRC | Shanxi Small Cities and Towns Development Demonstration Sector | 18-Dec-09 | 0.25 | 30-Jun-13 | Active | 0% | S | S | 0.000 | 0.0 |
| Subtotal | | | | | 29.97 | | | | | | 1.349 | 4.5 |
| B. Clean Energy FPF | | | | | | | | | | | | |
| 1 | G0141/ G0119 | BHU | Bhutan Green Power Development Project- Sustainable Solar Technology Application for Clean Rural Electrification | 26-Dec-08/ 29-Oct-08 | 26.28 | Jun-13 | Active | 39% | S | S | 6.203 | 23.6 |
| 2 | G0182 G0183 | NEP | Energy Access and Efficiency Improvement Project- CCF: Compact Fluorescent Lighting and Solar-Powered Street Lighting | 27-Nov-09 | 0.30 4.20 | Sep-12 | Active | 5% | S | S | 0.000 | 0.0 |
| 3 | G0142 | PHI | Philippine Energy Efficiency Project | 29-Jan-09 | 1.50 | Apr-11 | Active | 15% | S | S | 0.000 | 0.0 |
| Subtotal | | | | | 32.280 | | | | | | 6.203 | 19.2 |
| Total FPF Grants | | | | | 62.250 | | | | | | 7.552 | 12.1 |

BHU = Bhutan, CCF = Climate Change Fund, FPF = financing partnership facility, HS = highly satisfactory, IO = impact and outcome, IP = implementation progress, NEP = Nepal, PHI = Philippines, PRC = People's Republic of China, PPR = project performance report, S = satisfactory, SRI = Sri Lanka, UZB = Uzbekistan, VIE = Viet Nam.

^a Loan not yet effective.

Source: Project performance reports.

Table A8.8: Status and Performance Ratings of FPF-Financed Technical Assistance as of 30 June 2010

| TA No. | Country | Project Name | Type | Approval Date | Amount Approved (\$ million) | Status | Completion Date | TPR Rating | | Disbursements | | |
|---------------------|---------|--------------|---|---------------|------------------------------|--------|-----------------|------------|----|---------------|---------------|------|
| | | | | | | | | TA Obj. | IP | \$ Million | % of Approval | |
| A. Water FPF | | | | | 39.209 | | | | | 15.421 | 39.3 | |
| 1 | 7131 | IND | Institutional Development of Integrated Water Resources Management in Orissa (L2444: Orissa Integrated Irrigated Agriculture and Water Management Investment Program) | AD | 18-Sep-08 | 0.250 | Ongoing | 30-Sep-10 | S | PS | 0.000 | 0.0 |
| 2 | 7189 | INO | Institutional Strengthening for Integrated Water Resources Management in the 6 CIS River Basin Territory (MF0027, L2500, and L2501) | AD | 4-Dec-08 | 8.000 | Ongoing | 31-Dec-12 | S | S | 1.245 | 15.6 |
| 3 | 7219 | PRC | Enabling the Protection of Jiaozhou Bay Water Quality and Wetland Ecosystem (L2414) | AD | 17-Dec-08 | 0.750 | Ongoing | 14-Dec-10 | S | S | 0.122 | 16.2 |
| 4 | 4813 | PRC | Strengthening Flood Management Sustainability in Hunan Province (L2244) | AD | 26-Jan-09 | 0.560 | Ongoing | 30-Sep-12 | S | S | 0.424 | 75.7 |
| 5 | 4573 | IND | Water Users' Association Empowerment for Improved Irrigation Management In Chhattisgarh (L2159) | AD | 7-Aug-09 | 2.450 | Ongoing | 28-Nov-12 | S | S | 1.876 | 76.6 |
| 6 | 4972 | NEP | Improved Water Quality, Sanitation, and Service Delivery in Emerging Towns Sector Development Program | PP | 28-Sep-07 | 0.720 | Completed | 31-Aug-09 | S | S | 0.585 | 81.3 |
| 7 | 7049 | PRC | Implementing the National Flood Management Strategy | AD | 20-Dec-07 | 0.500 | Completed | 31-Dec-10 | S | S | 0.410 | 82.1 |
| 8 | 4763 | INO | Metropolitan Sanitation Management and Health (Supplementary) | PP | 12-Mar-08 | 1.700 | Completed | 30-Jun-10 | S | S | 1.548 | 91.0 |
| 9 | 4689 | VIE | Developing Benefit Sharing Mechanisms for People Adversely Affected by Power Generation (Supplementary) | AD-S | 22-May-08 | 0.390 | Completed | 30-Jun-10 | S | S | 0.305 | 78.1 |
| 10 | 7083 | PRC | Urban Wastewater Reuse and Sludge Utilization | AD | 26-May-08 | 1.000 | Ongoing | 31-Mar-11 | S | S | 0.258 | 25.8 |
| 11 | 7089 | VIE | Hue Water Supply | PP | 13-Jun-08 | 1.500 | Completed | 30-Jun-10 | S | S | 0.957 | 63.8 |
| 12 | 7127 | PRC | River Basin Water Resources Allocation and Management | AD | 2-Sep-08 | 0.750 | Ongoing | 31-Oct-10 | S | S | 0.185 | 24.7 |
| 13 | 7122 | PHI | Water District Development Sector | PP | 10-Sep-08 | 1.200 | Ongoing | 31-Dec-10 | S | S | 0.774 | 64.5 |

| | TA No. | Country | Project Name | Type | Approval Date | Amount Approved (\$ million) | Status | Completion Date | TPR Rating | | Disbursements | |
|----------------------------|--------|---------|--|------|---------------|------------------------------|-----------|-----------------|------------|----|---------------|---------------|
| | | | | | | | | | TA Obj. | IP | \$ Million | % of Approval |
| 14 | 7132 | IND | Integrated Flood and River Erosion Management–Arunachal Pradesh | PP | 11-Sep-08 | 0.900 | Completed | 30-Jun-10 | S | S | 0.438 | 48.7 |
| 15 | 7136 | IND | Integrated Flood and River Erosion Risk Management-Assam (Phase 2): Processing and Institutional Strengthening | PP | 26-Sep-08 | 0.900 | Ongoing | 31-Dec-10 | S | S | 0.637 | 70.7 |
| 16 | 7144 | VIE | Da Nang Water Supply | PP | 1-Oct-08 | 1.500 | Ongoing | 30-Sep-10 | S | S | 0.583 | 38.9 |
| 17 | 7151 | VIE | Hai Phong Water Supply | PP | 20-Oct-08 | 1.000 | Completed | 30-Jun-10 | S | S | 0.408 | 40.8 |
| 18 | 7182 | NEP | Secondary Towns Integrated Urban Environmental Improvement | PP | 2-Dec-08 | 0.846 | Ongoing | 31-Oct-10 | S | S | 0.428 | 50.6 |
| 19 | 7217 | PRC | Preparing National Guidelines for Eco-Compensation in River Basins and a Framework for Soil Pollution Management | AD | 8-Dec-08 | 0.800 | Ongoing | 31-Jul-11 | S | S | 0.000 | 0.0 |
| 20 | 7228 | KGZ | Issyk-Kul Sustainable Development | PP | 20-Jan-09 | 0.800 | Completed | 31-Dec-09 | S | S | 0.629 | 78.6 |
| 21 | 7240 | UZB | Water Supply and Sanitation Services | PP | 20-Feb-09 | 1.350 | Ongoing | 15-Jul-10 | S | S | 0.540 | 40.0 |
| 22 | 7261 | PRC | Strategy for Drought Management | PA | 26-Mar-09 | 0.630 | Ongoing | 30-Jun-11 | S | S | 0.266 | 42.3 |
| 23 | 7320 | SRI | Supporting Capacity Development Wastewater Management Services Colombo | CD | 28-Jul-09 | 0.650 | Ongoing | 30-Apr-11 | S | S | 0.087 | 13.5 |
| 24 | 7321 | PAK | Punjab Cities Improvement Investment Program | PP | 29-Jul-09 | 1.400 | Ongoing | 31-Dec-10 | S | S | 0.237 | 16.9 |
| 25 | 7367 | PHI | Pasig River Catchment Sewerage Project | PP | 26-Oct-09 | 0.300 | Ongoing | 17-Nov-10 | S | S | 0.000 | 0.0 |
| 26 | 7432 | BAN | Chittagong Hill Tracts Rural Development Project II | PP | 7-Dec-09 | 1.165 | Ongoing | 31-Mar-11 | S | S | 0.001 | 0.1 |
| 27 | 6484 | REG | Mekong Water Supply and Sanitation | RG | 8-Sep-08 | 1.200 | Completed | 30-Apr-10 | S | S | 0.873 | 72.8 |
| 28 | 6486 | REG | Improved Management of Water Resources in Central Asia | RG | 12-Sep-08 | 0.998 | Ongoing | 31-Aug-10 | S | S | 0.123 | 12.3 |
| 29 | 6498 | REG | Knowledge and Innovation Support for ADB's Water Financing Program | | 3-Nov-08 | 5.000 | Ongoing | 31-Dec-11 | S | S | 1.482 | 29.6 |
| B. Clean Energy FPF | | | | | | 12.673 | | | | | 1.767 | 13.9 |
| 1 | 7171 | PRC | Railway Sector Energy Efficiency Strategy (TA component of PRC Loan Lanzhou Chongqing Railway Development Project) | AD | 18-Nov-08 | 0.800 | Ongoing | 31-Dec-10 | S | S | 0.000 | 0.0 |

| | TA No. | Country | Project Name | Type | Approval Date | Amount Approved (\$ million) | Status | Completion Date | TPR Rating | | Disbursements | |
|-------------------|--------|---------|--|-------|---------------|------------------------------|-----------|-----------------|------------|----|---------------|---------------|
| | | | | | | | | | TA Obj. | IP | \$ Million | % of Approval |
| 2 | 7267 | SRI | Clean Energy and Access Improvement Project - TA Grant Component: Demand Side Management for Municipal Street Lighting (see also Investment Grant Component for \$3.578 million) | CD | 14-Apr-09 | 0.800 | Ongoing | 23-May-11 | S | S | 0.000 | 0.0 |
| 3 | 7294 | PRC | Municipal Waste to Energy Project | CD | 4-Jun-09 | 0.653 | Ongoing | 15-Feb-15 | S | U | 0.000 | 0.0 |
| 4 | 7011 | SRI | Building the Capacity of Sustainable Energy Authority | AD | 12-Dec-07 | 0.600 | Ongoing | 30-Sep-10 | S | S | 0.341 | 56.9 |
| 5 | 7194 | THA | Mainstreaming Energy Efficiency Measures for Thai Municipalities | AD | 8-Dec-08 | 1.000 | Ongoing | 30-Jun-11 | S | S | 0.193 | 19.3 |
| 6 | 7286 | PRC | Carbon Dioxide Capture and Storage (CCS) Demonstration - Strategic Analysis and Capacity Strengthening | CD | 23-May-09 | 1.250 | Ongoing | 30-Sep-10 | S | S | 0.110 | 8.8 |
| 7 | 7462 | MON | Ulaanbaatar Clean Air | PA | 14-Dec-09 | 0.500 | Ongoing | 30-Nov-11 | S | S | 0.000 | 0.0 |
| 8 | 7097 | PHI | Pasquin East Wind Farm Development | PP | 11-Jun-08 | 0.200 | Completed | 30-Jun-10 | S | PS | 0.000 | 0.0 |
| 9 | 7445 | THA | Chaiyapun Wind Farm Development | PP-S | 8-Dec-09 | 0.160 | Ongoing | 30-Nov-10 | S | S | 0.000 | 0.0 |
| 10 | 7444 | THA | Lamthakong Wind Farm Development | PP-S | 8-Dec-09 | 0.160 | Ongoing | 30-Nov-10 | S | S | 0.000 | 0.0 |
| 11 | 7329 | REG | Promoting Access to Renewable Energy in the Pacific | RG-CD | 11-Aug-09 | 3.000 | Ongoing | 31-Aug-12 | S | PS | 0.726 | 24.2 |
| 12 | 7278 | REG | Carbon Dioxide Capture and Storage (CCS) Demonstration in Developing Countries—Analysis of Key Issues and Barriers | RG-PA | 7-May-09 | 0.350 | Ongoing | 30-Sep-10 | S | S | 0.089 | 25.4 |
| 13 | 6485 | REG | Promoting Energy Efficiency in the Pacific | RG | 12-Sep-08 | 1.200 | Ongoing | 24-Sep-10 | S | S | 0.309 | 25.7 |
| 14 | G0109 | PRC | Capacity Building for Energy Efficiency/ Implementation of Efficiency Power Plant ^a | CDTA | 4-Jun-08 | 2.000 | Ongoing | Dec-11 | S | S | 0.000 | 0.0 |
| C. RCI FPF | | | | | | 52.46 | | | | | 17.207 | 32.8 |
| 1 | 4645 | CAM | Restructuring of the Railway in Cambodia (Supplementary) | AD | 21-Nov-08 | 2.350 | Ongoing | 31-Oct-10 | S | S | 1.755 | 74.7 |
| 2 | 4985 | NEP | West Seti Hydroelectric | PP | 5-Nov-07 | 0.300 | Ongoing | 31-Dec-10 | S | S | 0.174 | 58.1 |
| 3 | 6262 | REG | Enhancing the Development Effectiveness of the GMS Economic Cooperation Program (Supplementary TA) | RG | 18-Sep-07 | 3.900 | Ongoing | 31-Dec-10 | HS | S | 3.579 | 91.8 |

| | TA No. | Country | Project Name | Type | Approval Date | Amount Approved (\$ million) | Status | Completion Date | TPR Rating | | Disbursements | |
|----|--------|---------|---|------|---------------|------------------------------|-----------|-----------------|------------|----|---------------|---------------|
| | | | | | | | | | TA Obj. | IP | \$ Million | % of Approval |
| 4 | 6390 | REG | Transboundary Animal Disease Control for Poverty Reduction in the Greater Mekong Subregion (Supplementary) | RG | 27-Feb-09 | 1.650 | Ongoing | 31-Jul-10 | S | PS | 0.375 | 22.7 |
| 5 | 6424 | REG | Enhancing Effective Regulation of Water and Energy Infrastructure and Utility Services (Supplementary) | RG | 28-Aug-09 | 1.889 | Ongoing | 31-Dec-10 | S | PS | 0.148 | 7.8 |
| 6 | 6432 | REG | Private Sector-Led Integration and Free Trade Agreements in South Asia | RG | 11-Dec-07 | 0.750 | Ongoing | 31-Dec-10 | S | S | 0.353 | 47.0 |
| 7 | 6433 | REG | South Asia Subregional Economic Cooperation Regional Information and Communication Technology Research and Training Network | RG | 17-Dec-07 | 4.400 | Ongoing | 31-Jul-12 | S | S | 0.018 | 0.4 |
| 8 | 6441 | REG | Efficiency Improvement and Connectivity Strengthening in Archipelagic Southeast Asia Project | RG | 19-Dec-07 | 2.750 | Ongoing | 31-Mar-11 | S | S | 1.737 | 63.2 |
| 9 | 6448 | REG | Integrating Human Trafficking and Safe Migration Concerns for Women and Children into Regional Cooperation | RG | 17-Mar-08 | 1.000 | Ongoing | 31-May-11 | S | S | 0.351 | 35.1 |
| 10 | 6450 | REG | Enhancing Transport and Trade Facilitation in the Greater Mekong Subregion | RG | 28-Mar-08 | 1.750 | Ongoing | 31-Mar-11 | S | S | 1.046 | 59.8 |
| 11 | 6453 | REG | Capacity Building for Bond Market Development in ASEAN+3 | RG | 28-Mar-08 | 0.500 | Ongoing | 30-Nov-10 | HS | S | 0.086 | 17.2 |
| 12 | 6454 | REG | Supporting Regional Capacities for Financial Asset and Liability and Risk Management (with Supplementary) | RG | 27-Mar-08 | 0.620 | Ongoing | 31-Dec-12 | S | S | 0.200 | 32.2 |
| 13 | 6472 | REG | Strategic Partnerships for Policy Development and Action to Foster Regional Cooperation in South Asia | RG | 25-Jul-08 | 0.700 | Ongoing | 31-Aug-10 | S | PS | 0.000 | 0.0 |
| 14 | 6473 | REG | Strengthening Southeast Asian Financial Markets | RG | 5-Aug-08 | 0.650 | Ongoing | 30-Sep-10 | S | S | 0.595 | 91.6 |
| 15 | 6476 | REG | South Asian Regional Cooperation in 2030: the Potential Role of India and Pakistan | RG | 11-Aug-08 | 0.750 | Ongoing | 31-Jul-10 | S | S | 0.568 | 75.8 |
| 16 | 6484 | REG | Mekong Water Supply and Sanitation (PPTA) | RG | 8-Sep-08 | 1.200 | Completed | 30-Apr-10 | S | S | 0.873 | 72.8 |

| | TA No. | Country | Project Name | Type | Approval Date | Amount Approved (\$ million) | Status | Completion Date | TPR Rating | | Disbursements | |
|----|--------|---------|--|------|---------------|------------------------------|-----------|-----------------|------------|----|---------------|---------------|
| | | | | | | | | | TA Obj. | IP | \$ Million | % of Approval |
| 17 | 6488 | REG | Central Asia Regional Economic Cooperation Institute, 2009–2012 | RG | 24-Sep-08 | 5.000 | Ongoing | 31-Mar-12 | S | S | 1.443 | 28.9 |
| 18 | 6496 | REG | Regional Partnerships for Climate Change Adaptation and Disaster Preparedness | RG | 27-Oct-08 | 1.000 | Ongoing | 30-Sep-11 | S | S | 0.170 | 17.0 |
| 19 | 6504 | REG | Improving Connectivity and Destination Management of Cultural and Natural Resources in the South Asia Subregion | RG | 8-Dec-08 | 2.000 | Ongoing | 23-Nov-11 | S | S | 0.282 | 14.1 |
| 20 | 6505 | REG | Enhancing Financial Disclosure Standards in Armenia, Azerbaijan, and Georgia | RG | 10-Dec-08 | 0.600 | Ongoing | 30-Sep-10 | S | S | 0.505 | 84.2 |
| 21 | 6509 | REG | Minimizing Foreign Exchange Settlement Risk in the ASEAN + 3 Region: Support for Group of Experts | RG | 16-Dec-08 | 0.850 | Ongoing | 31-Dec-11 | HS | S | 0.393 | 46.2 |
| 22 | 6514 | REG | Harmonization of Bond Standards in ASEAN + 3 | RG | 16-Dec-08 | 0.950 | Ongoing | 31-Dec-11 | HS | S | 0.140 | 14.7 |
| 23 | 7080 | TAJ | CAREC Transport Corridor III (Dushanbe–Uzbekistan Border Road) | PP | 14-May-08 | 0.650 | Completed | 30-Mar-10 | S | S | 0.471 | 72.5 |
| 24 | 7157 | BHU | Promotion of Clean Power Export Development | AD | 29-Oct-08 | 1.488 | Ongoing | 16-Mar-11 | S | S | 0.406 | 27.3 |
| 25 | 7248 | REG | South Asia Strategic Framework for AID for Trade Road Map | PA | 10-Mar-09 | 0.600 | Ongoing | 20-Dec-10 | S | S | 0.145 | 24.2 |
| 26 | 7249 | REG | Strengthening the Capacity of the ASEAN Secretariat in Regional Economic Integration and Policy Dialogue-Phase 2 | CD | 9-Mar-09 | 1.200 | Ongoing | 31-Jan-11 | S | S | 0.209 | 17.4 |
| 27 | 7268 | REG | Regional Public Goods for Health Combating Dengue in ASEAN | CD | 7-Apr-09 | 1.000 | Ongoing | 23-Sep-11 | S | S | 0.177 | 17.7 |
| 28 | 7275 | REG | Implementing the GMS Human Resource Development Strategic Framework and Action Plan | PA | 29-Apr-09 | 1.250 | Ongoing | 31-Oct-11 | S | S | 0.086 | 6.9 |
| 29 | 7284 | REG | Institutions for Regionalism: Enhancing Economic Cooperation and Integration in Asia and the Pacific | RD | 22-May-09 | 1.500 | Ongoing | 30-Apr-11 | S | S | 0.921 | 61.4 |
| 30 | 7290 | REG | Achieving Urban Water Security for South Asia | CD | 1-Jun-09 | 0.850 | Ongoing | 31-Dec-10 | S | S | 0.000 | 0.0 |

| TA No. | Country | Project Name | Type | Approval Date | Amount Approved (\$ million) | Status | Completion Date | TPR Rating | | Disbursements | | |
|--------|---------|--------------|---|---------------|------------------------------|--------|-----------------|------------|----|---------------|---------------|-----|
| | | | | | | | | TA Obj. | IP | \$ Million | % of Approval | |
| 31 | 7307 | REG | Regional Cooperation on Knowledge, Management, Policy, and Institutional Support to the Coral Triangle Initiative | PA | 8-Jul-09 | 1.700 | Ongoing | 1-Nov-12 | S | S | 0.000 | 0.0 |
| 32 | 7353 | REG | CAREC: Working with the Private Sector for Trade Facilitation | PA | 25-Sep-09 | 2.000 | Ongoing | 31-Dec-12 | S | S | 0.000 | 0.0 |
| 33 | 7356 | REG | Developing Cross-Border Economic Zone Between the PRC and Viet Nam | PA | 30-Sep-09 | 0.800 | Ongoing | 31-Dec-11 | S | S | 0.000 | 0.0 |
| 34 | 7380 | REG | Enhancing Border Trade and Services and Rules for SMEs | PA | 18-Nov-09 | 1.50 | Ongoing | 28-Apr-13 | S | S | 0.000 | 0.0 |
| 35 | 7459 | REG | GMS Biodiversity Conservation Corridors | PP | 17-Dec-09 | 1.00 | Ongoing | 30-Jun-11 | S | S | 0.062 | 6.2 |
| 36 | 7477 | REG | ASEAN+3 Regional Guarantee and Investment Mechanism (Phase 3) | PA | 21-Dec-09 | 1.37 | Ongoing | 30-Jun-11 | S | S | 0.000 | 0.0 |

AD = advisory, ADB = Asian Development Bank, BAN = Bangladesh, CAM = Cambodia, CD = capacity development, FPF = financing partnership facility, G = grant, HS = highly satisfactory, IND = India, INO = Indonesia, IP = implementation progress, L = loan, LAO = Lao People's Democratic Republic, MDTF = Multidonor Trust Fund, MON = Mongolia, NEP = Nepal, NTF = Netherlands Trust Fund, PAK = Pakistan, PHI = Philippines, PA = policy and advisory, PP = project preparatory, PRC = People's Republic of China, PS = partly satisfactory, REG = regional, RETA = regional technical assistance, S = satisfactory, SRI = Sri Lanka, TA = technical assistance, TPR = technical assistance performance report, TA Obj.= technical assistance objective, UZB = Uzbekistan, VIE = Viet Nam.

^a This is a TA given a grant number because it was initially submitted as grant. Ratings shown for this TA are for "IO = impact and outcome" and IP = "implementation progress" from its project performance report separate from the associated loan.

Source: Project performance reports.

Table A8.9: Summary of Status and Performance of FPF-financed Projects, by Facility and by Modality

| FPF/Modality | No. Approved | No. Completed | %. Completed | No. Active/ Ongoing | Grants and TAs Rated | Performance Ratings (as of 30 June 2010) | | | | |
|-----------------------------------|--------------|---------------|-------------------------|------------------------|----------------------------|--|--------------|-----------------------------|------------------------|----------------|
| | | | | | | (a) Impact and Outcome/ TA Objective | | (b) Implementation Progress | | |
| | | | | | | Highly Satisfactory | Satisfactory | Satisfactory | Partly Satisfactory | Unsatisfactory |
| A. Water FPF | | | | | | | | | | |
| Grants | 7 | 0 | 0.0 | 7 | 7 | 1 | 6 | 7 | | |
| Technical Assistance | 29 | 9 | 31.0 | 20 | 29 | | 29 | 28 | 1 | |
| Direct Charges | 46 | 32 | 69.6 | 14 | | | | | | |
| Subtotal | 82 | 41 | 50.0 | 41 | 36 | | | | | |
| B. Clean Energy FPF | | | | | | | | | | |
| Grants | 3 | 0 | 0.0 | 3 | 3 | | 3 | 4 | | |
| Technical Assistance | 14 | 1 | 7.1 | 13 | 14 | | 14 | 11 | 2 | 1 |
| Direct Charges | 14 | 7 | 50.0 | 7 | | | | | | |
| Subtotal | 31 | 8 | 25.8 | 23 | 17 | | | | | |
| C. RCIFPF | | | | | | | | | | |
| Grants | | | | | | | | | | |
| Technical Assistance | 36 | 2 | 5.6 | 34 | 36 | 4 | 32 | 33 | 3 | |
| Direct Charges | | | | | | | | | | |
| Subtotal | 36 | 2 | 5.6 | 34 | 36 | | | | | |
| All FPFs | | | | | | | | | | |
| Grants | 10 | 0 | 0.0 | 10 | 10 | 1 | 9 | 10 | | |
| Technical Assistance ^a | 78 | 11 | 14.1 | 67 | 78 | 4 | 74 | 71 | 6 | 1 |
| Direct Charges | 60 | 39 | 65.0 | 21 | | | | | | |
| Total | 148 | 50 | 33.8 | 98 | 88 | 5 | 83 | 81 | 6 | 1 |
| | | | <i>% of Total Rated</i> | | <i>100.0</i> | <i>5.7</i> | <i>94.3</i> | <i>92.1</i> | <i>6.9</i> | <i>1.1</i> |

FPF = financing partnership facility, RCIFPF = Regional Cooperation and Integration Financing Partnership Facility, TA = technical assistance.

^a The sum of the number and amount of TAs do not tally with the total for all FPF TAs since one TA is financed by both the Water Financing Partnership Facility and RCIFPF, and was counted only as one in the total for all FPFs.

Source: Project performance reports.

PERFORMANCE OF SELECTED PPF-FINANCED PROJECTS

Table A9.1: Evaluation of Selected PPF-Financed Projects

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|--|---|--|
| A. Water FPF | | |
| 1. ADTA 7049-PRC: Implementing the National Flood Management Strategy | <p>Aim. To promote the sustainable economic and social development of flood-prone areas in the PRC through effective and integrated measures of flood management. It plans to implement the national flood management strategy at the provincial level.</p> <p>Target outputs. (i) Recommendations for improving provincial flood management strategies of Hunan and Sichuan provinces, (ii) Development of provincial flood management action plans to implement the national strategy in the two provinces, (iii) Pilot tests of implementation of the national flood management strategy in the two provinces based on the provincial action plans, (iv) On-the-job capacity building through the pilot tests, (v) Dissemination of lessons learned to promote the implementation of the national flood management strategy at the provincial level.</p> | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been well-designed to achieve its intended results. The design and monitoring framework (DMF) for the project is mostly complete.</p> <p>In terms of project effectiveness, the project is on track to achieve some of its intended outputs. Provincial flood management action plans have been developed for Jiangxi and Hunan provinces. A final report has been submitted, which recommends an action plan concerning what exactly the provinces should do to implement the national policy for flood control. On the positive side, the TA won an award for its performance, which is a significant achievement.</p> <p>In terms of project efficiency, the TA has been extended by a year and a half beyond its original completion date. Part of the reason for this extension was to prepare a knowledge product.</p> <p>In terms of project preliminary sustainability, there is some doubt the provincial governments will actually implement the action plans. There is still time to work with the Ministry of Water at the national level, which gives some opportunity or leverage to follow up with the two provincial governments.</p> <p>TPR rating. TA Objective – S; IP – S</p> |
| 2. ADTA 7217-PRC: Preparing National Guidelines for Eco-Compensation in River Basins and a Framework for Soil Pollution Management | <p>Aim. To strengthen the PRC's policy and regulatory framework and its institutional capacity to implement payment for environmental services (PES) in river basins and manage contaminated soils.</p> <p>Components. (i) The preparation of draft national guidelines for PES in river basins, and (ii) the preparation of a draft framework for soil pollution management.</p> | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been adequately designed to achieve its intended results, although this is the first TA for the PRC where the implementing agency is recruiting the consultants. The DMF for the project is mostly complete.</p> <p>In terms of project effectiveness and sustainability, there has been insufficient progress to date on outputs because of the late start of the consultancies.</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|---|---|---|
| | <p>Target outputs. Reports and recommendations for the guidelines for the introduction of PES and national framework for soil pollution management.</p> | <p>In terms of project efficiency, there have been difficulties in recruiting domestic consultants and working through remuneration process issues, mostly concerning taxation rulings, which has delayed the project by 1 year.</p> <p>In terms of project sustainability, at this stage there is no view on likely sustainability.</p> <p>TPR rating. TA Objective – S; IP – S</p> |
| <p>3. PPTA 7132-IND: Integrated Flood and River Erosion Risk Management (IFREM) - Assam (Phase 2)</p> | <p>This PPTA was to ensure the implementation readiness of the multitranche financing facility for the IFREM Project - Arunachal Pradesh, initially prepared under TA Cluster 4814-IND.</p> <p>Target outputs. (i) Improved IFREM policy and regulatory framework; (ii) refined strategic context, development road map, and investment program; (iii) capacity development plan for the Water Resources Department (WRD); (iv) WRD staff trained in key IFREM activities and in ADB project implementation and financial management procedures; (v) frameworks for community participation in IFREM for social, resettlement, indigenous peoples, and environmental safeguards; (vi) detailed plans for community participation, social development and livelihood enhancement, resettlement, and environmental protection; (vii) pilot community-based flood management and livelihood enhancement initiatives; (viii) preselection of sample watershed areas for IFREM activities; (ix) detailed engineering designs, drawings, specifications, procurement procedures, and bidding and contract documents for the five subprojects under project 1; (x) detailed designs for nonstructural IFREM measures and a program for implementation of nonstructural measures under the investment program; and (xi) a project FFA and the first PFR relating to project 1.</p> | <p>Implementation status. Completed.</p> <p>Evaluation. The project appears to have been adequately designed to achieve its intended results but omitted some important risks. The DMF for the project is mostly complete.</p> <p>In terms of project effectiveness, the state is weak in terms of human resources and technical capacity – 40% of staff are from other states of India. The indigenous people have old customs and culture – so to bring about change will be difficult.</p> <p>In terms of project efficiency, territorial border disputes between the PRC and India and a delayed start of TA activities caused the TA completion date to be extended 18months to 31 December 2009.</p> <p>In terms of project sustainability, there is huge gap between what flood controls exist now and what is needed in the future. Therefore, the recommendations will be presented as a long term phased approach as the state can afford the implementation and have capacity to deliver. Much of the change is in river bank stabilization so the projects can be broken down into parts as and when the river needs the stabilization; river flow changes are also proposed.</p> <p>Latest TPR rating. TA Objective – S; IP – S</p> |
| <p>4. PPTA 7367-PHI: Pasig River Catchment Sewerage Project</p> | <p>The TA will partly finance a feasibility study for the Pasig River Catchment Sewerage Project, a component of the comprehensive wastewater management program that will be implemented by the Manila Water Company Inc. (MWC), one of two private sector</p> | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project design documents are very brief and are barely adequate for this PPTA. There is no DMF available.</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|---|--|---|
| | <p>concessionaires of the Manila Waterworks and Sewerage System.</p> | <p>In terms of project effectiveness, consultants have done this form of work before, have been working with Manila Water, and know exactly what the requirements are – so the project is very predictable. Based upon the consultants’ familiarity with the site, client, and deliverables, and also having the client funding one-fourth of the consultancy cost, there is minimal risk with the TA, but there should be buy-in to the process and the results.</p> <p>In terms of project efficiency, the original completion date was June 2010, but this was extended to November 2010, and more likely December 2010. The major reason for the extension is difficulty with the supply contract for the consultancy.</p> <p>In terms of likely project sustainability, the client is Manila Water, Inc. The Philippine Government has legislated that sanitation services will be delivered to Metro Manila, and this will involve a range of sewerage designs including large central treatment plants, smaller local treatment plants, and even septic tanks for some sites. It is expected that the total cost of sewerage and sanitation services will be in the order of \$1 billion for Metro Manila and around \$300–500 million for the Manila Water, Inc. concession area. The recommended designs will likely be accepted and implemented.</p> <p>TPR rating. TA Objective – S; IP – S</p> |
| <p>5. TA 6484-REG: Mekong Water Supply and Sanitation</p> | <p>Objective. To design a project that is sustainable, will improve water supply and sanitation facilities, and will promote safer hygiene practices for the urban population of nine secondary towns in the economic corridors in Cambodia, the Lao PDR, and Viet Nam.</p> <p>Target outputs. (i) Agreement on the water supply services level for each town, supported by feasibility studies on treatment options, the financial implications, and human capacity requirements; (ii) understanding of the policy and practices of setting user charges for water supply and sanitation; (iii) a short-term sanitation investment plan and a long-term sanitation strategy for each town; (iv) an endorsed institutional framework and capacity-building plan for public utilities; (v) endorsed private</p> | <p>Implementation status. Completed.</p> <p>Evaluation. The project appears to have been adequately designed to achieve its intended results, but some assumptions in respect of DMC support proved inadequate. The DMF for the project was mostly complete.</p> <p>In terms of project effectiveness, the TA had its origins with a concept to work with UN Habitat and a joint project funded by ADB with the UN. As the concept developed, the UN dropped out of the proposed project, and then ADB made the decision to go alone with the regional project, with the full knowledge that the final recommendations may not be pursued by the three governments. This TA was, therefore, a supply-driven TA that was to benefit the</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|---|---|---|
| | sector capacity building plan; and (vi) agreed-upon overall investment project. | <p>ADB and UN alliance as well as the three DMCs. There was a risk that the EAs might not take up the recommendations as they had other priorities. The report's recommendations have been delivered to the three countries; however, it is likely that the recommendations for Cambodia may not be pursued. The Cambodia line ministry is supportive of the recommendations; however, the Planning Ministry is not. Even though the Cambodia recommendations could be funded with a grant, the country may not have the human capacity to implement the recommendations. For the Lao PDR, which is eligible for a grant, the recommendations could be fitted within the PPTA for a sector project in the next 2–3 years. For Viet Nam, there is stronger support and a stronger demand from the provincial government, and the recommendations may be implemented within the sector-based (water and sanitation) multi-tranche finance facility being proposed.</p> <p>In terms of project efficiency, the project is delayed and has been extended 12 months. The TA has been completed and a final report delivered. The final report has been reformatted to address specific countries, which has delayed it to a small degree.</p> <p>In terms of likely project sustainability, it is too early to comment.</p> <p>TPR rating. TA Objective – S; IP – S</p> |
| 6. WFSFDC00006-PRC: Developing Sustainable Water Monitoring and Ecological Payment System | This activity takes the form of upstream work in preparation for the proposed ADTA on Preparing National Guidelines for Eco-Compensation in River Basins and a Framework for Soil Pollution Management, which aims to formulate a national strategy in the PRC to establish a market-based ecological service payment system. This activity is being implemented ahead of the ADTA to ensure an iterative process whereby experience from this activity can be fed into the design and contents of the ADTA as it develops and will also justify ADB's engagement to pursue the eco-payment mechanism through a larger scale ADTA should it prove to be successful and effective. | <p>Implementation status. Completed.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project was not available.</p> <p>In terms of project effectiveness, in June 2010 a PES Guideline was announced by the government.</p> <p>In terms of project efficiency, the project was implemented on time and in accordance with the design.</p> <p>In terms of likely project sustainability, with strong government interest and support, the concept will likely be sustainable. A new TA is being proposed to take the initiative further.</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|--|---|---|
| 7. WFSFDC00012-PRC: Qinghai Pasture Conservation Using Solar Photovoltaic (PV)-Driven Irrigation | This supports the development of integrated renewable energy such as PV-driven irrigation pasture system for developing irrigated pastureland that will result in (i) increased productivity of pasture areas; (ii) reduced overgrazing of natural pastureland and improved ecological conditions; and (iii) a market-based system for overcoming barriers in institutional arrangements, financial modalities, and policy/regulatory frameworks to allow the model to be replicated and scaled up in the future for conserving pastureland. This activity is cofinanced with the CEFPF. The WFPF will cover the cost of engaging water resources and irrigation specialists, while the CEFPF will pay for the cost of a renewable energy specialist. | <p>Implementation status. Completed.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project is mostly complete.</p> <p>In terms of project effectiveness, the TA is considered successful in that the pilot did demonstrate satisfactorily the use of solar power to irrigate crops.</p> <p>In terms of project efficiency, the project was completed in May 2010 and a final report has been received according to plan.</p> <p>In terms of project sustainability, whether or not the pilot will be replicated is another matter; it is too early to draw conclusions on whether or not the pilot knowledge will drive further pilots or a larger scale project.</p> |
| B. Clean Energy FPF | | |
| 8. G0142-PHI: Philippine Energy Efficiency (ACEF) | The grant supports the Philippine Government's program to help consumers switch to more efficient usage of lighting. It aims to (i) identify and finance projects that can easily be replicated in other parts of the country, (ii) create consumer awareness, and (iii) support projects that could claim carbon credits. | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project was mostly complete.</p> <p>In terms of project effectiveness, to get the population to convert to CFLs rather than use incandescent bulbs, effectiveness will depend upon the public having a good experience with the new CFL exchange bulbs and then being prepared to switch across to all CFL and to not use old technology incandescent bulbs. For this to happen, the new bulbs must be of a high quality, long lasting, and reliable. The entry cost to switch across must be affordable and enticing, and the education program needs to be effective. The switch across does not have any further financial incentives other than a perceived lower power bill and reduced failure of bulbs. At this stage, the PTL is very confident that the project will be effective.</p> <p>In terms of project efficiency, CFLs commenced distribution in September 2009. Distribution is on a swap basis. NGOs are the</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|--|--|---|
| | | <p>distribution agents and these were organized by the Department of Energy. See www.switchtocfl.org. A contract has been signed with the education provider, but this component of the program has unfortunately slipped and is coming after the distribution of the CFLs – ideally the education should have coincided with the distribution, but it has unfortunately lagged. The communications consultant will be implementing the education awareness program in the next few months.</p> <p>In terms of project sustainability, the Philippine Government did not ban the import and sale of incandescent bulbs, because for the country to receive the Clean Development Mechanism (CDM) Global credit payment, the initiative must pass the additionality test; this means the initiative must be implemented as a standalone additional initiative, and if the situation was that it was forced by legislation it would not pass the additionality test – in other words, the public would have been forced to change anyway and the initiative could not be classed as additional. As a consequence of gaining the CDM global credits (cash), the government has not banned incandescent bulbs. The change may be supported in the short term, but in the longer term there may be a short-term cost incentive to return to old technology.</p> <p>PPR rating. I&O – S; IP – S</p> |
| 9. G0109-PRC: Capacity Building for the Implementation of Efficiency Power Plant (CEF) | To provide capacity building for the implementation of the investment program, specifically for the development and implementation of training programs, preparation of templates, subproject appraisal and evaluation, energy savings estimation, and verification of different energy-saving technologies. | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project is adequate.</p> <p>In terms of project effectiveness, the context is a major project to provide a financial onlending facility for industry in Guangdong Province, PRC to invest in efficient energy plant and equipment. The EE plant and equipment are meant to be a replacement of old, less efficient equipment such as motors, motor drives, transformers, reactive power compensators, lighting, heating, ventilation, airconditioning, air compressors and pumping systems, recovery of waste energy, industrial boilers, and industrial cogeneration. The borrower is the Central Government and they will onlend to Guangdong Province, which will onlend to industry,</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|---|---|--|
| | | <p>which will implement the changeover. Because the loan component is really the driver of this project and the second tranche has been declared effective, industry is taking advantage of the line of credit and is spending the money made available. Project effectiveness is highly likely.</p> <p>In terms of project efficiency, the project has been difficult because it is an innovative one and it has been difficult to recruit suitable consultants. The consultants have now been recruited by the IA and are all domestic. They are developing technical monitoring methods and policies to support the initiative. The disbursement rate is lagging behind the actual achievements, because the IA is paying the consultants and then the IA seeks reimbursement from ADB.</p> <p>In terms of likely project sustainability, because the loan project is the driver for the TA and the loan's second tranche is effective, it is highly likely that the project will be sustainable.</p> <p>PPR rating. I&O - S; IP - S</p> |
| <p>10. TA 7011-SRI: Building the Capacity of Sustainable Energy Authority (CEF)</p> | <p>Aim. To strengthen the institutional capacity and technical capability of the Sustainable Energy Authority (SEA) to facilitate and coordinate the government's efforts to promote the sustainable development of renewable energy sources.</p> <p>Component 1. Issuance of provisional approval for renewable energy projects.</p> <p>Component 2. (i) 10-year action plan for SEA; (ii) Defined tasks of the Resource Development Division (RDD) and the Exploration and Facilitation Division (EFD); job descriptions of their senior officers; and business procedures, operational manuals, and coordination guidelines; (iii) A transitional human resource management plan for renewable energy and economic affairs groups; (iv) Medium-term capacity development program for renewable energy knowledge management, and economic affairs groups; (v) Proposal of possible sources of funding for the Sri Lanka Sustainable Energy Fund (SLSEF); (vi) Proposal of policy and financial instruments to promote renewable energy</p> | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project is mostly complete.</p> <p>In terms of project effectiveness, the TA is delivering capacity-building workshops and a comprehensive business plan as part of a bigger package of reforms. The overall initiative is being managed by the SEA, and it is expected that the quality of outputs will be carefully managed and coordinated. Effectiveness is highly likely.</p> <p>In terms of project efficiency, the TA has had a minor scope change, which has extended the completion date by around 6 months. The scope change was to introduce some practical workshops and capacity building for use of biomass in renewable energy production. The original scope was to produce an action plan, but this has now been changed to the development of a</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|--|--|--|
| | development. | <p>more comprehensive business plan.</p> <p>In terms of project sustainability, the World Bank is offering a line of credit for renewable energy projects, and the SEA will be doing the proposal assessments and selecting the private sector proponents for implementation. Transmission capacity from new power generators is being addressed, and new feed-in tariffs are being developed in another project. The whole “package” of energy reforms is being worked on, so the CDTA is not just a standalone TA but part of a much bigger reform package. Sustainability of the project is highly likely.</p> <p>TPR rating. TA Objective – S; IP – S</p> |
| 11. TA 7286-PRC: Carbon Dioxide Capture and Storage Demonstration (CCSF) | <p>Aim. To formulate a draft strategy for CCS deployment in the PRC.</p> <p>Target outputs. (i) Assessment and mapping of ongoing CCS activities and development of a road map; (ii) Identification of critical gaps and potential legal and regulatory barriers and risks; (iii) Identification of priority demonstration sites and financing needs; (iv) Assessment of institutional capacity, identification of measures to strengthen capacity, and public outreach.</p> | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project is mostly complete.</p> <p>In terms of project effectiveness, a pilot power station is very likely, and some stations have already been identified as potential pilot sites. The project is progressing as planned. This will be the first CCS demonstration project in Asia, so there will be pressure to make it succeed.</p> <p>In terms of project efficiency, in July 2010 the project was about midterm and was expected to conclude at end of 2010.</p> <p>In terms of project sustainability, NDRC has been working with the Department of Climate Change (in the PRC) and Greengen, formed in 2005, is the implementing agency. Sustainability is considered highly likely, given the importance of this technology for the PRC and the high profile organizations involved.</p> <p>TPR rating. TA Objective – S; IP – S</p> |
| 12. TA 7097-PHI: Pasuquin East Wind Farm Development (CEF) | The TA project was provided to ELPI Energy Logics Philippines Inc. (ELPI), a Philippine-registered corporation which is developing renewable energy projects in the country to complete the technical and design phase of the feasibility study to | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project was not</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|--|---|--|
| | <p>determine the viability of commercial operations of wind energy, which may include the generation of carbon credits.</p> | <p>available.</p> <p>In terms of project effectiveness, the company has secured a lease for 1,100 hectares (ha) for the site, and plans to secure a further 700 ha. An environmental impact study has been completed, and local councils have supported the project. The likely capital investment for the wind farm is close to reaching final closure, and the Department of Energy has provided a service supply franchise and firm feed in tariffs. The interconnection plan is in its first draft, which is consistent with a grid impact study. Invitation to express interest in the supply of 50 towers/turbines with a capacity of 100–120 megawatts was published in August 2010. Effectiveness is highly likely.</p> <p>In terms of project efficiency, two towers plus the monitoring equipment were installed in February 2010, later than planned due to inclement weather and difficulty in procurement. As of September 2010, wind data are being captured and analyzed by the company's engineers. A preliminary report on wind energy is expected at the end of 2010.</p> <p>In terms of project sustainability, most elements of the bigger development are now in place and the final wind ratings will be used to prove the viability and commencement of construction. The company is placing high importance on the project and is looking forward to a commercially viable and sustained project. Sustainability is likely.</p> <p>Latest TPR rating. TA Objective – S; IP – PS</p> |
| <p>13. TA 6485-REG: Promoting Energy Efficiency in the Pacific (CEF)</p> | <p>Aim. To improve the energy security in the participating Pacific island countries (Cook Islands, Papua New Guinea (PNG), Samoa, Tonga, and Vanuatu) and develop sound models of EE policy and project implementation that all PICs can follow.</p> <p>Target outcomes/outputs. The RETA is to provide direct assistance for the development of the required policy, legal, and institutional framework, and builds a pipeline of energy efficiency assistance projects for funding or cofinancing by ADB, Global Environment Facility (GEF), or other sources.</p> | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project is mostly complete.</p> <p>In terms of project effectiveness for PNG, it was agreed that the IA would be PNG Power, and that the selected subproject for implementation would be the power factor correction project. The consultants are now working closely with PNG Power for project</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|--|---|--|
| | | <p>design and implementation.</p> <p>A review mission was fielded in Samoa on 26 August to 3 September 2009. After an initial sector screening process, the consultants recommended priority energy efficiency projects for implementation under the RETA. The government proposed that the Power Factor Correction subproject be implemented under the TA</p> <p>A review mission was fielded in Tonga on 16–19 November 2009 and to Vanuatu on 23–27 November 2009. In Tonga, the consultant identified three energy efficiency programs for implementation: (i) LED fixtures for street lighting; (ii) energy efficiency in public buildings; and (iii) compact fluorescent lighting in the domestic sector. In Vanuatu, the identified programs are (i) energy efficiency in the hotel sector, and (ii) high-pressure sodium fixtures for street lighting.</p> <p>In terms of project efficiency, the consultants were mobilized to Samoa on 25 May 2009 and to Vanuatu on 7 June 2009. Data collection and subproject identification commenced. The governments are generally satisfied with progress to date.</p> <p>In terms of project sustainability, in order to upscale the lessons learned from the existing TA, it is proposed to include a RETA (tentatively \$1 million) in the 2010 PARD nonlending regional assistance pipeline supported by GEF financing. A GEF application (\$6 million) was submitted to the GEF Secretariat on 1 September 2009. The \$6 million GEF allocation was earmarked for an ADB energy efficiency project under the Pacific Alliance for Sustainability (PAS). A follow-on loan from GEF was earmarked for the region (excluding PNG). Provided the above projects are implemented, sustainability is considered likely.</p> <p>TPR rating. TA Objective – S; IP – S</p> |
| 14. CEFPC00005-REG: Recruitment of Clean Energy Expert | The CEFPC funds financed the services of a clean energy expert who provided technical support/expertise to RSID and operations departments on developing country investment plans and specific projects for the Clean Technology Fund of the Climate Investment | <p>Implementation status. Completed (August 2009).</p> <p>Evaluation. The project appears to have been adequately designed to achieve its intended results. The DMF for the project</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|---|--|--|
| | Funds. | <p>was not available.</p> <p>In terms of project effectiveness, the consultant successfully advised ADB on CE strategies and possible initiatives.</p> <p>In terms of project efficiency, the consultant was hired as planned and terminated in August 2008.</p> <p>In terms of project sustainability, the knowledge, advice and recommendations are likely to be sustained within ADB.</p> |
| <p>15. CEFPC00018 - Investment Summit for Hainan's Clean Energy Development (approved in 2010 for \$75,000)</p> | <p>Hainan Tourist Island Development - an initiative for an island targeted to become a tourist destination.</p> <p>To develop a clean energy policy to demonstrate commitment to clean energy and climate change</p> | <p>Implementation status. Completed.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project was not available.</p> <p>In terms of project effectiveness, policy was developed using a workshop, which was completed at the end of May 2010.</p> <p>In terms of project efficiency, the workshop was successful and the project time frame was 3 months. From the time the request was received to facilitate the workshop to the time the project was under way was 3 weeks – this demonstrates ADB's flexibility and speed to respond to a client need.</p> <p>In terms of project sustainability, the pilot is likely to be sustained, as the Ministry of Water is now making a request to the Ministry of Finance and ADB to extend the pilot, and possibly replicate it.</p> <p>This TA pilot may lead to an ADB loan.</p> |
| C. RCI FPF | | |
| <p>16. TA 6433: SASEC Regional ICT Research and Training Network (RCIF)</p> | <p>Objective. To develop the SASEC research and training network in terms of (i) regional and community priorities on, and need for, ICT skill and business development; (ii) establishing partnerships, linkages, and interactions with the regional communities and businesses through the research and training network; (iii) enhancing the subregional knowledge pool and resources for the capacity development of ICT professionals and entrepreneurs for long-term sustainable operation; and (iv) promoting research</p> | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been well designed to achieve its intended results. The DMF for the project is mostly complete.</p> <p>In terms of project effectiveness, a baseline study has been completed identifying the individual requirements for the four</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|--|--|--|
| | <p>and development on e-business, e-applications, and e-services to be delivered through the SASEC regional and village networks for the greater benefit of the community and business creation.</p> <p>Target outcomes/outputs. (i) Establishment of SASEC research and training centers in the four ICT research and training institutes connected with each other through the SASEC regional network; (ii) Development and implementation of a series of research and training programs; and (iii) Provision of entrepreneurship and development support through an ICT innovation development fund.</p> | <p>countries, and a maturity assessment has been completed covering education, banking methods, and government and NGO capacity to support community centers. Because the RETA is running late, and the IT sector is evolving quickly, the RETA is now undergoing a review and refinement process to ensure that it is effective.</p> <p>In terms of project efficiency, due to the four countries having to finalize six agreements for the interconnection service, the complexities of this agreement delayed the RETA by 1 year. By end 2010, there will be bilateral discussions on the operational details of the interconnection should be completed.</p> <p>In terms of project sustainability, Bangladesh has a Digital Business 2020 Plan, the Indian Government supports e-business, and Bhutan is developing an ICT business park with World Bank support. Nepal is the only country in the four that may be questionable in respect of sustainability.</p> <p>TPR rating. TA Objective – S; IP – S</p> |
| 17. ADTA 7157-BHU: Promotion of Clean Power Export Development | <p>The TA supports the Department of Energy (DOE) in promoting investment solicitation, due diligence, and financing plans for the demonstration projects.</p> <p>Objectives. To (i) develop capacity (e.g., risk management and project structuring, and public and private participation promotion) for DOE, DGPC, and Druk Holding and Investments; (ii) conduct a financial structuring study for medium-size power export projects; and (iii) prepare project design document(s) accessing clean development mechanism funding sources.</p> | <p>Implementation status. Ongoing.</p> <p>Evaluation. The project appears to have been adequately designed to achieve its intended results. The DMF for the project is adequate.</p> <p>In terms of project effectiveness, the project is on track to achieve its intended outputs. Consultants are building capacity of the executing agency and other agencies to support the demonstration projects. The FPF is financing mainly the second component for preparing the financial restructuring study, which is on track to be delivered by the end of 2010. Likewise, the project design documents are being prepared and are expected to be completed by end-2010.</p> <p>In terms of project efficiency, the TA has been extended by 3 months beyond its original completion date, but the implementation has been smooth.</p> |

| FPF/Name of Project | Objectives and Target Outputs | Status, Evaluation, and Rating |
|---------------------|-------------------------------|---|
| | | <p>In terms of project sustainability, there are two risks that need to be managed to sustain the expected project outcome. The first risk relates to the need to successfully negotiate the power purchase agreement between Bhutan and India. The second risk relates to the need to advance the ongoing discussion on possible use of a public-private partnership modality and due diligence for the ensuing investment project. Given that the ensuing loan would be the second power trading project financed by ADB, there are good prospects that the project outcome will be sustained.</p> <p>TPR rating. TA Objective – S; IP – S</p> |

ADB = Asian Development Bank, ADTA = advisory technical assistance, BHU = Bhutan, CCS = Carbon Capture and Storage, CCSF = Carbon Capture and Storage Fund, CE = clean energy, CEF = Clean Energy Fund, CEFPP = Clean Energy Financing Partnership Facility, CFL = compact fluorescent lamp, DGPC = Druk Green Power Corporation, DMC = developing member country, EA = executing agency, FFA = framework financing agreement, FPF = financing partnership facility, G = grant, IA = implementing agency, ICT = information and communication technology, IND = India, I&O = impact and outcome, IP = implementation progress, IT = information technology, Lao PDR = Lao People's Democratic Republic, NDRC = National Development and Reform Commission, NGO = nongovernment organization, PARD = Pacific Department, PFR = periodic financing request, PHI = Philippines, PPTA = project preparatory technical assistance, PPR = project performance report, PRC = People's Republic of China, PTL = project team leader, RCIFPF = Regional Cooperation and Integration Financing Partnership Facility, REG = regional, RETA = regional technical assistance, S = satisfactory, SASEC = South Asia Subregional Economic Cooperation, TA = technical assistance, TPR = technical assistance performance report, UN = United Nations, WFPF = Water Financing Partnership Facility.

Sources: Project documents, project performance reports, technical assistance performance reports, FPF secretariats, interviews with project officers.

Table A9.2: Summary Ratings of Selected FPF-Financed Projects

| Item | Relevance | Effectiveness | Efficiency | Sustainability |
|--|------------|---------------|------------|----------------|
| WFPF-Financed Projects | | | | |
| 1. ADTA 7049-PRC: Implementing the National Flood Management Strategy | 3 | 3 | 3 | 1 |
| 2. ADTA 7217-PRC: Preparing National Guidelines for Eco-Compensation in River Basins and a Framework for Soil Pollution Management | 3 | 2 | 1 | 2 |
| 3. PPTA 7136-IND: Integrated Flood and River Erosion Risk Management (IFREM) - Assam (Phase 2): Processing and Institutional Strengthening | 2 | 2 | 2 | 1 |
| 4. PPTA 7367-PHI: Pasig River Catchment Sewerage Project | 1 | 3 | 2 | 3 |
| 5. RETA 6484: Mekong Water Supply and Sanitation | 2 | 2 | 2 | 2 |
| 6. DC - Developing Sustainable Water Monitoring and Ecological Payment System | 2 | 3 | 1 | 2 |
| 7. DC- Qinghai Pasture Conservation Using Solar Photovoltaic (PV)-Driven Irrigation | 3 | 3 | 3 | 1 |
| Overall WFPF | 2.3 | 2.6 | 2.0 | 1.7 |
| CEFPF-Financed Projects | | | | |
| 8. G0142-PHI: Philippine Energy Efficiency (Investment Grant Component of Loan) | 3 | 3 | 1 | 2 |
| 9. G109-PRC: Capacity Building for Implementation of Efficiency Power Plant | 2 | 3 | 1 | 3 |
| 10. ADTA 7011-SRI: Building the Capacity of Sustainable Energy Authority | 3 | 3 | 2 | 2 |
| 11. CDTA 7286-PRC: Carbon Dioxide Capture and Storage (CCS) Demonstration - Strategic Analysis and Capacity Strengthening | 3 | 3 | 2 | 3 |
| 12. PPTA 7097- PHI: Pasuquin East Wind Farm Development (CEF) | 2 | 3 | 2 | 3 |
| 13. RETA 6485: Promoting Energy Efficiency in the Pacific | 3 | 3 | 2 | 2 |
| 14. DC - Recruitment of Clean Energy Expert | 3 | 3 | 3 | 3 |
| 15. CEFPC00018 - Investment Summit for Hainan's Clean Energy Development | 3 | 3 | 3 | 2 |
| Overall CEFPF | 2.8 | 3.0 | 2.0 | 2.5 |
| RCIFPF-Financed projects | | | | |
| 16. RETA 6433: SASEC Regional ICT Research and Training Network (RCIF) | 2 | 2 | 2 | 2 |
| 17. ADTA 7157 - BHU: Promotion of Clean Power Export Development | 2 | 3 | 2 | 2 |
| Overall RCIFPF | 2 | 2.5 | 2 | 2 |

ADTA = advisory technical assistance, BHU = Bhutan, CDTA = capacity development technical assistance, CEF = Clean Energy Fund, CEFPF = Clean Energy Financing Partnership Facility, FPF = financing partnership facility, G = grant, IND = India, PHI = Philippines, PPTA = project preparatory technical assistance, PRC = People's Republic of China, RETA = regional technical assistance, SASEC = South Asia Subregional Economic Cooperation, SRI = Sri Lanka, WFPF = Water Financing Partnership Facility
Source: FPF special evaluation study assessment.

COMPARATOR ASSESSMENT

Table A10.1: Financing Partnership Facilities/Platforms/Funds of Multilateral Agencies (AfDB, IDB, and WB) similar to ADB's FPFs on Water, Clean Energy, and Regional Cooperation and Integration

| Agency/Unit in Charge | Facility/Platform/Fund | Objective | Focus Areas/Priority Projects | Funding |
|--|---|--|--|--------------|
| African Development Bank (AfDB) | 1. African Financing Partnership (AFP) | To bring together DFI partners with a similar mission so that further results can be delivered with combined efforts | Infrastructure and industrial-related projects with large funding requirements | |
| | - a collaborative, cofinancing platform among development finance institutions (DFIs) active in private sector project financing in Africa | Focused on: i) <i>Harmonization</i> : creating common best practices and collaboration among DFIs in Africa ii) <i>Additionality</i> : using DFIs' capital to leverage private capital for catalyzing greater investments in development in Africa | i) Infrastructure – power, transport, ICT, and water/sanitation ii) Industries – extractive industries, agribusiness, and health care iii) Financial institutions – African DFIs, banks, microfinance, guarantees | |
| | <i>2009 Joint IFI/DFI Action Plan</i> . Key initiatives: i) Bank Capitalization Fund, ii) Global Trade Liquidity Program, iii) Microfinance Fund, iv) African SME Guarantee Fund, v) Emergency Liquidity Facility, vi) Infrastructure Crisis Facility, vii) EU-Africa Infrastructure Trust Fund, and viii) African Agriculture Fund | To combat the financial crisis in Africa | Pipeline for 2010: Mobilization of investment and capital for projects in Africa Collaborative cofinancing including financing projects in Sierra Leone and Côte d'Ivoire for projects in infrastructure, power, renewable energy, and agribusiness | \$15 million |
| | 2. African Water Facility An initiative led by the African Ministers' Council on Water (AMCOW) to mobilize financial resources for water sector development in Africa | To attract and make effective use of increased and appropriate investments needed to achieve national and regional water sector targets in Africa | Improving the enabling environment to attract more investments Providing direct capital investments to trigger larger investments for sustainable development focusing on integrated water resources management (IWRM) at the national level and transboundary water resources management (TWRM) at the | |

| Agency/Unit in Charge | Facility/Platform/Fund | Objective | Focus Areas/Priority Projects | Funding |
|--|--|--|---|--|
| | | | regional level | |
| | 3. Multidonor Water Partnership Program | To help operationalize the AfDB's IWRM Policy, create awareness on and enhance commitment to IWRM among regional member countries (RMCs), and support the coordinating efforts of AfDB's with respect to the various water initiatives | <ul style="list-style-type: none"> (i) IWRM outreach and knowledge sharing (ii) Support to the AfDB's operations capacity (iii) Water information and data management at AfDB (iv) Support for transfer of best practices and experiences | Equivalent of Euro 9.14 million |
| | 4. Investment Climate Facility A public-private initiative through which donors, international and domestic corporations, as well as NGOs collaborate with African governments and regional organizations | To improve the investment climate at the national, regional, and continental levels | <p>First phase strategic themes:</p> <ul style="list-style-type: none"> i) <i>Intra-African trade</i> - improving Africa's import and export environment as well as improving and simplifying administration in order to facilitate cross-border trade ii) <i>Facilitating business development and expansion</i> - focusing on constraints on information and communication technology and infrastructure development, business registration and licensing, and property rights iii) <i>Facilitating financial and investment environment</i> - developing capital markets, increasing access to finance for enterprises, improving the regulatory environment for second and third tier institutions, and facilitating improved digital infrastructure | <p>Projected funding needs (7 years): \$550 million</p> <p>Initial target funding (first 3 years): \$120 million</p> |
| Inter-American Development Bank (IDB) | 1. Knowledge Economy Multidonor Fund (KEF) | To increase competitiveness and reduce poverty in Latin America and the Caribbean through the development and strengthening of national innovation systems (NISs) and support to key scientific, technological, and business actors, both national and regional, so that they can become fully integrated participants in worldwide knowledge networks | KEF supports projects that (i) are related to the design, evaluation and adaptation of mechanisms that help leverage additional investment in innovation activities at the firm level; (ii) support planning, evaluation, and pilot testing of programs aimed at building and preserving a critical mass of scientists, engineers, and highly qualified technicians; and (iii) support the streamlining of public policy and building effective institutions for the science, technology, and innovation sector | <p>Pledges: Total: \$4.96 million Received: \$2.56 million</p> |

| Agency/Unit in Charge | Facility/Platform/Fund | Objective | Focus Areas/Priority Projects | Funding |
|---|--|---|--|---|
| 2. Multidonor Disaster Prevention Trust Fund A nonreimbursable technical cooperation multidonor trust fund | To support borrowing member countries to manage risks related to natural hazards by reducing their vulnerability, and by preventing and mitigating disasters, focusing efforts on prevention activities | (i) Identification and documentation of risk at sector or country level (ii) Preparation of projects or components of projects related to disaster prevention (iii) Strengthening/creation of early warning systems, communication, and education (iv) Planning for use of land for reduction of vulnerability. (v) Strengthening of institutions' capabilities, policies, and programs (vi) Strengthening of insurance markets including the design of financial instruments (vii) Small investments required for the above-mentioned activities | Pledges: Total: \$9.06 million Received: \$9.06 million | |
| 3. Gender and Diversity Multidonor Fund | To contribute to the equitable and culturally appropriate development of IDB member countries by fostering gender equality, combating discrimination, and supporting development with identity | (i) Project development (ii) Strengthening and capacity building (iii) Knowledge management | Pledges: Total: \$4.20 million Received: \$4.20 million | |
| 4. Sustainable Energy and Climate Change Initiative Multidonor Fund | To finance activities aiming at expanding investment in renewable energy and energy efficiency technologies, increasing access to international carbon finance, and the mainstreaming of adaptation to climate change into policies and programs across sectors in Latin America and the Caribbean | (i) Renewable energy and energy efficiency (ii) Biofuels development (iii) Carbon market access (iv) Adaptation to climate change | Pledges: Total: \$26.7 million Received: \$26.87 million | |
| World Bank Group (WBG) Concessional Finance and Global Partnerships (CFP) vice presidency | 1. Global Environment Facility (GEF), an independent financial mechanism for providing new and additional grants and concessional funding GEF is the largest funder of the global environment challenge and a global partnership among 180 countries, international institutions, nongovernment organizations | To cover the "incremental" or additional costs of measures to assist in the protection of the global environment and to promote environmentally sustainable development Helps fund initiatives that assist developing countries in meeting the objectives of the following conventions: (i) Convention on Biological Diversity | (i) biodiversity, (ii) climate change, (iii) international waters, (iv) land degradation, (v) the ozone layer, and (vi) persistent organic pollutants (POPs) | Since 1994, donors have replenished the GEF Trust Fund three times. Total resources pledged and contributions: \$9.7 billion |

| Agency/Unit in Charge | Facility/Platform/Fund | Objective | Focus Areas/Priority Projects | Funding |
|-----------------------|---|--|--|---|
| | <p>(NGOs), and the private sector to address global environment issues while supporting national sustainable development initiatives</p> <p>GEF operating funds: (i) GEF Trust Fund (ii) Least Developed Countries Fund for Climate Change (LDCF) (iii) Special Climate Change Fund (SCCF)</p> | <p>(CBD), (ii) United Nations Framework Convention on Climate Change (UNFCCC), (iii) Stockholm Convention on Persistent Organic Pollutants (POPs), and (iv) UN Convention to Combat Desertification (UNCCD)</p> | | |
| | 2. Climate Investment Funds (CIFs) | To mitigate increases in greenhouse gas (GHG) emissions and to develop climate-resilient economies in developing countries | (i) power sector; (ii) transport sector; and (iii) energy efficiency | Total pledges (13 countries): \$ eq. 6.3 billion equivalent |
| | <p>CIF are comprised of two Trust Funds:</p> <p>(i) Clean Technology Fund (CTF) - provides new large-scale financial resources to invest in clean technology projects in developing countries</p> <p>(ii) the Strategic Climate Fund (SCF) - serves as an overarching fund that provides financing to pilot innovative approaches or to scale-up activities aimed at specific climate change challenge or sectoral response</p> | (i) To contribute to the demonstration, deployment, and transfer of low-carbon technologies with a significant potential for long-term GHG emissions savings | | |
| | <p>3. Debt Relief Trust Fund (DRTF) Initiative - formerly Heavily Indebted Poor Countries (HIPC) Initiative - supplemented by the Multilateral Debt Relief Initiative (MDRI)</p> | To reduce the external debt of the most heavily indebted countries from unsustainable to sustainable levels | | As of January 2010, commitments: US\$eq. 6.34 billion |
| | | <p>To provide substantial debt relief to countries that implement critical social and economic reforms as part of an integrated approach to sustainable development</p> <p>To help accelerate progress toward the United Nations Millennium Development Goals (MDGs)</p> | | |

| Agency/Unit in Charge | Facility/Platform/Fund | Objective | Focus Areas/Priority Projects | Funding | | |
|--|---|---|--|--|----------------------|--|
| 4. Consultative Group on International Agricultural Research (CGIAR) - an informal association composed of public and private sector Members from North and South, with FAO, IBRD, IFAD, and UNDP as cosponsors - WB's first innovative finance trust fund program | To mobilize sustainable development of agriculture by providing international agricultural research centers with financial assistance and strategic guidance | Agricultural research | 5. International Finance Facility for Immunisation (IFFIm) -- Backed by pledges, IFFIm floats AAA-rated bonds in capital markets to fund vaccination programs | To provide accelerated funding for immunization programs in 70 poorest countries | 70 poorest countries | Eight governments have pledged \$5.3 billion for the next 20 years |
| 6. Global Fund to Fight Aids, Tuberculosis, and Malaria (GFATM) - an innovative financing mechanism to attract, manage, and disburse resources rapidly and to make available and leverage additional resources - a partnership between developed countries, developing countries, the private sector, civil society and affected communities | To make a sustainable contribution to the reduction of infection, illness, and death caused by three communicable diseases: HIV/AIDS, tuberculosis, and malaria | Programs developed by the recipient countries themselves, in line with national strategic health plans and priorities | As of December 31, 2009, the Global Fund had received approximately \$ 15.4 billion in contributions in the form of cash and promissory notes from about 48 donors | | | |

FAO = Food and Agriculture Organization, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, IBRD = International Bank for Rural Development, ICT = Information and Communications Technology, IFAD = International Fund for Agricultural Development, UNDP = United Nations Development Programme.

Sources: African Development Bank (www.afdb.org); Inter American Development Bank (www.iadb.org); World Bank Group (web.worldbank.org) and Teleconference proceedings; World Bank – Global Partnership and Trust Fund Operations. 2009. Trust Fund Annual Report. Washington DC; IDB. *2004–2008 Report: Trust Funds at the Inter-American Development Bank*.

Table A10.2: Cofinancing Experience of AfDB, IDB, and WB^a

| Discussion Topics | AfDB | IDB | World Bank |
|---|---|--|--|
| 1. Cofinancing modalities/mechanisms and structures | <ul style="list-style-type: none"> • Grants are for specific projects, mostly research • TAs are covered by service contracts and institutional memoranda of understanding (MOUs) funded by trust funds; no special fund like TASF of ADB • Cofinancing is a structured arrangement, mainly for public projects and covered by MOUs • 10 multidonor thematic funds: water, infrastructure, Congo forest, microfinance, migration development, etc. • 21 single/bilateral trust funds • Nonfinancial contributions such as “secondees” are not given monetary values | <ul style="list-style-type: none"> • Main instruments: multidonor trust funds, individual donor trust funds, project specific grants, co-financing-typically with concessional, reimbursible funding; other facilities which are tailor made to a particular situation • Nonmonetary contributions like secondees are accepted by IDB, usually government technical experts/consultants | <ul style="list-style-type: none"> • Global partnership programs with varied funding sources; 50% of portfolio comprised of large global funds • Over 1,000 active accounts/funds administered • 200 trust fund programs where WB plays different roles; trust funds are either programmatic or for a specific purpose covered by an agreement • Financial intermediary fund where WB acts as fiscal agent |
| 2. Administrative arrangements used to manage cofinancing contributions | <ul style="list-style-type: none"> • Corporate Service Unit manages trust funds, knowledge partnerships, cofinancing • Delegation authority: different levels of approving authorities (AfDB, donor, and AfDB Board of Directors) • Decentralization is not fully operational; the informant’s department/unit does a lot of AfDB-wide interdepartmental and intersectoral coordination • For most trust funds, AfDB unit/staff designated as coordinator/secretariat; there are also externally funded personnel (like contractors), e.g., in the case of the Congo Forestry Fund • 5% administration fee is charged every time donor remits contribution | <p>Delegation of authority</p> <ul style="list-style-type: none"> • Under MDTF, donor gives IDB full authority (no maximum limit) • Under individual DTF, some donors’ authority given is by project, some by amount (e.g., IDB is given authority by Finland Government up to \$200,000; more than this has to be approved by Finland; Government of Japan, gives full authority to IDB) • Governance structure – work in progress | <ul style="list-style-type: none"> • FPF governance structure is similar to programmatic trust funds; • CFP undertakes trust fund coordination |
| 3. Sustainability of donors’ contributions | <ul style="list-style-type: none"> • There is no standard/regular replenishment schedule followed by donors; it depends on the donor and on the funds • Defaulting on commitments is not an emerging issue | <ul style="list-style-type: none"> • Sustainability of donors’ contribution depends on the way the fund is managed and the need for the work it supports or its usefulness | |
| 4. Monitoring of funds and reporting to donors | <ul style="list-style-type: none"> • Oversight committee composed of donor representatives • Strengthening the resource orientation of the monitoring framework • Annual meetings | <ul style="list-style-type: none"> • Quantitative and qualitative, or detailed project-by-project report • Reporting of results (outcomes and outputs) is at fund level • A lot more work is needed on reporting | <ul style="list-style-type: none"> • IEG is conducting an evaluation of regional partnership programs • Annual trust fund reports • Directory of trust funds available on the WB website |

| Discussion Topics | AfDB | IDB | World Bank |
|---|--|--|---|
| | <ul style="list-style-type: none"> Annual reports are fairly detailed, but quality of reporting is being improved Annual report submitted for each fund to donors Project results are reported in aggregate The 1st annual consolidated report of all trust funds administered by AfDB will be published by end 2010 | of development results | |
| 5. Advantages of entrusting donor funds to the bank | <ul style="list-style-type: none"> AfDB is close to the target clients of donors in the region; AfDB understands the clients AfDB has good, solid pipeline of projects up to 2013 | Advantage of working with IDB - depends on the donor. For instance, IDB (CIF) vs WB (GEF: IDB is focused on 4 countries while WB works with 26 countries, so IDB has stronger presence than WB | Not discussed |
| 6. Promoting partnerships | <ul style="list-style-type: none"> AfDB makes effort to enhance its credibility AfDB has received feedback that donors are happy about how the trust funds have been administered. In the past 3 years, it has increased visibility and credibility of the funds; and trust funds have been much more efficient. Challenges: (i) Meet the demands of donors under the partnership; (ii) It is important that donors perceive AfDB as “professional, responsive, and creative (in formulating solutions); and (iii) Streamline administration of bilateral and multi-donor thematic funds, standardize MOUs/trust fund arrangements (AfDB started streamlining/ standardization in 2008) Plan: Partnership strategy for 2011–2015 (including cofinancing) will have more structured arrangement | | <ul style="list-style-type: none"> IEG is conducting an evaluation of WB regional partnership programs |

ADB = Asian Development Bank, AfDB = African Development Bank, CIF = Climate Investment Fund, IDB = Inter-American Development Bank, IEG = Independent Evaluation Group, MOU = memorandum of understanding, TA = technical assistance, TASF = Technical Assistance Support Fund, WB = World Bank.

^a Highlights of teleconference with Ms. Kazumi Ikeda-Larhed, Head of the Partnership and Cooperation Unit (ORRU), AfDB; Ms. Ginya A Truitt Nakata, Operations Sr. Specialist, Office of Outreach and Partnerships, IDB; and Ms. Catherine Gwin, Consultant, Independent Evaluation Group, WB.

Source: FPF special evaluation study team notes.

Table A10.3: Service Fees on Trust Funds Currently Applied by Major Multilateral Development Banks

| Financing Mechanism | ADB | AfDB | IDB | World Bank |
|--|--|--|---|--|
| Single-Donor Trust Fund | Standard fee of 5% for TA projects or 2% for investment grants | Standard fee of 5% for all funds administered by AfDB, with minimum of \$1 million | Standard fee of 5% for TA projects and for cofinancing \$35,000 one-time setup fee for single-donor trust funds Additional fees for any extra administration required by single-donor trust funds | Flat fee of 5% for TA projects and for cofinancing grant of less than \$30 million Raised minimum of \$200,000 to \$1 million A startup fee of \$35,000 for all new standard fee-based trust funds Customized fee for cofinancing grants larger than \$30 million and other nonstandard fee trust funds |
| Multidonor Trust Funds | 5% or 2%, as applicable | Standard fee of 5%, with minimum of \$2 million | Standard fee of 5% for TA projects and for cofinancing | Minimum of \$1 million with an upfront fee of \$35,000. Flat fee of 5% for TA projects and for cofinancing grant of less than \$30 million. Customized fee for grants larger than \$30 million and other trust funds. |
| Project-Specific Financing or Cofinancing | 5% or 2%, as applicable | Standard fee of 5% for all funds administered by AfDB | Standard fee of 5% for TA projects and for cofinancing | Minimum of \$1 million with an upfront fee of \$35,000. Flat fee of 5% for TA projects and for cofinancing grant of less than \$30 million. Customized fee for grants larger than \$30 million and other nonstandard fee trust funds. |

ADB = Asian Development Bank, AfDB = African Development Bank, IDB = Inter-American Development Bank, TA = technical assistance.

Source: ADB. 2009. *Review of the Asian Development Bank's Service Charges for the Administration of Grant Cofinancing from External Sources*. Manila.